



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 997

Series of 2018

Subject: Reduction in Reserve Requirements

In its Resolution No. 194 dated 8 February 2018, the Monetary Board approved the 100-basis-point reduction in the reserve requirement ratios of universal/commercial banks (UBs/KBs) and non-bank financial institutions with quasi-banking functions (NBQBs).

Section 1. The provisions of the Manual of Regulations for Banks (MORB) on reserves against deposit and deposit substitute liabilities are hereby amended to read, as follows:

"xxx

"§X253.1 Required reserves against deposit and deposit substitute liabilities. The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks starting reserve week 2 March 2018 shall be as follows:

	UBs/KBs	TBs	RBs/ Coop Banks
a. Demand Deposits	19%	8%	5%
b. NOW accounts	19%	8%	5%
c. Savings Deposits	19%	8%	3%
d. Time Deposits, Negotiable Certificates of Time Deposits (CTDs), Long-term Non-negotiable Tax Exempt CTDs	19%	8%	3%
e. Long-term negotiable certificates of time deposits			
1. LTNCTDs under Circular No. 304	4%	4%	4%
2. LTNCTDs under Circular No. 842	7%	7%	7%
f. Deposit Substitutes (DS)	19%	8%	NA
g. DS evidenced by repo agreement	0%	0%	NA
h. IBCL (Sec. X343)	0%	0%	0%
i. Bonds	6%	6%	NA
j. Mortgage/CHM cert.	NA	6%	NA
k. Peso deposits lodged under Due to foreign banks	19%	NA	NA
l. Peso deposits lodged under Due to Head Office/Branches/Agencies Abroad (Philippine branch of a foreign bank)	19%	NA	NA

"xxx"

"§X405.5 Reserves against peso-denominated common trust funds and trust and other fiduciary accounts – others

"a. Reserves against peso-denominated CTFs. xxx

The required reserves against peso-denominated CTFs and such other managed peso funds which partake of the nature of a collective investment of peso- denominated CTFs shall be as follows:

" UBs/KBs – 19%

" TBs – 9%

" RBs – 4%

starting reserve week 2 March 2018.

"b. Reserves against TOFA - Others. xxx

"xxx"

Section 2. The provisions of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) on reserves are hereby amended to read, as follows:

"Sec. 4253Q (2008 - 4246Q) Reserves Against Deposit Substitutes. NBQBs shall maintain required reserves equivalent to nineteen percent (19%) of deposit substitute liabilities as defined in Section 95 of R.A. No. 7653, regardless of maturities except:

- (a) xxx ;
- (b) xxx ;
- (c) xxx ; and
- (d) xxx

starting reserve week 2 March 2018.

"xxx"

"§4405Q.5 Reserves against peso-denominated common trust funds and trust and Other Fiduciary Accounts (TOFA) – Others

" a. Reserves against peso-denominated CTFs. xxx

"The reserves to be maintained shall be 19% starting reserve week 2 March 2018.

"xxx"

Section 3. This Circular shall take effect on 2 March 2018.

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Governor

15 February 2018