



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 962

Series of 2017

Subject: Guidelines on the Method of Determining Compliance with the Required Basic Security Deposit During the Transition Period¹ of Spun-off Trust Department to Trust Corporation

The Monetary Board in its Resolution No. 855 dated 25 May 2017 approved the amendment to Section 4905T of the Manual of Regulations for Non-Bank Financial Institutions-T Regulations (MORNBFI-T) on the transitory provision providing the method of determining compliance with the required basic security deposit during the transition period of the spun-off Trust Department to Trust Corporation.

Section 4905T of the MORNBFI-T Regulations is hereby amended to add Subsection 4905T.1 to read as follows:

"Subsection 4905T.1 Compliance with the required basic security deposit during and after transition period.

a. During transition period

- (1) Spun-off trust department shall maintain basic security deposit equivalent to 1% of its previous end-of-day balance of total trust, investment management, and other fiduciary assets;
- (2) The newly established trust corporation shall maintain basic security deposit equivalent to the higher of P500,000.00 or 0.05% of the previous end-of-day balance of total trust, investment management, and other fiduciary assets; and
- (3) A weekly report on the daily compliance with the required basic security deposit shall be submitted to the Bangko Sentral ng Pilipinas (BSP) by the first business day following the reference calendar week (Monday to Sunday).

b. After the transition period

- (1) The newly established trust corporation shall maintain basic security deposit equivalent to the higher of P500,000.00 or 0.05% of the balance of

¹ The period where both the trust department and trust corporation simultaneously operate for smooth transfer of business operation.

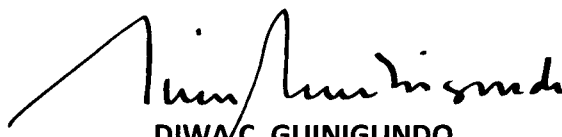
the total trust, investment management, and other fiduciary assets as of the end of transition period until one calendar quarter of operations; and

- (2) Thereafter, the trust corporation shall maintain the required basic security deposit under Subsection 4112T.3 of the MORNBFI-T.

The trustee or fiduciary shall have 10 calendar days after end of day from the start of the transition period until one calendar quarter of operation after end of the transition period within which to deposit with the BSP the additional securities to comply with the required securities.

This Circular shall take effect fifteen (15) days following its publication in the Official Gazette or in any newspaper of general circulation in the Philippines.

FOR THE MONETARY BOARD:



DIWA C. GUINIGUNDO
Officer-in-Charge

8 June 2017