



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 943

Series of 2017

Subject: Extension of the Basel III Leverage Ratio Monitoring Period

The Monetary Board, in its Resolution No. 2307 dated 23 December 2016, approved the one-year extension of the Basel III Leverage Ratio monitoring period from 31 December 2016 to 31 December 2017.

Section 1. Subsection X115.6 Basel III Leverage Ratio Framework of the Manual of Regulations for Banks (MORB) is hereby amended as follows:

"a. The Basel III Leverage Ratio xxx

xxx

Starting 31 December 2014 and every quarter thereafter until 31 December 2017, concerned banks shall submit the Basel III Leverage Ratio reporting template, including required disclosure templates, on both solo and consolidated bases for monitoring purposes. For the periods ended 31 December 2014, 31 March 2015 and 30 June 2015, the reports shall be submitted within 30 banking days from 30 June 2015 on both solo and consolidated bases. For the succeeding quarters, the report shall be submitted semi-annually, each submission covering two quarters on both solo and consolidated bases. Report submission shall be 15 banking days and 30 banking days on solo and consolidated bases, respectively, from the end of the most recent reference quarter. The report submission is summarized below:

Report Date	Reference Date	Deadline of Submission
31 December 2014 31 March 2015 30 June 2015	30 June 2015	30 banking days on both solo and consolidated bases from end of reference date
30 September 2015 31 December 2015	31 December 2015	15 banking days on solo basis from end of reference date and 30 banking days on consolidated basis from end of reference date
31 March 2016 30 June 2016	30 June 2016	
30 September 2016 31 December 2016	31 December 2016	
31 March 2017 30 June 2017	30 June 2017	
30 September 2017 31 December 2017	31 December 2017	

During the monitoring period, the Bangko Sentral shall continue to assess the calibration as well as the treatment of the components of the leverage ratio. Final guidelines shall be issued in view of the changes to the framework as well as migration from monitoring of the leverage ratio to a Pillar 1 requirement starting 01 January 2018. Public disclosure of information relative to leverage ratio shall not be required during the monitoring

period, i.e. 31 December 2014 to 31 December 2017.

b. Sanctions. Banks shall not be penalized on any breach on the 5.0 percent minimum leverage ratio during the monitoring period, i.e., 31 December 2014 to 31 December 2017. However, late and/or erroneous reports shall be subject to penalties provided under Subsection X192.2 of the MORB. Banks failing to submit the required reports within the prescribed deadlines shall be subject to monetary penalties applicable for delayed reporting under existing regulations. For purposes of imposing monetary penalties, the reports shall be classified as a Category A-1 report.”

Section 2. Section B of Appendix 111 of the MORB is hereby amended as follows:

“B. Reporting and Disclosure Requirements

Starting 31 December 2014 and every quarter thereafter until 31 December 2017, banks/QBs concerned shall submit the Basel III Leverage Ratio reporting template on both solo and consolidated bases for monitoring purposes. The report shall use the prescribed forms and shall be submitted to the appropriate department of the SES. For the periods ended 31 December 2014, 31 March 2015 and 30 June 2015, the reports shall be submitted within 30 banking days from 30 June 2015 on both solo and consolidated bases. For the succeeding quarters, the report shall be submitted semi- annually, each submission covering two quarters on both solo and consolidated bases. Report submission shall be 15 banking days and 30 banking days on solo and consolidated bases, respectively, from the end of the most recent reference quarter. The report submission is summarized below:

Report Date	Reference Date	Deadline of Submission
31 December 2014 31 March 2015 30 June 2015	30 June 2015	30 banking days on both solo and consolidated bases from end of reference date
30 September 2015 31 December 2015	31 December 2015	15 banking days on solo basis from end of reference date and 30 banking days on consolidated basis from end of reference date
31 March 2016 30 June 2016	30 June 2016	
30 September 2016 31 December 2016	31 December 2016	
31 March 2017 30 June 2017	30 June 2017	
30 September 2017 31 December 2017	31 December 2017	

xxx”

Section 3. Subsection 4115Q.6 Basel III Leverage Ratio Framework of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFII) is hereby amended as follows:

“a. The Basel III Leverage Ratio xxx

xxx

Starting 31 December 2014 and every quarter thereafter until 31 December 2017, concerned QBs shall submit the Basel III Leverage Ratio reporting template, including required disclosure templates, on both solo and consolidated bases for monitoring purposes. For the periods ended 31 December 2014, 31 March 2015 and 30 June 2015, the reports shall be submitted within 30 banking days from 30 June 2015 on both solo and consolidated bases. For the succeeding quarters, the report shall be submitted semi-annually, each submission covering two quarters on both solo and consolidated bases. Report submission shall be 15 banking days and 30 banking days on solo and consolidated bases, respectively, from the end of the most recent reference quarter. The report submission is summarized below:

Report Date	Reference Date	Deadline of Submission
31 December 2014 31 March 2015 30 June 2015	30 June 2015	30 banking days on both solo and consolidated bases from end of reference date
30 September 2015 31 December 2015	31 December 2015	15 banking days on solo basis from end of reference date and 30 banking days on consolidated basis from end of reference date
31 March 2016 30 June 2016	30 June 2016	
30 September 2016 31 December 2016	31 December 2016	
31 March 2017 30 June 2017	30 June 2017	
30 September 2017 31 December 2017	31 December 2017	

During the monitoring period, the Bangko Sentral shall continue to assess the calibration as well as the treatment of the components of the leverage ratio. Final guidelines shall be issued in view of the changes to the framework as well as migration from monitoring of the leverage ratio to a Pillar 1 requirement starting 01 January 2018. Public disclosure of information relative to leverage ratio shall not be required during the monitoring period, i.e. 31 December 2014 to 31 December 2017.

b. Sanctions. QBs shall not be penalized on any breach on the 5.0 percent minimum leverage ratio during the monitoring period, i.e., 31 December 2014 to 31 December 2017. However, late and/or erroneous reports shall be subject to penalties provided under Subsection 4192Q.2 of the MORNBF. QBs failing to submit the required reports within the prescribed deadlines shall be subject to monetary penalties applicable for delayed reporting under existing regulations. For purposes of imposing monetary penalties, the reports shall be classified as a Category A-1 report."

Section 4. Section B of Appendix Q-65 of the MORNBF is hereby amended as follows:

"B. Reporting and Disclosure Requirements

Starting 31 December 2014 and every quarter thereafter until 31 December 2017, banks/QBs concerned shall submit the Basel III Leverage Ratio reporting template on both solo and consolidated bases for monitoring purposes. The report shall use the prescribed forms and shall be submitted to the appropriate department of the SES. For the periods ended 31 December

2014, 31 March 2015 and 30 June 2015, the reports shall be submitted within 30 banking days from 30 June 2015 on both solo and consolidated bases. For the succeeding quarters, the report shall be submitted semi-annually, each submission covering two quarters on both solo and consolidated bases. Report submission shall be 15 banking days and 30 banking days on solo and consolidated bases, respectively, from the end of the most recent reference quarter. The report submission is summarized below:

Report Date	Reference Date	Deadline of Submission
31 December 2014 31 March 2015 30 June 2015	30 June 2015	30 banking days on both solo and consolidated bases from end of reference date
30 September 2015 31 December 2015	31 December 2015	15 banking days on solo basis from end of reference date and 30 banking days on consolidated basis from end of reference date
31 March 2016 30 June 2016	30 June 2016	
30 September 2016 31 December 2016	31 December 2016	
31 March 2017 30 June 2017	30 June 2017	
30 September 2017 31 December 2017	31 December 2017	

xxx"

This Circular shall take effect immediately after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


DIWA C. GUINIGUNDO
 Officer-In-Charge

26 January 2017