



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

Circular No. 566
Series of 2007

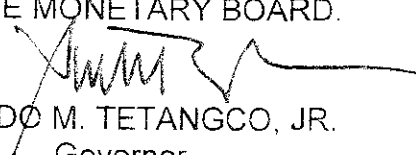
Subject: **Special Deposit Account (SDA) as Eligible Alternative Compliance by Banks for the Liquidity Floor Requirement on Government Deposits**

Pursuant to Monetary Board Resolution (MBR) No. 433 dated 19 April 2007 which, among others, approved the alternative mode of compliance for the liquidity floor requirement on Government deposits, the following rules/guidelines shall be observed in implementing the subject alternative compliance:

1. Placement of banks in their Special Deposit Account (SDA) with the Bangko Sentral Ng Pilipinas (BSP) shall be eligible as alternative compliance for the liquidity floor requirement effective 10 May 2007.
2. For this purpose, the outstanding SDA balance as of 10 May 2007 may be utilized for the liquidity floor requirement which shall be based on the previous week's level of government deposits held by the authorized bank consistent with existing regulations on the one week lagged system.
3. Banks authorized to accept Government deposits shall continue to specify in the prescribed reports submitted to the Supervisory Data Center (SDC) of the BSP the balance of Government deposits subject to liquidity floor requirement and, if any, the corresponding GS earmarked for subject purpose.

Any BSP regulation inconsistent herewith is deemed superseded or amended accordingly.

FOR THE MONETARY BOARD.


AMANDO M. TETANGCO, JR.
Governor

3 May 2007

PANANALAPING MATATAG, BANSANG PANATAG