



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1054

Series of 2019

Subject: Reduction in the Reserve Requirement of Bonds

In its Resolution No. 1527 dated 3 October 2019, the Monetary Board approved the reduction in the reserve requirement ratio of bonds issued by banks and non-bank financial institutions with quasi-banking functions (NBQBs).

Section 1. Section 251 of the Manual of Regulations for Banks (MORB) on the required reserves against deposit and deposit substitute liabilities is hereby amended to read, as follows:

Section 251 ACCOUNTS SUBJECT TO RESERVES; AMOUNTS REQUIRED

The following rules and regulations shall govern the reserves against deposit and deposit substitute liabilities.

Required reserves against deposit and deposit substitute liabilities. The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks effective reserve week 31 May 2019 shall be as follows:

Reservable Liabilities	UBs/KBs	TBs	RBs/ Coop Banks
a. xxx			
xxx			
i. Bonds	3% ³	3% ³	NA
xxx			

xxx

1/ xxx

2/ xxx

3/ Effective reserve week 1 November 2019

Section 2. Subsection 4253Q of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFII) on reserves against deposit substitutes is hereby amended, as follows:

Sec. 4253Q (2008 - 4246Q) Reserves Against Deposit Substitutes. NBQBs shall maintain required reserves equivalent to seventeen percent (17%) of deposit substitute liabilities^{1/} as defined in Section 95 of R.A. No. 7653, as amended by R.A. No. 11211, regardless of maturities except:

(a) xxx;

xxx

(d) bonds under Sec. 4239Q for which the reserve requirement shall be three percent (3%)²

starting the reserve week 31 May 2019.

xxx.

1/ xxx

2/ Effective reserve week 1 November 2019

Section 3. This Circular shall take effect on 1 November 2019 after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:



BENJAMIN E. DIOKNO

Governor

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__ October 2019