



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

MEMORANDUM NO. M-2018- 010

**TO : ALL BANKS AND NON-BANKS WITH QUASI-BANKING
FUNCTIONS (NBQBs)**

Subject : Collection of the Annual Supervisory Fees (ASF) for the Year 2018

Pursuant to Subsections X901.1 (2008 – X608.1) and 4901Q.1 (2008 – 4652Q) of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORBNFI), respectively, the following guidelines shall govern the computation and collection by the Bangko Sentral Ng Pilipinas (BSP) and the payment by Banks and NBQBs of the 2018 ASF.

1. Computation of ASF for 2018

The ASF is based on the Average Assessable Assets (AAA) of the preceding year multiplied by the applicable assessment rates approved by the Monetary Board as follows:

Type of Financial Institution	Applicable Rate
Universal/Commercial Banks	1/28 of 1%
Thrift Banks	1/28 of 1%
Rural/Cooperative Banks	1/40 of 1%
NBQBs	1/28 of 1%

The AAA of the preceding year is derived from the reports¹ submitted by the bank/NBQB to the BSP in compliance with the standards and requirements prescribed under existing regulations.

In case of a merger or consolidation, the assets of the covered institutions prior to the merger or consolidation as well as the assets of the newly formed institution shall be considered in determining the AAA. In case of upgrading or downgrading, the assets from one bank category to another shall likewise be considered in determining the AAA.

¹ Financial Reporting Package (FRP) for banks, Consolidated Statement of Condition (CSOC) for NBQBs, and FRP for Trust Institution (FRPTI) for banks and NBQBs with Trust functions

The collection of the 2018 ASF shall take into consideration events subsequent to the collection of the 2017 ASF that would warrant a recomputation. In such cases, the resulting over or under-payment of the 2017 ASF shall be deducted/added to the 2018 ASF.

Sample computations to illustrate potential scenarios are provided in Annex A.

2. Notification of Amount Due for 2018 and Mode of Payment

The BSP Supervisory Data Center (SDC) shall send a billing notice in March 2018 to the Bank/NBQB for its ASF payment indicating, among others, the computation of the ASF due, including the 2% creditable withholding tax (CWT) thereon, if applicable, the period covered by the ASF and the specific date when the ASF will be debited from the Bank's/NBQB's Demand Deposit Account (DDA) with the BSP.

The BSP will not accept checks as mode of ASF payment. Banks/NBQBs, upon receipt of the ASF billing notice from the BSP, should maintain adequate balance in their DDA to cover the ASF and other daily obligations and, when necessary, make corresponding deposits to fully cover said obligations. In case of deficiency, the provisions on DDA deficiency in Subsections X901.1 (2008 – X608.1) and 4901Q.1 (2008 – 4652Q) of the MORB and MORNBF, respectively, as amended, shall apply.

3. Exceptions Noted on Billing Notice of 2018 ASF

Upon receipt of the BSP Notice of ASF billing, a Bank/NBQB is encouraged to check the accuracy of the billing and to submit any of the noted exceptions therein not later than ten (10) days before the specified date of collection/debit to DDA as indicated in the billing notice. The said exceptions, together with supporting documents, shall be submitted to:

The Senior Director
Supervisory Data Center (SDC)
Bangko Sentral Ng Pilipinas
11th Floor, Multi-Storey Building
BSP Complex, A. Mabini Street, Malate
1004 Manila

Any exceptions received after the cut-off date or any exceptions not duly substantiated with documents before the cut-off date will be evaluated and considered in the computation of the ASF for the immediately succeeding year.

4. Withholding Tax on 2018 Supervisory Fees

The following shall apply to Banks/NBQBs covered by Sections M and N of Bureau of Internal Revenue (BIR) Revenue Regulations (R.R.) No. 2-98, as amended by R.R. No. 17-2003, and R.R. No. 2-2006:

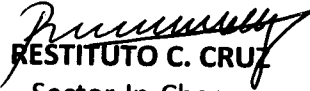
- 4.1 Within seven (7) days from date of this Memorandum, the concerned Bank/NBQB shall submit a written representation to BSP, (at the address indicated in Section 3 hereof), on whether or not it is included among the institutions covered under Sections M or N of R.R. No. 2-98, as amended. If available, a certified true copy of the BIR Notice classifying it under Section M of R.R. No. 2-98, as amended, shall be attached to the written representation. The submission of the written representation or BIR Notice shall no longer be necessary if previously transmitted and received by the BSP in connection with previous ASF assessments.
- 4.2 The ASF, net of the 2% CWT, shall be debited from their respective DDAs on the specified date referred to in the notice of ASF billing under Section 2 above.
- 4.3 Three (3) original signed copies of BIR Form No. 2307 Certificate of Creditable Tax Withheld at Source, which exclusively pertain to the withholding on ASF shall be submitted to the SDC at the address provided in Section 3 above on or before 31 July 2018. The BIR Form No. 2307 shall accurately indicate, among others, the following details:
 - 4.3.1 Payee: Bangko Sentral ng Pilipinas
 - 4.3.2 Tax Identification Number: 000-354-790-000
 - 4.3.3 Address: A. Mabini St. corner P. Ocampo Sr. St.,
Malate, Manila
 - 4.3.4 Zip Code: 1004
 - 4.3.5 The BIR-registered name of the payor-bank/-NBQB,
as
exactly indicated in the BIR Certificate of
Registration
(BIR Form No. 2303) of the Bank/NBQB.
 - 4.3.6 the amount of income payment pertaining to the
gross ASF
 - 4.3.7 the tax withheld
 - 4.3.8 the period of tax return.

Furthermore, the BIR Form No. 2307 - Certificate of Creditable Tax Withheld at Source covering the withholding on ASF should not include other transactions with BSP and should pertain exclusively to the ASF. If the concerned Banks/NBQBs have other transactions with BSP, a separate BIR Form 2307 for the transaction/s shall be provided to BSP.

- 4.4 In case of failure of concerned Bank/NBQB to submit the duly accomplished forms within the deadline stated above or if such forms contain errors and discrepancies that would render the BIR Form No. 2307 invalid for claiming tax credits, the BSP shall be constrained to immediately debit an amount equivalent to the 2% CWT from the DDA of Banks/NBQBs concerned, with no obligation on the part of the BSP to reimburse said amount. In case of DDA deficiency, the provisions in Subsections X901.1 (2008-X608.1) and 4901Q.1 (2008-4652Q) of the MORB and MORNBF, respectively, as amended, shall apply.

This Memorandum shall take effect immediately.

For strict compliance.


RESTITUTO C. CRUZ
Sector-In-Charge

07 February 2018

Scenarios for computation of 2018 Annual Supervisory Fee (ASF)**1. Upgrade/Downgrade from one bank category to another*****Scenario A: RB A upgraded to TB A in January 2018***

The 2017 Average Assessable Assets (AAA) of RB A will be multiplied by the TB rate.

Jan	
Feb	
Mar	241,288,139.49
Apr	
May	
Jun	240,813,284.40
Jul	
Aug	
Sep	236,631,077.94
Oct	
Nov	
Dec	229,155,336.56
Sum of Net Assessable Assets	947,887,838.39
No.of reporting periods	4
Average Assessable Assets	236,971,959.60
ASF rate for TB (1/28 of 1%)	0.000357143
ASF for 2018 for TB A	84,632.88

Scenario B: TB B downgraded to RB B in January 2018

The 2017 AAA of TB B will be multiplied by the RB rate.

	2017 Net Assessable Assets
Jan	242,849,367.14
Feb	242,337,276.23
Mar	241,288,139.49
Apr	240,666,674.79
May	241,300,200.39
Jun	240,813,284.40
Jul	238,639,584.15
Aug	236,534,588.97
Sep	236,631,077.94
Oct	232,860,322.55
Nov	229,900,793.89
Dec	229,155,336.56
Sum of Net Assessable Assets	2,852,976,646.50
No.of reporting periods	12
Average Assessable Assets	237,748,053.88
ASF rate for RB (1/40 of 1%)	0.00025
ASF for 2018 for RB B	59,437.01

Scenario C: RB A upgraded to TB A in November 2017

TB A will be charged the applicable rate for the equivalent number of months as RB/TB in 2017.

The difference in the amount collected as 2017 ASF will be added as an adjustment to the 2018 ASF.

Computation of 2018 ASF	
	2017 Net Assessable Assets
Jan	
Feb	
Mar	232,860,323
Apr	
May	
Jun	238,639,584
Jul	
Aug	
Sep	242,337,276
Oct	
Nov	254,991,835
Dec	267,741,427
Sum of Net Assessable Assets	1,236,570,445.70
No. of reporting periods	5
Average Assessable Assets	247,314,089.14
ASF rate for TB (1/28 of 1%)	0.000357143
ASF for 2018	88,326.50
Under/(Over) Collection of 2017 ASF*	4,231.65
Total ASF for 2018	92,558.14
2% CWT	1,851.16
Net ASF for 2018 for TB A	90,706.98

	2017 ASF (Based on 2016 Net Assessable Assets)			
	ASF actual collection for 2017	Recomputation		
	As RB A	As RB A	As TB A	Total
Jan				
Feb				
Mar	241,288,139.49			
Apr				
May				
Jun	240,813,284.40			
Jul				
Aug				
Sep	236,631,077.94			
Oct				
Nov				
Dec	229,155,336.56			
Sum of Net Assessable Assets	947,887,838.39	947,887,838.39	947,887,838.39	
Average Assessable Assets	236,971,959.60	236,971,959.60	236,971,959.60	
No. of reporting periods	4	10	2	
Prorated No. of months as RB/TB		10/12	2/12	
Prorated Average Assessable Assets		197,476,633.00	39,495,326.60	
Applicable ASF Rates	0.000250	0.00025	0.000357143	
ASF actual collection for 2017	59,242.99			
2017 ASF Recomputation (RB A + TB A)		49,369.16	14,105.48	63,474.64
Less: ASF actual collection for 2017				59,242.99
Under/(Over) Collection of 2017 ASF*				4,231.65

Scenario D: TB A downgraded to RB A in November 2017

RB A will be charged the applicable rate for the equivalent number of months as TB/RB in 2017.

The difference for the amount collected as 2017 ASF will be added as an adjustment to the 2018 ASF.

Computation of 2018 ASF	
	2017 Net Assessable Assets
Jan	233,738,443
Feb	238,413,212
Mar	243,181,476
Apr	248,045,106
May	253,006,008
Jun	258,066,128
Jul	263,227,451
Aug	268,492,000
Sep	273,861,840
Oct	279,339,077
Nov	
Dec	206,910,715
Sum of Net Assessable Assets	2,766,281,455.45
No. of reporting periods	11
Average Assessable Assets	251,480,132.31
ASF rate for RB (1/40 of 1%)	0.00025
ASF for 2018	62,870.03
Under/(Over) Collection of 2017 ASF*	(4,245.51)
Total ASF for 2018	58,624.53
2% CWT	1,172.49
Net ASF for 2018 RB A	57,452.04

	2017 ASF (Based on 2016 Net Assessable Assets)			
	ASF actual collection for 2017	Recomputation		
	As TB A	As TB A	As RB A	Total
Jan	242,849,367.14			
Feb	242,337,276.23			
Mar	241,288,139.49			
Apr	240,666,674.79			
May	241,300,200.39			
Jun	240,813,284.40			
Jul	238,639,584.15			
Aug	236,534,588.97			
Sep	236,631,077.94			
Oct	232,860,322.55			
Nov	229,900,793.89			
Dec	229,155,336.56			
Sum of Net Assessable Assets	2,852,976,646.50	2,852,976,646.50	2,852,976,646.50	
Average Assessable Assets	237,748,053.88	237,748,053.88	237,748,053.88	
No. of reporting periods	12	10	2	
Prorated No. of months as TB/RB		10/12	2/12	
Prorated Average Assessable Assets		198,123,378.23	39,624,675.65	
Applicable ASF Rates	0.000357143	0.000357143	0.00025	
2017 ASF Recomputation (TB A + RB A)		70,758.38	9,906.17	80,664.55
Less: ASF actual collection for 2017	84,910.05			84,910.05
Under/(Over) Collection of 2017 ASF*				(4,245.51)

2. Consolidation: Two or more entities combine to form a new single entity. The original entities cease operations after the new entity started its operations.

Scenario E: RB C and TB C consolidated in January 2018 to form a new TB D.

Since the consolidation was effected prior to the assessment for 2018 ASF, the 2017 Net Assessable Assets of the two banks will be combined and the TB rate will be applied.

	2017 Net Assessable Assets		
	RB C	TB C	TB D
Jan		164,658,792.00	164,658,792.00
Feb		163,861,844.80	163,861,844.80
Mar	21,928,504.00	165,311,225.60	187,239,729.60
Apr		153,357,155.20	153,357,155.20
May		154,301,374.40	154,301,374.40
Jun	22,295,142.15	168,488,963.20	190,784,105.35
Jul		170,373,352.00	170,373,352.00
Aug		170,278,228.80	170,278,228.80
Sep	22,320,467.05	168,700,764.00	191,021,231.05
Oct		168,186,770.40	168,186,770.40
Nov		177,710,888.80	177,710,888.80
Dec	22,383,648.40	192,866,280.80	215,249,929.20
Sum of Net Assessable Assets			2,107,023,401.60
No. of reporting periods			12
Average Assessable Assets			175,585,283.47
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2018 for TB D			62,709.05

Scenario F: RB X and TB Y consolidated in November 2017 to form a new TB Z.

TB Z will be charged the applicable rate as TB in 2017.

The difference in the amount collected as 2017 ASF will be added as an adjustment to the 2018 ASF.

Computation of 2018 ASF	2017 Net Assessable Assets		
	RB X	TB Y	TB Z
Jan		174,949,966.50	174,949,966.50
Feb		175,643,177.20	175,643,177.20
Mar	20,638,592.00	175,643,177.20	196,281,769.20
Apr		162,941,977.40	162,941,977.40
May		163,945,210.30	163,945,210.30
Jun	20,983,663.20	179,019,523.40	200,003,186.60
Jul		181,021,686.50	181,021,686.50
Aug		180,920,618.10	180,920,618.10
Sep	21,007,498.40	179,244,561.75	200,252,060.15
Oct		178,698,443.55	178,698,443.55
Nov			199,705,941.95
Dec			219,676,536.15
Sum of Net Assessable Assets			2,234,040,573.60
No. of reporting periods			12
Average Assessable Assets			186,170,047.80
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2018 for TB Z			66,489.33
Under/(Over) Collection of 2017 ASF*			(2,570.21)
Total ASF for 2018			63,919.12
2% CWT			1,278.38
Net ASF for 2018 for TB Z			62,640.73

	2017 ASF (Based on 2016 Net Assessable Assets)		
	ASF actual collection for 2017		
	RB X	TB Y	Total
Jan		137,286,164.53	137,286,164.53
Feb		140,087,922.99	140,087,922.99
Mar	19,036,380.13	142,946,860.19	161,983,240.32
Apr		145,864,143.05	145,864,143.05
May		148,840,962.30	148,840,962.30
Jun	19,424,877.68	151,878,532.96	171,303,410.64
Jul		154,978,094.86	154,978,094.86
Aug		158,140,913.12	158,140,913.12
Sep	19,821,303.76	161,368,278.69	181,189,582.45
Oct		164,661,508.87	164,661,508.87
Nov		168,021,947.83	168,021,947.83
Dec	20,225,820.16	171,450,967.17	191,676,787.33
Sum of Net Assessable Assets	78,508,381.73	1,845,526,296.56	1,924,034,678.29
Average Assessable Assets	19,627,095.43	153,793,858.05	160,336,223.19
No. of reporting periods	4	12	12
Applicable ASF Rates	0.000250	0.000357143	0.000357143
ASF actual collection for 2017			57,262.96
2017 ASF Recomputation (RB A + TB A)	4,906.77	54,926.40	59,833.17
Under/(Over) Collection of 2017 ASF*			(2,570.21)

3. Merger: One entity absorbs another entity and continue to operate as the surviving entity while the absorbed entity ceases to operate

Scenario G: RB D and TB E merged in January 2018 with TB E as the surviving entity

The quarterly 2017 Net Assessable Assets of RB D will be combined with the monthly 2017 Net Assessable Assets of TB E and the TB rate will be applied.

	2017 Net Assessable Assets		
	RB D	TB E	Total
Jan		154,367,617.50	154,367,617.50
Feb		153,620,479.50	153,620,479.50
Mar	23,218,416.00	154,979,274.00	178,197,690.00
Apr		143,772,333.00	143,772,333.00
May		144,657,538.50	144,657,538.50
Jun	23,606,621.10	157,958,403.00	181,565,024.10
Jul		159,725,017.50	159,725,017.50
Aug		159,635,839.50	159,635,839.50
Sep	23,633,435.70	158,156,966.25	181,790,401.95
Oct		157,675,097.25	157,675,097.25
Nov		173,442,606.98	173,442,606.98
Dec	23,700,333.60	187,318,015.53	211,018,349.13
Sum of Net Assessable Assets			1,999,467,994.91
No. of reporting periods			12
Average Assessable Assets			166,622,332.91
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2018 for TB E			59,508.00

Scenario H: RB A and TB A merged in December 2017 with TB A as the surviving entity

TB A will be charged the applicable rate as TB in 2017.

The difference for the amount collected as 2017 ASF will be added as an adjustment to the 2018 ASF.

Computation of 2018 ASF	2017 Net Assessable Assets		
	RB A	TB A	Total
Jan		549,972,808	549,972,808
Feb			-
Mar	252,070,870.22	-	252,070,870
Apr		-	-
May		-	-
Jun	277,277,957.24	-	277,277,957
Jul		-	-
Aug		-	-
Sep	305,005,752.96	-	305,005,753
Oct		-	-
Nov		-	-
Dec	335,506,328.26	-	335,506,328
Sum of Net Assessable Assets	1,169,860,908.67	549,972,807.74	1,719,833,716.42
No. of reporting periods			12
Average Assessable Assets			143,319,476.37
ASF rate for TB (1/40 of 1%)			0.000357143
ASF for 2018			51,185.53
Under/(Over) Collection of 2017 ASF*			(16,591.99)
Total ASF for 2018			34,593.54
2% CWT			691.87
Net ASF for 2018 for TB A			33,901.66

	2017 ASF (Based on 2016 Net Assessable Assets)		
	ASF Collected for 2017		Recomputation
	RB A	TB A	TB A
Jan		242,849,367.14	242,849,367.14
Feb		242,337,276.23	242,337,276.23
Mar	241,288,139.49	241,288,139.49	482,576,278.98
Apr		240,666,674.79	240,666,674.79
May		241,300,200.39	241,300,200.39
Jun	240,813,284.40	240,813,284.40	481,626,568.80
Jul		238,639,584.15	238,639,584.15
Aug		236,534,588.97	236,534,588.97
Sep	236,631,077.94	236,631,077.94	473,262,155.88
Oct		232,860,322.55	232,860,322.55
Nov		229,900,793.89	229,900,793.89
Dec	229,155,336.56	229,155,336.56	458,310,673.12
Sum of Net Assessable Assets	947,887,838.39	2,367,790,003.13	3,800,864,484.89
Average Assessable Assets	236,971,959.60	197,315,833.59	316,738,707.07
No. of reporting periods	4	12	12
Applicable ASF Rates	0.00025	0.000357143	0.000357143
2017 ASF	59,242.99	70,469.97	
Recomputed 2017 ASF (TB A)			113,120.97
Less: ASF collected for 2017 (RB A + TB A)			129,712.96
Under/(Over) Collection of 2017 ASF*			(16,591.99)

4. Amendment of reports used in the computation of ASF

Scenario I: RB E amended its Dec 2016 FRP in January 2018

The 2017 ASF will be recomputed and the resulting under/(over) collection will be added to/deducted from the 2018 ASF.

Computation of 2018 ASF	
	2017 Net Assessable Assets
	RB E
Jan	
Feb	
Mar	19,864,644.80
Apr	
May	
Jun	20,196,775.83
Jul	
Aug	
Sep	20,219,717.21
Oct	
Nov	
Dec	20,276,952.08
Sum of Net Assessable Assets	80,558,089.92
No. of reporting periods	4
Average Assessable Assets	20,139,522.48
ASF rate for RB (1/40 of 1%)	0.00025
ASF for 2018	5,034.88
Under/(Over) Collection of 2017 ASF*	24.94
Total ASF for 2018	5,059.82
2% CWT	101.20
Net ASF for 2018 for RB E	4,958.62

Recomputation of 2017 ASF		
	2016 Net Assessable Assets	
	RB E	
	Original	Amended
Jan		
Feb		
Mar	18,522,548.05	18,522,548.05
Apr		
May		
Jun	19,605,793.15	19,605,793.15
Jul		
Aug		
Sep	20,644,771.95	20,644,771.95
Oct		
Nov		
Dec	21,484,407.05	21,883,458.27
Sum of Net Assessable Assets	80,257,520.20	80,656,571.42
No. of reporting periods	4	4
Average Assessable Assets	20,064,380.05	20,164,142.85
ASF rate for RB (1/40 of 1%)		0.00025
Recomputed ASF for 2017		5,041.04
Less: ASF collected for 2017		5,016.10
Under/(Over) Collection of 2017 ASF*		24.94