



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

MEMORANDUM NO. M-2014-014

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

Subject : Collection of the Annual Supervisory Fees (ASF) for the Year 2014

Pursuant to Section X901.1 (2008 – X608.1) and 4901.1Q (2008 – 4652Q) of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORBNFI), respectively, as amended, the following guidelines shall govern the collection by the Bangko Sentral Ng Pilipinas (BSP) and the payment by Banks and NBQBs of the 2014 ASF.

1. Assessment Rate for 2014

The application of the assessment rates approved by the Monetary Board are 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%

multiplied by their Average Assessable Assets (AAAs) of the preceding year.

2. Notification of Amount Due for 2014 and Mode of Payment

The BSP Supervisory Data Center (SDC) shall send a billing notice in April 2014 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 Sections X901 (2008 – X608.1) and 4901.1Q (2008 – 4652Q) of the MORB and MORNBF, respectively, as amended, shall apply.

3. Exceptions Noted on Billing Notice of 2014 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 Director
Supervisory Data Center (SDC)
Bangko Sentral Ng Pilipinas
12th Floor, Multi-Storey Building
BSP Complex, A. Mabini Street
Malate, Manila 1004

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 immediate succeeding year.

4. Withholding Tax on 2014 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 Bank/ NBQB shall submit to the BSP (at the address indicated in Section 3 hereof) a certified true copy of the BIR Notice classifying it as among the institutions covered under Section M of R.R. No. 2-98, as amended by R.R. No. 17-2003. Such BIR notice received by the BSP after said cut-off of seven (7) days will be considered in the ASF computation of the next year. The submission of such BIR notice will no longer be necessary if previously transmitted and received by the BSP.

- 4.2 The ASF, net of the 2% CWT, shall be debited from the DDA on the specified date referred to in the notice of ASF billing under Section 2.
- 4.3 The three (3) original signed copies of BIR Form No. 2307 – Certificate of Creditable Tax Withheld at Source, which are to be filed by the BSP to the BIR together with Summary Alphalist of Withholding Agents of Income Payments subjected to Withholding Taxes (SAWT) pursuant to R.R. No. 2-2006, shall be submitted to the SDC at the address provided in Section 3 above on or before 31 August 2014. The BIR Form No. 2307 shall indicate, among others, BSP as the payee, the amount of income payment pertaining to the gross ASF, the tax withheld, and the period of tax return.
- 4.4 Considering that the BIR Form No. 2307 – Certificate of Creditable Tax Withheld at Source will be used to avail the tax credits for filing the annual income tax return of the BSP, the failure to submit all of the three (3) original signed copies within the deadline stated in 4.3 above will compel the BSP 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 late submission. In case of DDA deficiency, the provisions in Sections X901.1 (2008-X608.1) and 4901Q.1 (2008-4652Q) of the MORB and MORNBF, respectively, as amended, shall apply.
- 4.5 The above guidelines on withholding tax shall be strictly enforced pending resolution of the tax treatment on the ASF being assessed by the BSP.

This Memorandum shall take effect immediately.


NESTOR A. ESPENILLA JR.
Deputy Governor

20 March 2014