



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1059

Series of 2019

Subject: Moratorium on the Issuance of Long-Term Negotiable Certificates of Time Deposit

The Monetary Board, in its Resolution No. 1727 dated 7 November 2019, approved the amendments to Section 217 of the Manual of Regulations for Banks (MORB) to reflect the moratorium provision on long-term negotiable certificates of time deposit.

Section 1. Section 217 of the MORB is hereby amended to read, as follows:

Section 217 LONG-TERM CERTIFICATES OF TIME DEPOSIT

Long-term negotiable certificates of time deposit. xxx

a. xxx

xxx

d. *Listing of LTNCTD with an accredited exchange.* LTNCTDs duly approved by the Monetary Board shall be issued and immediately listed on an accredited exchange. xxx

Banks which fail to list their LTNCTDs on an accredited exchange within the prescribed period shall be subject to the sanctions under Item “p(1)” below.

xxx

o. *Moratorium on issuance of LTNCTD.* Beginning 1 January 2021, there shall be an indefinite moratorium on the issuance of LTNCTDs. LTNCTDs that have been approved but remain unissued as of 31 December 2020 may still be issued: *Provided*, That this is done within the period allowed by the Bangko Sentral: *Provided, further*, That requests for authority to issue LTNCTDs shall only be accepted by the appropriate supervising department of the Bangko Sentral until 30 September 2020. All LTNCTDs issued in accordance with this Section shall remain valid and negotiable until their maturity dates without prejudice to the right of the issuing bank to pre-terminate said LTNCTDs before their maturity dates subject to the conditions set forth under Item “m” of Sec. 217 of the MORB on the pre-termination by the issuer.

p. *Sanctions.* Without prejudice to the other sanctions prescribed under Sections 36 and 37 of R.A. No. 7653, as amended by R.A. No. 11211, and the provisions of Section 16 of R.A. No. 8791 xxx:

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FIs not supervised by the Bangko Sentral acting as selling agent of LTNCTDs and/or its directors/officers concerned that are found to violate rules and regulations in the performance of their functions/responsibilities shall be subject to the provisions of Section 36 of R.A. No. 7653, as amended by R.A. No. 11211, and shall, likewise, be referred to the SEC for appropriate action.

Supervisory enforcement actions. xxx

Long-term non-negotiable tax-exempt certificates of time deposit. Banks may issue long-term non-negotiable tax-exempt certificates of time deposit without approval of the Bangko Sentral. The issuance of long-term non-negotiable tax-exempt certificates of time deposit shall be governed by the following rules:

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Section 2. Effectivity. This Circular shall take effect fifteen (15) calendar days after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


FRANCISCO G. DAKILA, JR.
Officer-In-Charge

15 November 2019