



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1228 Series of 2026

Subject: Amendments to the N-Regulations on Annual Supervision Fees for Non-Bank Financial Institutions with Trust Authority

The Monetary Board, in its Resolution No. 1265 dated 22 December 2025, approved the amendment of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) – N Regulations to provide guidelines on annual supervision fees for Non-Bank Financial Institutions (NBFIs) with Trust Authority.

Section 1. Section 1003-N of the MORNBFI is hereby amended to read, as follows:

1003-N TRUST AND OTHER FIDUCIARY ACTIVITIES

Trust operations and investment management activities of NBFIs not performing quasi-banking functions, other than trust corporations, shall be subject to the applicable regulations on such activities of NBFIs performing quasi-banking functions in Part IV of the Q-Regulations, to the regulations in the other parts of the Q-Regulations addressed also to trust entities, and to the regulations implementing the Truth in Lending Act in Sec. 305-Q.

Examination by the Bangko Sentral. The provisions of Section 001-Q shall govern the supervision and the conduct of periodic or special examinations by the Bangko Sentral of the trust business of NBFIs.

Annual supervision fees. An NBFI with trust authority shall pay to the Bangko Sentral an annual supervision fee equivalent to one twenty-eighth (1/28) of one percent (1%) multiplied by its Average Assessable Assets in the preceding year.

Average Assessable Assets shall refer to the sum of month-end balances of total assessable assets divided by the number of months in operation during a particular assessment period, where Total Assessable Assets represent the total assets under management by the trust department, excluding securities held under custodianship.

Said annual supervision fee shall be paid by NBFIs with trust authority on or before May 31 of every year. Non-payment of the supervision fee within the prescribed period shall subject the concerned NBFI with trust authority to administrative sanctions.

The guidelines on the collection of the annual supervision fee are provided in Appendix N-25.

Sanctions. Pursuant to Section 91 of R.A. No. 8791, the Monetary Board may impose sanctions and monetary penalty for any violation of the provisions of the Q Regulations pertaining to trust entities and the regulations implementing the Truth in Lending Act in Sec. 305 Q. This is without prejudice to the imposition of other sanctions as the Monetary Board may consider warranted that may include the suspension or revocation of an institution's authority to engage in trust and other fiduciary business or in investment management activities, and such other sanctions as may be provided by law. If the offender is a director or officer of the trust entity, the Monetary Board may also suspend or remove

such director or officer. If the violation is committed by a corporation, such corporation may be dissolved by quo warranto proceedings instituted by the Solicitor General.

The guidelines for the imposition of monetary penalty shown under Sec. 1102 Q shall govern the imposition of monetary penalty for violations/offenses with administrative sanctions falling under Section 37 of R.A. No. 7653, as amended by R.A. No. 11211, on NBFIs not performing quasi banking functions, their directors and/or officers.

Section 2. Appendix N-25 is hereby added to MORNBF1, as follows:

GUIDELINES ON THE COLLECTION OF THE ANNUAL SUPERVISION FEES
(Appendix to Sec. 1003-N)

The following guidelines shall govern the collection by the Bangko Sentral and the payment by NBFIs with trust authority of the Annual Supervision Fees (ASF).

1. *Notification of amount due for ASF and mode of payment.* The appropriate supervising department of the Bangko Sentral shall send a billing notice to the NBF1 with trust authority for its ASF payment indicating, among others, the computation of the ASF due, the period covered by the ASF, and the mode of payment.

Exceptions noted on billing notice of ASF. Upon receipt of the Bangko Sentral Notice of ASF billing, the NBF1 with trust authority is encouraged to check the accuracy of the billing and to submit any of the noted exceptions therein not later than ten (10) banking days before the specified deadline of payment as indicated in the billing notice. The said exceptions, together with supporting documents, shall be submitted to the appropriate supervising department of the Bangko Sentral.

Any exceptions received after the cut-off date or any exception 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.

2. *Withholding tax supervisory fees.* Pursuant to BIR Revenue Regulations (R.R.) No. 2-2020, relayed to all BSFIs under Bangko Sentral Circular Letter no. CL-2020-009, the income derived by the Bangko Sentral, including but not limited to supervisory fees, shall be exempt from national internal revenue taxes. Hence, NBFIs with trust authority no longer need to withhold tax on their payment of ASF to the Bangko Sentral.

Section 3. The following transitory provision shall be incorporated as a footnote to Section 1003-N of the MORNBF1 under "Annual supervision fees":

All NBFIs with trust authority shall be subject to the annual supervision fee starting the reference year ended 31 December 2025.

Section 4. This Circular shall take effect fifteen (15) calendar days following its publication in the Official Gazette or in any newspaper of general circulation in the Philippines.

FOR THE MONETARY BOARD:



ELI M. REMOLONA, JR.
Governor

6 January 2026