



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR**

MEMORANDUM NO. M-2011- 030

For : All Banks

**Subject : Imposition of service charges and maintenance fees on
deposit accounts falling below the minimum average
daily balance (ADB)**

In view of information obtained regarding the erroneous interpretation and application by some banks of the provisions of Section X263 of the Manual of Regulations for Banks (MORB) on Service and Maintenance Fees, all banks are hereby reminded that:

1. Service and maintenance fees are collectible only against savings and demand deposit accounts, whether active or dormant, if balances fall below the required minimum ADB. The imposition of service and maintenance fees on savings and demand deposit accounts that meet the required monthly ADB is considered a violation of the provisions of Section X263 of the MORB;
2. Conditions (a) to (d) of Section X263 refer to service charges or maintenance fees savings and demand deposit accounts, whether active or dormant, that fall below the required minimum monthly ADB; and
3. Condition (e) exclusively pertains to the period and disclosure/notice requirement for imposition of charges and fees for dormant accounts or dormancy fee.

Consistent with the foregoing, banks which erroneously charged service or maintenance fees are hereby directed to reverse or credit back the amount of such charges to the respective deposit accounts that meet the required monthly ADB, within three (3) months from the date of this Memorandum. Depositors whose accounts were erroneously charged with these fees since the effectivity of Circular No. 485¹ but whose deposit accounts have since been closed shall likewise be given appropriate notices sent to their last known mailing address. Notices on the proper interpretation of the regulations on the imposition of service charges and

¹ 23 June 2005

maintenance fees on deposit accounts shall likewise be posted in conspicuous places within the premises of all banks.

Banks are likewise enjoined to adhere to the due notice requirement under Section X263.1 of the MORB in case of amendments to terms and conditions for the imposition of service charges or fees.

Section 37 of Republic Act No. 7653, otherwise known as the New Central Bank Act, provides for administrative sanctions for, among others, any willful failure or refusal to comply with, or violation of, any banking law or any order, instruction, or regulation issued by the Monetary Board, or any order, instruction or ruling by the Governor. The imposition of these sanctions shall be without prejudice to the criminal sanctions against the culpable persons provided in Sections 34, 35 and 36 of the same Act.

For your guidance and strict implementation


NESTOR A. ESPENILLA JR.
Deputy Governor

03 June 2011