



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

MEMORANDUM NO. M-2016- 001

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

Subject : Collection of the Annual Supervisory Fees (ASF) for the Year 2016

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, 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 2016 ASF.

1. Computation of ASF for 2016

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.

¹ FRP for banks, CSOC for NBQBs, and FRPTI for banks and NBQBs with Trust functions

The collection of the 2016 ASF shall take into consideration events subsequent to the collection of the 2015 ASF, particularly for submitted amendments to the prescribed reports used in deriving the AAA that would warrant a recomputation of the 2015 ASF. In such cases, the resulting over- or under-payment of the 2015 ASF shall be deducted/added to the 2016 ASF.

Sample computations to illustrate potential permutations of the above described scenarios are provided in Annex A.

2. Notification of Amount Due for 2016 and Mode of Payment

The BSP Supervisory Data Center (SDC) shall send a billing notice in March 2016 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 2016 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
11th 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 immediately succeeding year.

4. Withholding Tax on 2016 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 2016. 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 Sections 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.


NESTOR A. ESPENILLA, JR.
Deputy Governor

24 February 2016

Annex A

Scenarios for computation of 2016 Annual Supervisory Fee (ASF)

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

Scenario A - RB A and TB B consolidated in Feb 2016 to form a new TB C. The assessment of the 2016 ASF is on March 2016

Since the consolidation was prior to the assessment for 2016 ASF, the AAA of the two banks in 2015 will be combined and the TB rate will be applied

2015 FRP Asset Balances			
	RB A	TB B	TB C
Jan		164,658,792.00	
Feb		163,861,844.80	
Mar	21,928,504.00	165,311,225.60	
Apr		153,357,155.20	
May		154,301,374.40	
Jun	22,295,142.15	168,488,963.20	
Jul		170,373,352.00	
Aug		170,278,228.80	
Sep	22,320,467.05	168,700,764.00	
Oct		168,186,770.40	
Nov		177,710,888.80	
Dec	22,383,648.40	192,866,280.80	
Sum of Assets	88,927,761.60	2,018,095,640.00	
No. of reporting periods	4	12	
Average Assessable Assets	22,231,940.40	168,174,636.67	190,406,577.07
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2016 for TB C			68,002.35

Scenario B - RB X and TB Y consolidated in November 2015 to form a new TB Z.

The 2015 AAA of RB X as reported in its FRP for 3 quarters will be combined with the 2015 AAA of TB Y and the 2015 AAA of TB Z and the TB rate will be applied

2015 FRP Asset Balances			
	RB X	TB Y	TB Z
Jan		174,949,966.50	
Feb		174,103,210.10	
Mar	20,638,592.00	175,643,177.20	
Apr		162,941,977.40	
May		163,945,210.30	
Jun	20,983,663.20	179,019,523.40	
Jul		181,021,686.50	
Aug		180,920,618.10	
Sep	21,007,498.40	179,244,561.75	
Oct		178,698,443.55	
Nov			199,705,941.95
Dec			219,676,536.15
Sum of Assets	62,629,753.60	1,750,488,374.80	419,382,478.10
No. of reporting periods	3	10	2
Average Assessable Assets	20,876,584.53	175,048,837.48	209,691,239.05
ASF rate for TB (1/28 of 1%)			405,616,661.06
ASF for 2016 for TB Z			0.000357143
			144,863.09

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

Scenario C - RB D and TB E merged in February 2016 with TB E as the surviving entity

The 2015 AAA of RB D as reported in its FRP for 4 quarters will be combined with the 2015 AAA of TB E and the TB rate will be applied

2015 FRP Asset Balances			
	RB D	TB E	Total
Jan		154,367,617.50	
Feb		153,620,479.50	
Mar	23,218,416.00	154,979,274.00	
Apr		143,772,333.00	
May		144,657,538.50	
Jun	23,606,621.10	157,958,403.00	
Jul		159,725,017.50	
Aug		159,635,839.50	
Sep	23,633,435.70	158,156,966.25	
Oct		157,675,097.25	
Nov		173,442,606.98	
Dec	23,700,333.60	187,318,015.53	
Sum of Assets	94,158,806.40	1,905,309,188.51	
No. of reporting periods	4	12	
Average Assessable Assets	23,539,701.60	158,775,765.71	182,315,467.31
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2016 for TB E			65,112.67

Scenario D - RB V and TB W merged in November 2015 with TB W as the surviving entity

The 2015 AAA of RB V as reported in its FRP for 3 quarters will be combined with the 2015 AAA of TB W and the TB rate will be applied

2015 FRP Asset Balances			
	RB V	TB W	Total
Jan		185,241,141.00	
Feb		184,344,575.40	
Mar	24,508,328.00	185,975,128.80	
Apr		172,526,799.60	
May		173,589,046.20	
Jun	24,918,100.05	189,550,083.60	
Jul		191,670,021.00	
Aug		191,563,007.40	
Sep	24,946,404.35	189,788,359.50	
Oct		214,734,763.85	
Nov		236,208,240.24	
Dec		255,104,899.45	
Sum of Assets	74,372,832.40	2,370,296,066.04	
No. of reporting periods	3	12	
Average Assessable Assets	24,790,944.13	197,524,672.17	222,315,616.30
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2016 for TB W			79,398.43

Note: In cases where the RB is the new or surviving entity, the rate for the RB will be applied in determining the 2016 ASF.

3. Amendment of reports used in the computation of ASF

Scenario E - RB E amended its Dec 2014 FRP in Feb 2016

The 2015 ASF will be recomputed and the resulting under/(over) collection will be added/(deducted) from the 2016 ASF

Computation of 2016 ASF	
	RB E 2015 FRP Asset Balances
Mar	19,864,644.80
Jun	20,196,775.83
Sep	20,219,717.21
Dec	20,276,952.08
Sum of 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 2016	5,034.88
Under/(Over) Collection of 2015 ASF*	320.00
Total ASF for 2016	5,354.88

*Recomputation of 2015 ASF		
	RB E 2014 FRP Asset Balances	
	Original	Amended
Mar	18,522,548.05	18,522,548.05
Jun	19,605,793.15	19,605,793.15
Sep	20,644,771.95	20,644,771.95
Dec	21,484,407.05	21,883,458.27
Sum of 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 2015		5,041.04
ASF collected for 2015		4,721.04
Under/(Over) Collection		320.00