



**BANGKO SENTRAL NG PILIPINAS**  
**OFFICE OF THE GOVERNOR**

**CIRCULAR NO. 830**  
Series of 2014

**Subject : Increase in Reserve Requirements**

The Monetary Board, in its Resolution No. 500 dated 27 March 2014, approved the 1-percentage-point increase in the reserve requirements of universal/commercial banks (UBs/KBs), thrift banks (TBs), rural banks (RBs), cooperative banks (Coop Banks), and non-bank financial institutions with quasi-banking functions (NBQBs).

**Section 1.** The provisions of the Manual of Regulations for Banks (MORB) on reserves against deposit and deposit substitute liabilities are hereby amended to read, as follows:

"xxx

**"Subsection X253.1 Required reserves against deposit and deposit substitute liabilities.** The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks shall be as follows:

Account	UBs/KBs	TBs	RBs/Coop Banks
a. Demand Deposits	19	7	5
b. "NOW" Accounts	19	7	5
c. Savings Deposits	19	7	3
d. Time Deposits, Negotiable CTDs, Long-Term Non-Negotiable Tax Exempt CTDs	19	7	3
e. Long-term Negotiable Certificate of Time Deposits (LTNCTDs)			
1. LTNCTDs under Circular No. 304	4	4	4
2. LTNCTDs under Circular No. 824	7	7	7
f. Deposit substitutes (DS)	19	7	n.a
g. DS evidenced by repo agreements	3	3	n.a
h. IBCL (Sec. X343)	0	0	0
i. Bonds	5	5	n.a.
j. Mortgage/CHM Certificates	n.a.	5	n.a.
k. Peso deposits lodged under Due to foreign banks	19	n.a.	n.a.
l. Peso deposits lodged under Due to Head Office/Branches/Agencies Abroad (Philippine branch of a foreign bank)	19	n.a.	n.a.

"xxx

***“ Subsection X405.5 Reserves against peso-denominated common trust funds and trust and other fiduciary accounts – others***

***“a. Reserves against peso-denominated CTFs. xxx***

The required reserves against peso-denominated CTFs and such other managed peso funds which partake of the nature of a collective investment of peso-denominated CTFs shall be as follows:

***“ UBs/KBs – 19%***

***“ TBs – 8%***

***“ RBs – 4%”***

***“b. Reserves against TOFA - Others. xxx***

***“The required reserves against TOFA - Others shall be as follows:***

***“ UBs/KBs – 16%***

***“ TBs – 8%***

***“ RBs – 4%”***

**Section 2.** The provisions of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) on reserves are hereby amended to read, as follows:

***“xxx***

***“Sec. 4253Q (2008 - 4246Q) Reserves Against Deposit Substitutes.*** NBQBs shall maintain required reserves equivalent to 19% of deposit substitute liabilities as defined in Section 95 of R.A. No. 7653, regardless of maturities except: (a) borrowings from the BSP through the sale of government securities under repo agreements made in connection with the provisions of Sec. 4601Q; (b) deposit substitutes arising from special financing programs of the Government and/or international FIs; (c) interbank call loan transactions under Sec. 4343Q; and (d) bonds under Sec. 4239Q for which the reserve requirement shall be five percent (5%).

***“Provided,*** That deposit substitutes evidenced by repo agreements covering government securities up to the amount equivalent to the adjusted Tier 1 capital of the NBQB shall be subject to the reserve requirement of three percent (3%): ***Provided, further,*** That such rate shall apply only to repo agreements, the documentation of which conforms with, and were delivered to a BSP accredited third party custodian as required under existing BSP regulations.”

***“xxx***

**" Subsection 4405Q.5 Reserves against peso-denominated common trust funds and trust and Other Fiduciary Accounts (TOFA) – Others**

" a. *Reserves against peso-denominated CTFs. xxx*

" The reserves to be maintained shall be 19%.

"b. *Reserves against TOFA - Others. xxx*

" The reserves to be maintained shall be 16%."

This Circular shall take effect on the reserve week starting 11 April 2014.

**FOR THE MONETARY BOARD:**

  
**AMANDO M. TETANGCO, JR.**  
Governor

3 April 2014