



OFFICE OF THE GOVERNOR

CIRCULAR NO. 1082
Series of 2020

Subject: Reduction in Reserve Requirements

The Governor, upon authority of the Monetary Board in its Resolution No. 423 dated 23 March 2020, approved a reduction in the reserve requirement ratios of deposit and deposit substitute liabilities of universal and commercial banks and non-bank financial institutions with quasi-banking functions.

Section 1. Section 251 of the Manual of Regulations for Banks (MORB) on required reserves against deposit and deposit substitute liabilities, as amended by Circular Nos. 1041 dated 29 May 2019, 1054 dated 11 October 2019, 1056 dated 22 October 2019, 1061 dated 25 November 2019, and 1063 dated 3 December 2019, is hereby amended to read, as follows:

Section 251 ACCOUNTS SUBJECT TO RESERVES; AMOUNTS REQUIRED

The following rules and regulations shall govern the reserves against deposit and deposit substitute liabilities.

Required reserves against deposit and deposit substitute liabilities. The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks effective reserve week 3 April 2020 shall be as follows:

Reservable Liabilities	UBs/KBs	TBs	RBs/ Coop Banks
a. Demand Deposits	12%	4%	3%
b. NOW accounts	12%	4%	3%
c. Savings Deposits (excluding basic deposit accounts)	12%	4%	3%
d. Time Deposits, Negotiable CTDs, Long-term Non-negotiable Tax Exempt CTDs	12%	4%	3%
e. xxx	xxx	xxx	xxx
f. Deposit Substitutes (DS)	12%	4%	NA
xxx	xxx	xxx	xxx
i. Peso deposits lodged under Due to foreign banks	12%	NA	NA
j. Peso deposits lodged under Due to Head Office/Branches/Agencies Abroad (Philippine branch of a foreign bank)	12%	NA	NA
k. xxx	xxx	xxx	xxx

xxx

Section 2. Section 211-Q of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFi) on required reserves against deposit substitute liabilities, as amended by Circular Nos. 1041 dated 29 May 2019, 1054 dated 11 October 2019, 1061 dated 25 November 2019 and 1063 dated 3 December 2019, is hereby amended to read, as follows:

Section 211-Q RESERVES AGAINST DEPOSIT SUBSTITUTES.

NBQBs shall maintain required reserves equivalent to twelve percent (12%) of deposit substitute liabilities as defined in Section 95 of R.A. No. 7653, as amended by R.A. No. 11211, regardless of maturities except:

- (a) xxx;
- (b) xxx; and
- (c) xxx

effective reserve week starting 3 April 2020.

Section 3. This Circular shall take effect on 3 April 2020 after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


BENJAMIN E. DIOKNO
Governor

71 March 2020