



# BANGKO SENTRAL NG PILIPINAS

## OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2020-071

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

**Subject : Collection of the Annual Supervisory Fees (ASF) for the Year 2020**

Pursuant to Section 28 of the Republic Act (R.A.) No. 7653, "The New Central Bank Act", as amended by R.A. No. 11211<sup>1</sup>, 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 2020 ASF.

### 1. Computation of ASF for 2020

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 reports<sup>2</sup> 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. In case of upgrading or downgrading, the assets from one bank category to another shall likewise be considered in determining the AAA.

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<sup>1</sup> Supervised institutions shall pay to Bangko Sentral no later than May 31 of each year an annual supervision fee as may be prescribed by the Monetary Board (MB). For this year, the MB has approved the deferment of assessment and collection of the ASF from within the month of May 2020 to a later date in 2020 in view of the Covid-19 pandemic.

<sup>2</sup> Financial Reporting Package (FRP) for banks, Consolidated Statement of Condition (CSOC) for NBQBs, and FRP for Trust Institution (FRPTI) of banks and NBQBs with trust functions

The collection of the 2020 ASF also takes into consideration events subsequent to the collection of the 2019 ASF that would warrant a recomputation. In such cases, the resulting over or under-payment of the 2019 ASF shall be deducted/added to the 2020 ASF.

Sample computations to illustrate potential scenarios are provided in Annex A.

## **2. Notification of Amount Due for 2020 and Mode of Payment**

The BSP Department of Supervisory Analytics (DSA) shall send a billing notice in September 2020 to the Bank/NBQB for its ASF payment indicating, among others, the computation of the ASF due, 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 Section 1101 and Section 1101-Q of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBF), respectively, as amended, shall apply.

## **3. Exemption of 2020 Supervisory Fees From Taxes**

In accordance with the provision of R.A. No. 7653, as amended by R.A. No. 11211, the Bangko Sentral shall be **exempt** from all national, provincial, municipal and city taxes on income derived from its governmental functions which include income from its activities or transactions in the exercise of its supervision over the operations of banks and its regulatory and examination powers over non-bank financial institutions performing quasi-banking functions, money service businesses, credit granting businesses and payment systems operators. Such exemption from taxes includes the collection of the ASF, and as such, taxes should not be withheld by entities considered as Large Taxpayers by the Bureau of Internal Revenue.

## **4. Exceptions Noted on Billing Notice of 2020 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) working days before the specified date of collection/debit to DDA as indicated in the billing notice.

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The said exceptions, together with supporting documents, shall be e-mailed to ***dsa-srog@bsp.gov.ph*** using the following prescribed subject format – ASF 2020-Noted Exceptions<space><BSFI Name>

For Example,

To : *dsa-srog@bsp.gov.ph*  
Subject : *ASF 2020-Noted Exceptions <BSFI Name>*

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.

This Memorandum shall take effect immediately.

For strict compliance.

 Digitally signed by  
Chuchi G. Fonacier  
Date: 2020.09.24  
14:42:47 +08'00'

**CHUCHI G. FONACIER**  
Deputy Governor

24 September 2020

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Annex A

Scenarios for computation of 2020 Annual Supervisory Fee (ASF)

1. Upgrade/Downgrade from one bank category to another

**Scenario A: RB A upgraded to TB A in January 2020**

The 2019 Average Assessable Assets (AAA) of RB A will be multiplied by the TB rate.

	Jan
Jan	
Feb	
Mar	241,288,139.49
Apr	
May	
Jun	240,813,284.40
Jul	
Aug	
Sep	236,631,077.94
Oct	
Nov	
Dec	229,155,336.56
Sum of Net Assessable Assets	947,887,838.39
No. of reporting periods	4
Average Assessable Assets	236,971,959.60
ASF rate for TB (1/28 of 1%)	0.000357143
ASF for 2020 for TB A	84,632.88

**Scenario B: TB B downgraded to RB B in January 2020**

The 2019 AAA of TB B will be multiplied by the RB rate.

	2019 Net Assessable Assets
Jan	242,849,367.14
Feb	242,337,276.23
Mar	241,288,139.49
Apr	240,666,674.79
May	241,300,200.39
Jun	240,813,284.40
Jul	238,639,584.15
Aug	236,534,588.97
Sep	236,631,077.94
Oct	232,860,322.55
Nov	229,900,793.89
Dec	229,155,336.56
Sum of Net Assessable Assets	2,852,976,646.50
No. of reporting periods	12
Average Assessable Assets	237,748,053.88
ASF rate for RB (1/40 of 1%)	0.00025
ASF for 2020 for RB B	59,437.01

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**Scenario C: RB A upgraded to TB A in November 2019**

TB A will be charged the applicable rate for the equivalent number of months as RB/TB in 2019. The difference in the amount collected as 2019 ASF will be added as an adjustment to the 2020 ASF.

Computation of 2020 ASF		2019 ASF (Based on 2018 Net Assessable Assets)			
		ASF actual collection for 2019	Recomputation		
		As RB A	As RB A	As TB A	Total
Jan					
Feb					
Mar		241,288,139.49			
Apr					
May		240,813,284.40			
Jun					
Jul					
Aug		236,631,077.94			
Sep					
Oct					
Nov					
Dec		229,155,336.56			
	Sum of Net Assessable Assets	947,887,838.39	947,887,838.39	947,887,838.39	
	Average Assessable Assets	236,971,959.60	236,971,959.60	236,971,959.60	
	No. of reporting periods	4	10	2	
	Prorated No. of months as RB/TB		10/12	2/12	
	Prorated Average Assessable Assets		197,476,633.00	39,495,326.60	
	Applicable ASF Rates	0.000250	0.00025	0.000357143	
	ASF actual collection for 2019	59,242.99	49,369.16	14,105.48	63,474.64
	2019 ASF Recomputation (RB A + TB A)				59,242.99
	Less: ASF actual collection for 2019				
	Under/(Over) Collection of 2019 ASF*				4,231.65
	Total ASF for 2020 for TB A				4,231.65

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**Scenario D: TB A downgraded to RB A in November 2019**

RB A will be charged the applicable rate for the equivalent number of months as TB/RB in 2019. The difference for the amount collected as 2019 ASF will be added as an adjustment to the 2020 ASF.

Computation of 2020 ASF	
2019 Net Assessable Assets	
Jan	233,738,443
Feb	238,413,212
Mar	243,181,476
Apr	248,045,106
May	253,006,008
Jun	258,066,128
Jul	263,227,451
Aug	268,492,000
Sep	273,861,840
Oct	279,339,077
Nov	
Dec	206,910,715
Sum of Net Assessable Assets	2,766,281,455.45
No. of reporting periods	11
Average Assessable Assets	251,480,132.31
ASF rate for RB (1/40 of 1%)	0.00025
ASF for 2020	62,870.03
Under/(Over) Collection of 2019 ASF*	(4,245.51)
Total ASF for 2020 for RB A	58,624.53

	2019 ASF (Based on 2018 Net Assessable Assets)		
	ASF actual collection for 2019	Recomputation	
	As TB A	As TB A	As RB A
Jan	242,849,367.14		
Feb	242,337,276.23		
Mar	241,288,139.49		
Apr	240,666,674.79		
May	241,300,200.39		
Jun	240,813,284.40		
Jul	238,639,584.15		
Aug	236,534,588.97		
Sep	236,631,077.94		
Oct	232,860,322.55		
Nov	229,900,793.89		
Dec	229,155,336.56		
Sum of Net Assessable Assets	2,852,976,646.50	2,852,976,646.50	2,852,976,646.50
Average Assessable Assets	237,748,053.88	237,748,053.88	237,748,053.88
No. of reporting periods	12	10	2
Prorated No. of months as TB/RB		10/12	2/12
Average Assessable Assets		198,123,378.23	39,624,675.65
Applicable ASF Rates	0.000357143	0.000357143	0.00025
2019 ASF Recomputation (TB A + RB A)		70,758.38	9,906.17
Less: ASF actual collection for 2019	84,910.05		
Under/(Over) Collection of 2019 ASF*			(4,245.51)

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

**Scenario E: RB C and TB C consolidated in January 2020 to form a new TB D.**

Since the consolidation was effected prior to the assessment for 2020 ASF, the 2019 Net Assessable Assets of the two banks will be combined and the TB rate will be applied.

	2019 Net Assessable Assets		
	RB C	TB C	TB D
Jan		164,658,792.00	164,658,792.00
Feb		163,861,844.80	163,861,844.80
Mar	21,928,504.00	165,311,225.60	187,239,729.60
Apr		153,357,155.20	153,357,155.20
May		154,301,374.40	154,301,374.40
Jun	22,295,142.15	168,488,963.20	190,784,105.35
Jul		170,373,352.00	170,373,352.00
Aug		170,278,228.80	170,278,228.80
Sep	22,320,467.05	168,700,764.00	191,021,231.05
Oct		168,186,770.40	168,186,770.40
Nov		177,710,888.80	177,710,888.80
Dec	22,383,648.40	192,866,280.80	215,249,929.20
			2,107,023,401.60
No. of reporting periods			12
Average Assessable Assets			175,585,283.47
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2020 for TB D			62,709.05

**Scenario F: RB X and TB Y consolidated in November 2019 to form a new TB Z.**

TB Z will be charged the applicable rate as TB in 2019.

The difference in the amount collected as 2019 ASF will be added as an adjustment to the 2020 ASF.

Computation of 2020 ASF	2019 Net Assessable Assets			2019 ASF (Based on 2018 Net Assessable Assets)	
	RB X	TB Y	TB Z	RBX	TBY
Jan		174,949,966.50	174,949,966.50		137,286,164.53
Feb		175,643,177.20	175,643,177.20		140,087,922.99
Mar	20,638,592.00	175,643,177.20	196,281,769.20	19,036,380.13	142,946,860.19
Apr		162,941,977.40	162,941,977.40		145,864,143.05
May		163,945,210.30	163,945,210.30		148,840,962.30
Jun	20,983,663.20	179,019,523.40	200,003,186.60	19,424,877.68	151,878,532.96
Jul		181,021,686.50	181,021,686.50		154,978,094.86
Aug		180,920,618.10	180,920,618.10		158,140,913.12
Sep	21,007,498.40	179,244,561.75	200,252,060.15	19,821,303.76	161,368,278.69
Oct		178,698,443.55	178,698,443.55		164,661,508.87
Nov		199,705,941.95	199,705,941.95		168,021,947.83
Dec		219,676,536.15	219,676,536.15	20,225,820.16	171,450,967.17
Sum of Net Assessable Assets		2,234,040,573.60	2,234,040,573.60	78,508,381.73	1,845,526,296.56
No. of reporting periods		12	12	12	12
Average Assessable Assets		186,170,047.80	186,170,047.80	19,627,095.43	153,793,858.05
ASF rate for TB (1/28 of 1%)		0.000357143	0.000357143	0.000250	0.000357143
ASF for 2020 for TB Z		66,489.33	66,489.33	4,906.77	54,926.40
Under/(Over) Collection of 2019 ASF*		(2,570.21)	(2,570.21)		
Total ASF for 2020 for TB Z		63,919.12	63,919.12		
					160,336,223.19
					191,676,787.33
					1,924,034,678.29
					0.000357143
					57,262.96
					59,833.17
					(2,570.21)

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**3. Merger: One entity absorbs another entity and continue to operate as the surviving entity while the absorbed entity ceases to operate Scenario G: RB D and TB E merged in January 2020 with TB E as the surviving entity**

The quarterly 2019 Net Assessable Assets of RB D will be combined with the monthly 2019 Net Assessable Assets of TB E and the TB rate will be applied.

2019 Net Assessable Assets			
	RB D	TB E	Total
Jan		154,367,617.50	154,367,617.50
Feb		153,620,479.50	153,620,479.50
Mar	23,218,416.00	154,979,274.00	178,197,690.00
Apr		143,772,333.00	143,772,333.00
May		144,657,538.50	144,657,538.50
Jun	23,606,621.10	157,958,403.00	181,565,024.10
Jul		159,725,017.50	159,725,017.50
Aug		159,635,839.50	159,635,839.50
Sep	23,633,435.70	158,156,966.25	181,790,401.95
Oct		157,675,097.25	157,675,097.25
Nov		173,442,606.98	173,442,606.98
Dec	23,700,333.60	187,318,015.53	211,018,349.13
Sum of Net Assessable Assets			1,999,467,994.91
No. of reporting periods			12
Average Assessable Assets			166,622,332.91
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2020 for TB E			59,508.00

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**Scenario H: RB A and TB A merged in December 2019 with TB A as the surviving entity**

TB A will be charged the applicable rate as TB in 2019.  
 The difference for the amount collected as 2019 ASF will be added as an adjustment to the 2020 ASF.

Computation of 2020 ASF	2019 Net Assessable Assets		Total
	RB A	TB A	
Jan		549,972,808	549,972,808
Feb		577,471,448	577,471,448
Mar	252,070,870.22	606,345,021	858,415,891
Apr		636,662,272	636,662,272
May		668,495,385	668,495,385
Jun	277,277,957.24	701,920,154	979,198,112
Jul		737,016,162	737,016,162
Aug		773,866,970	773,866,970
Sep	305,005,752.96	812,560,319	1,117,566,072
Oct		853,188,335	853,188,335
Nov		895,847,751	895,847,751
Dec		940,640,139	940,640,139
Sum of Net Assessable Assets	834,354,580.41	8,753,986,763.66	9,588,341,344.08
No. of reporting periods			12
Average Assessable Assets			799,028,445.34
ASF rate for TB (1/40 of 1%)			0.000357143
ASF for 2020			285,367.42
Under/(Over) Collection of 2019 ASF*			(31,032.08)
Total ASF for 2020 for TB A			254,335.34

	2019 ASF (Based on 2018 Net Assessable Assets)		
	ASF Collected for 2019	2019 ASF	Re-computation
	RB A	TB A	TB A
Jan		242,849,367.14	242,849,367.14
Feb		242,337,276.23	242,337,276.23
Mar	241,288,139.49	241,288,139.49	482,576,278.98
Apr		240,666,674.79	240,666,674.79
May		241,300,200.39	241,300,200.39
Jun	240,813,284.40	240,813,284.40	481,626,568.80
Jul		238,639,584.15	238,639,584.15
Aug		236,534,588.97	236,534,588.97
Sep	236,631,077.94	236,631,077.94	473,262,155.88
Oct		232,860,322.55	232,860,322.55
Nov		229,900,793.89	229,900,793.89
Dec		229,155,336.56	458,310,673.12
Sum of Net Assessable Assets	229,155,336.56	2,852,976,646.50	3,800,864,484.89
Average Assessable Assets	947,887,838.39	237,748,053.88	316,738,707.07
No. of reporting periods	236,971,959.60		12
Applicable ASF Rates	4		0.000357143
2019 ASF	0.00025	84,910.05	113,120.97
Recomputed 2019 ASF (TB A)	59,242.99		144,153.04
Less: ASF collected for 2019 (RB A + TB A)			(31,032.08)
Under/(Over) Collection of 2019 ASF*			

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4. Amendment of reports used in the computation of ASF

Scenario I: RB E amended its Dec 2018 FRP in January 2020

The 2019 ASF will be recomputed and the resulting under/(over) collection will be added to/deducted from the 2020 ASF.

Computation of 2020 ASF	
2019 Net Assessable Assets	
	RBE
Jan	
Feb	
Mar	19,864,644.80
Apr	
May	
Jun	20,196,775.83
Jul	
Aug	
Sep	20,219,717.21
Oct	
Nov	
Dec	20,276,952.08
Sum of Net Assessable 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 2020	5,034.88
Under/(Over) Collection of 2019 ASF*	24.94
Total ASF for 2020 for RBE	5,059.82

Recomputation of 2019 ASF		
2018 Net Assessable Assets		
	RBE	
	Original	Amended
Jan		
Feb		
Mar	18,522,548.05	18,522,548.05
Apr		
May		
Jun	19,605,793.15	19,605,793.15
Jul		
Aug		
Sep	20,644,771.95	20,644,771.95
Oct		
Nov		
Dec	21,484,407.05	21,883,458.27
Sum of Net Assessable 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 2019		5,041.04
Less: ASF collected for 2019		5,016.10
Under/(Over) Collection of 2019 ASF*		24.94

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