

[BSP CIRCULAR NO. 166, May 28, 1998]

REDUCING THE RESERVE REQUIREMENT ON ALL TYPES OF PESO DEPOSITS AND DEPOSIT SUBSTITUTE LIABILITIES OF EXPANDED COMMERCIAL BANKS, COMMERCIAL BANKS AND NON-BANKS WITH QUASI-BANKING (NBQBS) FUNCTIONS AND CERTAIN TYPES OF DEPOSIT AND DEPOSIT SUBSTITUTE LIABILITIES OF THRIFT BANKS AND RURAL BANKS

Pursuant to Monetary Board Resolution No. 749 dated 20 May 1998, reducing the reserve requirement on all types of peso deposits and deposit substitute liabilities of expanded commercial banks, commercial banks and non-banks with quasi-banking (NBQBs) functions and certain types of deposit and deposit substitute liabilities of thrift banks and rural banks, Books, I, II, III and IV of the Manual of Regulations are hereby amended as follows:

Book I - Expanded Commercial Banks and Commercial Banks

SECTION 1. Sections 1203, 1214, 1225, 1232, 1236 and 1253 of Book I of the Manual of Regulations are hereby amended by reducing the required reserves against demand and savings deposits, NOW accounts, time deposits and negotiable certificate of time deposits regardless of maturity of banks with expanded commercial banking authority, commercial banks, the Land Bank of the Philippines, the Development Bank of the Philippines and the Al-Amanah Islamic Investment Bank of the Philippines from ten percent (10%) to eight percent (8%).

SECTION 2. Section 1283 of Book I of the Manual of Regulations is hereby amended by reducing the required reserves against deposit substitute liabilities regardless of maturity from ten percent (10%) to eight percent (8%).

Book II - Thrift Banks

SECTION 3. Section 2203, Section 2225 and Section 2253 of Book II of the Manual of Regulations are hereby amended by reducing the required reserves against demand deposits and NOW accounts from ten percent (10%) to eight percent (8%).

SECTION 4. Section 2283 of Book II of the Manual of Regulations is hereby amended by reducing the required reserves against deposit substitute liabilities regardless of maturity from ten percent (10%) to eight percent (8%).

SECTION 5. Sections 2232, 2236, and 2253 of Book II of the Manual of Regulations are hereby amended by reducing the required reserves against time deposits and negotiable certificates of time deposits regardless of maturity from eight percent (8%) to six percent (6%).