

[**BSP CIRCULAR NO. 1261, November 09, 1990**]

RESERVE REQUIREMENT

Pursuant to Monetary Board Resolution No. 1171 dated November 7, 1990, increasing the reserve requirement on all types of deposits of commercial banks and non-banks with quasi-banking functions; on demand deposits, NOW accounts and deposit substitutes of thrift banks and on demand deposits and NOW accounts of rural banks while at the same time unifying the reserve requirement on savings and short - and long-term time deposits of thrift banks and rural banks at 17 percent and 14 percent, respectively, Books I to IV of the Manual of Regulations are hereby amended to read as follows:

BOOK I Commercial Banks

SECTION 1. Section 1203, Section 1214, Section 1225, Section 1232, Section 1236 and Section 1253 of Book I of the Manual of Regulations are hereby amended by increasing the required reserves against demand and savings deposits, NOW accounts, and time deposits regardless of maturities of banks with expanded commercial banking authority, commercial banks, the Land Bank of the Philippines and the Philippine Amanah Bank from twenty-one percent (21%) to twenty-two percent (22%) effective November 15, 1990 and to twenty-three percent (23%) effective November 30, 1990.

SECTION 2. Section 1283 of Book I of the Manual of Regulations is hereby amended by increasing the required reserves against deposit substitute liabilities regardless of maturities from twenty-one percent (21%) to twenty-two percent (22%) effective November 15, 1990, and to twenty-three percent (23%) effective November 30, 1990.

BOOK II Thrift Banks (including Development Bank of the Philippines)

SECTION 3. Section 2203, Section 2225 and Section 2253 of Book II of the Manual of Regulations are hereby amended by increasing the required reserves against demand deposits and NOW accounts from twenty-one percent (21%) to twenty-two percent (22%) effective November 15, 1990 and to twenty-three percent (23%) effective November 30, 1990.

SECTION 4. The required reserves against savings deposits and time deposits regardless of maturities are hereby unified at seventeen percent (17%). Section 2232 and Section 2253 of Book II of the Manual of Regulations are accordingly amended by reducing the required reserves against time deposits with original maturities of more than 730 days from twenty-one percent (21%) to seventeen percent (17%) effective November 15, 1990.