

[**BSP CIRCULAR NO. 726 SERIES OF 2011, June 24, 2011**]

INCREASE IN STATUTORY/LEGAL RESERVE REQUIREMENTS OF PESO DEPOSIT LIABILITIES AND DEPOSITS SUBSTITUTES

SUBJECT: INCREASE IN STATUTORY/LEGAL RESERVE REQUIREMENTS OF PESO DEPOSIT LIABILITIES AND DEPOSITS SUBSTITUTES

The Monetary Board, in its Resolution No. 871 dated 16 June 2011, approved the increase in the statutory/legal reserve requirements for peso deposit liabilities and deposit substitutes of universal/commercial banks, thrift banks, rural banks, cooperative banks, and non-bank financial institutions (NBFIs) with quasi-banking functions, as follows:

BANK/FINANCIAL INSTITUTION	ACCOUNTS	STATUTORY/LEGAL RESERVES		LIQUIDITY RESERVES
		From	To	
Universal/Commercial Banks	-Demand -"NOW" -Savings -Time -Deposit substitutes (DS)	8%	9%	11%
	-DS evidenced by repo agreements ¹ -Long-term Negotiable Certificate of Time Deposits (LTNCTDs)	2%	3%	0%
Thrift Banks	-Demand -"NOW" -Savings -Time -Deposit substitutes	4%	5%	2%
	-DS evidenced by repo agreements ¹ -LTNCTDs	2%	3%	0%
Rural	-Demand	4%	5%	0%