

**[ BSP CIRCULAR LETTER, NOVEMBER 27, 2002,  
November 27, 2002 ]**

**SUPERVISORY FEE OF RURAL BANKS**

Sec. 22 of Republic Act No. 7353 requires rural banks to contribute to the Bangko Sentral ng Pilipinas (BSP) an annual fee (supervisory fee) to help defray the cost of maintaining the appropriate supervising Department within the Bangko Sentral in an amount to be determined by the Monetary Board but in no case to exceed 1/40 of 1% of its average total assets during the preceding year.

Section 28, R.A. No. 7653, requires banks to pay to the BSP within the first thirty (30) days of each year, an annual fee (supervisory fee) in an amount equal to the percentage as may be prescribed by the Monetary Board of its average total assets during the preceding year.

The Monetary Board in its Resolution No. 48 dated January 7, 2000, prescribes the mode of computing the annual banking/supervision fee as follows:

*x x x The Board decided that annual banking/supervision fees of rural banks beginning fiscal year 1999 be computed using a measurement of average total assets based on the banks' balance sheets as of month-end for the months of March, June, September and December and dividing by 4 the sum of end-of month balances x x x.*

The computation of the supervisory fee is illustrated as follows:

(All amounts in Thousand Pesos)

2002	March	June	September	December	Total
Total Assets	P1,000	P2,000	P3,000	P4,000	P10,000
Less:					
Cash on Hand	P10	P20	P50	P80	P160
Due from	50	70	80	150	350
Other Banks					
Due from BSP	20	50	70	70	210
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Total Deductions	P80	P140	P200	P300	P720
Net Assessable Assets	P920	P1,860	P2,800	P3,700	P9,280
Average end-of-month balances (divide by 4)					<u>P2,320</u>

**Annual**