[BSP CIRCULAR NO. 197, April 12, 1999]

LIQUIDITY RESERVES FOR ALL FINACIAL INTERMEDIARIES

Pursuant to Monetary Board Resolution No. 411 dated 7 April 1999, reducing the liquidity reserve requirement on all types of peso deposits and deposit substitute liabilities of expanded commercial banks, commercial banks and non-bank financial intermediaries with quasi-banking functions (NBQBs) and certain types of deposit and deposit substitute liabilities of thrift banks and rural banks, Circular No. 188 dated 3 February 1999 and Books I, II, III and IV of the Manual of Regulations for Banks and Other Financial Intermediaries are hereby amended as follows:

Books I, II, III and IV
Liquidity Reserves for All Financial Intermediaries

Section 11 of Circular No. 166 dated 28 May 1998 is amended to read as follows:

"*Section 11.* On top of the regular reserve requirements, a liquidity reserve against peso demand, savings, time deposit and deposit substitute liabilities shall be maintained as follows:

a) For expanded commercial	four percent (4%) effective 16 April 1999 banks, commercial banks, and non-bank financial intermediaries with quasi- banking functions (NBQBs)
b) For thrift banks	three percent (3%) effective 16 April 1999
c) For rural banks - against demand deposit liabilities	zero (0%) effective 16 April 1999
- against savings/time deposits	to remain at zero (0%)

The required liquidity reserve may be maintained in the form of short-term market-yielding government securities purchased directly from the BSP-Treasury Department, pursuant to Circular No. 10 dated 29 December 1993.

Adopted: 12 April 1999

(SGD.) GABRIEL C. SINGSON
Governor