

RESERVE POSITION OF BANK / QUASI-BANKING

BSP CIRCULAR LETTER, April 06, 1998

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Pursuant to the instructions of the Monetary Board, we are issuing the following clarification on Section 100 of R. A. No. 7653 which reads as follows —

"Sec. 100. Computation on Reserves — The reserve position of each bank of quasi-bank shall be calculated daily on the basis of the amount, at the close of business for the day, of the institution's reserves and the amount of its liability accounts against which reserves are required to be maintained: Provided, That with reference to holidays or non-banking days, the reserve position as calculated at the close of the business day immediately preceding such holidays and non-banking days shall apply on such days . x x x"

In this regard, please be advised that whenever clearing at the Philippine Clearing House Corporation (PCHC) is suspended due to an emergency (such as a typhoon, floods, etc.), it shall be considered a nonbanking day. In that event, the reserve position as of the immediately preceding business day shall be carried over to the day when there was no PCHC clearing. This means that the balance of the demand deposit account with the Bangko Sentral ng Pilipinas (BSP) as of the immediately preceding business day shall be used as reserves, notwithstanding any transaction that may be recorded by the BSP Accounting, on the day when there was no PCHC clearing.

Please be guided accordingly.

Adopted: 6 April 1998

(SGD.) ALBERTO V. REYES
Deputy Governor

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