

RESERVE REQUIREMENT ON ALL TYPES OF PESO DEPOSIT AND DEPOSIT SUBSTITUTE LIABILITIES

BSP CIRCULAR NO. 158, March 20, 1998

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/126cc70f723d/>

Pursuant to Monetary Board Resolution No. 369 dated 12 March 1998, amending the composition of the reserve requirement on all types of peso deposit and deposit substitute liabilities of expanded commercial banks, commercial banks and non-banks with quasi-banking (NBQBs) functions and certain types of deposit and deposit substitute liabilities of thrift banks and rural banks, and Monetary Board Resolution No. 403 dated 18 March 1998, advancing the effectivity date of the abovementioned changes, Books I, II, III and IV of the Manual of Regulations are hereby amended as follows:

Book I - Expanded Commercial Banks and Commercial Banks

SECTION 1. Sections 1203, 1214, 1225, 1232, 1236 and 1253 of Book 1 of the Manual of Regulations are hereby amended by reducing the required reserves against demand and savings deposits, NOW accounts, time deposits and negotiable certificate of time deposits regardless of maturity of banks with expanded commercial banking authority, commercial banks, the Land Bank of the Philippines, the Development Bank of the Philippines and the Al-Amanah Islamic Investment Bank of the Philippines from thirteen percent (13%) to ten percent (10%).

SECTION 2. Section 1283 of Book I of the Manual of Regulations is hereby amended by reducing the required reserves against deposit substitute liabilities regardless of maturity from thirteen percent (13%) to ten percent (10%).

Book II - Thrift Banks

SECTION 3. Section 2203, Section 2225 and Section 2253 of Book II of the Manual of Regulations are hereby amended by reducing the required reserves against demand deposits and NOW accounts from thirteen percent (13%) to ten percent (10%).

SECTION 4. Section 2283 of Book II of the Manual of Regulations is hereby amended by reducing the required reserves against deposit substitute liabilities regardless of maturity from thirteen percent (13%) to ten percent (10%).

SECTION 5. Sections 2232, 2236, and 2253 of Book II of the Manual of Regulations are hereby amended by reducing the required reserves against time deposits and negotiable certificates of time deposits regardless of maturity from eleven percent (11%) to eight percent (8%).

SECTION 6. Sections 2214 and 2253 of Book II of the Manual of Regulations are hereby amended by reducing the required reserves against savings deposits from eleven percent (11%) to ten percent (10%).

Book III - Rural Banks

SECTION 7. Sections 3203 and 3253 of Book III of the Manual of Regulations are hereby amended by reducing the required reserves against demand deposits from thirteen percent (13%) to ten percent (10%).

SECTION 8. Sections 3225, 3236, and 3253 of Book III of the Manual of Regulations are hereby amended by reducing the required reserves against NOW accounts from thirteen percent (13%) to ten percent (10%).

SECTION 9. Under Sections 3214 and 3232 of Book III of the Manual of Regulations, the required reserves against savings and time deposits regardless of maturity shall remain at five percent (5%).

Book IV - Non-Bank Financial Intermediaries

SECTION 10. The first paragraph of Section 4283Q of Book IV of the Manual of Regulations is hereby amended by reducing the required reserves against deposit substitute liabilities, regardless of maturity, from thirteen percent (13%) to ten percent (10%).

Books I, II, III and IV

Liquidity Reserves for all Financial Intermediaries

SECTION 11. On top of the regular reserve requirements, liquidity reserve ratios against peso demand, savings, time deposit and deposit substitute liabilities shall be raised, as follows:

- a) For expanded commercial banks, commercial banks, and non-bank financial intermediaries with quasi-banking functions (NBQBs), from four percent (4%) to seven percent (7%);
- b) For thrift banks, from three percent (3%) to six percent (6%); and
- c) For rural banks, from zero to three percent (3%) against their demand deposit liabilities.

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.

Form and Composition of Regular Reserves for All Financial Intermediaries

SECTION 12. Regular reserves shall be maintained in the same form and composition as provided in Sections 1254, 2254, 3254, 1283, 2283.1, 3283, and 4283Q of Books I, II, III, and IV, respectively, of the Manual of Regulations for Banks and Other Financial Intermediaries.

This Circular shall take effect 20 March 1998.

Adopted: 20 March 1998

(SGD.) GABRIEL C. SINGSON

Governor

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.