

REQUIRED RESERVES AGAINST TRUST FUNDS

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/42a4d3ad1fac/>

Pursuant to Monetary Board Resolution No. 749 dated 20 May 1998, amending the ratio of required reserves for all financial intermediaries, the Rules and Regulations on Trust, Other Fiduciary Business and Investment Management Activities (Trust Rules) are amended as follows:

SECTION 1. The first paragraph of Subsection _405.5, Item 1.1 is amended to read as follows:

"1.1 Reserves Against Peso-Denominated Common Trust Funds

The required reserves against peso-denominated common trust funds and such other managed peso funds which partake the nature of collective investment of peso-denominated common trust funds of all financial intermediaries authorized to engage in trust and other fiduciary business shall be reduced from seven percent (7%) to five percent (5%).

In addition to the regular reserve requirement, the liquidity reserves against peso-denominated common trust funds and such other peso funds which partake the nature of collective investment of peso-denominated common trust funds shall be maintained at eight percent (8%). The liquidity reserve may be held in the form of short-term market yielding government securities purchased directly from the BSP-Treasury Department".

SECTION 2. Item 1.2 of Subsection _405.5 is amended to read as follows:

"1.2. Reserves Against Trust and Other Fiduciary Accounts (TOFA) — Others

In addition to the basic security deposit required under Subsection _405.1, all financial intermediaries authorized to engage in trust and other fiduciary business shall maintain required reserve against Trust and Other Fiduciary Accounts (TOFA) — Others, except (a) accounts held under administration; (b) bond issues under deed of trust or mortgage; (c) custodianship and safekeeping; d) depository/reorganization; (e) employees' benefit plans under trust; (f) escrow; (g) personal trust (testamentary or living trust); (h) executorship; (i) guardianship; (j) life insurance trust; and (k) pre-need plans (institutional/individual).

The required reserves against TOFA-Others shall be reduced from seven percent (7%) to five percent (5%), while the liquidity reserve, which is in addition to the required reserve, shall be maintained at eight percent (8%) of TOFA-Others. The liquidity reserve may be held in the form of short-term market yielding government securities purchased directly from the BSP-Treasury Department,

Provided, that the reserves on trust and other fiduciary accounts (TOFA) — Others shall be provided out of such funds."

This Memorandum shall take effect on 29 May 1998.

Adopted: 28 May 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.