NATIONAL ADMINISTRATIVE REGISTER · JULY 5, 1996

TRUST RULES

BSP MEMORANDUM, July 05, 1996

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We are re-issuing the following guidelines previously approved by the Monetary Board COMMA in its Resolution No PERIOD 1059 dated 16 November 1992 COMMA with respect to the implementation of Subsection 4404 PERIOD 1(5) (a) of the trust rules COMMA in so far as investment houses not authorized to engage in quasi-banking functions applying for trust/investment management authority COMMA are concerned:

1. The adoption of the formula/criteria for non-bank financial intermediaries performing quasi-banking functions (NBQB) in the determination of compliance with capital-to-risk assets ratio and ceilings on loans of directors COMMA officers stockholders and related interests; and

2. The substitution of the reserve and liquidity floor requirements with the cash ratio COMMA as follows:

a. Primary Reserves to Bills Payable

b. Primary and Secondary Reserves to Bills Payable

where primary reserves consist of cash on hand COMMA cash in vault COMMA checks and other cash items COMMA due from the Bangko Sentral COMMA due from banks COMMA and due from head office/branches/ agencies outside the Philippines; and where secondary reserves consist of Bangko Sentrals up ported government securities COMMA treasury bills and other government securities.

Adopted: 5 July 1996

(SGD.) ALBERTO V. REYES
Deputy Governor

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