



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2019- 009

**TO : ALL BANKS AND NON-BANKS WITH QUASI-BANKING
FUNCTIONS (NBQBs)**

Subject : Collection of the Annual Supervisory Fees (ASF) for the Year 2019

Pursuant to Section 1101 and Subsection 4901Q.1 (2008 – 4652Q) of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), respectively, the following guidelines shall govern the computation and collection by the Bangko Sentral Ng Pilipinas (BSP) and the payment by Banks and NBQBs of the 2019 ASF.

1. Computation of ASF for 2019

The ASF is based on the Average Assessable Assets (AAA) of the preceding year multiplied by the applicable assessment rates approved by the Monetary Board as follows:

Type of Financial Institution	Applicable Rate
Universal/Commercial Banks	1/28 of 1%
Thrift Banks	1/28 of 1%
Rural/Cooperative Banks	1/40 of 1%
NBQBs	1/28 of 1%

The AAA of the preceding year is derived from the reports¹ submitted by the Bank/NBQB to the BSP in compliance with the standards and requirements prescribed under existing regulations.

In view of the amendments to Republic Act (R.A.) No. 7653², which took effect on 06 March 2019, the ASF computation for Large Taxpayers shall be gross of Creditable Withholding Tax (CWT). Please refer to Section 4 of this Memorandum for guidelines.

¹ Financial Reporting Package (FRP) for banks, Consolidated Statement of Condition (CSOC) for NBQBs, and FRP for Trust Institution (FRPTI) of banks and NBQBs with trust functions

² Amended by R.A. No. 11211 (An Act Amending R.A. No. 7653 Otherwise Known as "The New Central Bank Act", and for Other Purposes)

In case of a merger or consolidation, the assets of the covered institutions prior to the merger or consolidation as well as the assets of the newly formed institution shall be considered in determining the AAA. In case of upgrading or downgrading, the assets from one bank category to another shall likewise be considered in determining the AAA.

The collection of the 2019 ASF shall take into consideration events subsequent to the collection of the 2018 ASF that would warrant a recomputation. In such cases, the resulting over or under-payment of the 2018 ASF shall be deducted/added to the 2019 ASF.

Sample computations to illustrate potential scenarios are provided in Annex A.

2. Notification of Amount Due for 2019 and Mode of Payment

The BSP Supervisory Data Center (SDC) shall send a billing notice in April 2019 to the Bank/NBQB for its ASF payment indicating, among others, the computation of the ASF due, the period covered by the ASF and the specific date when the ASF will be debited from the Bank's/NBQB's Demand Deposit Account (DDA) with the BSP.

The BSP will not accept checks as mode of ASF payment. Banks/NBQBs, upon receipt of the ASF billing notice from the BSP, should maintain adequate balance in their DDA to cover the ASF and other daily obligations and, when necessary, make corresponding deposits to fully cover said obligations. In case of deficiency, the provisions on DDA deficiency in Section 1101 and Subsection 4901Q.1 (2008 – 4652Q) of the MORB and MORNBF, respectively, as amended, shall apply.

3. Exceptions Noted on Billing Notice of 2019 ASF

Upon receipt of the BSP Notice of ASF billing, a Bank/NBQB is encouraged to check the accuracy of the billing and to submit any noted exceptions therein not later than ten (10) working days before the specified date of collection/debit to DDA as indicated in the billing notice. The said exceptions, together with supporting documents, shall be submitted to:

The Officer-In-Charge
Supervisory Data Center (SDC)
Bangko Sentral Ng Pilipinas
11th Floor, Multi-Storey Building
BSP Complex, A. Mabini Street, Malate
1004 Manila

Any exceptions received after the cut-off date or any exceptions not duly substantiated with documents before the cut-off date will be evaluated and considered in the computation of the ASF for the immediately succeeding year.

4. Creditable Withholding Tax (CWT) on 2019 Supervisory Fees

In accordance with the amendments to R.A. No. 7653, the Bangko Sentral shall be **exempt** from all national, provincial, municipal and city taxes on income derived from its governmental functions which include income from its activities or transactions in the exercise of its supervision over the operations of banks and its regulatory and examination powers over non-bank financial institutions performing quasi-banking functions, money service businesses, credit granting businesses and payment systems operators.

A Bank/NBQB withholding a portion of the ASF on account of Subsections M and N of Section 2.57.2 of Bureau of Internal Revenue (BIR) Revenue Regulations (R.R.) No. 2-98, shall advise the BSP through written representation, within ten (10) working days before the specified date of collection/debit to DDA as indicated in the billing notice, of such intention together with the BIR Form No. 2307 indicating the amount withheld as CWT. Advance scanned copies in Portable Document Format (PDF) of the said representation and BIR Form should be submitted to the BSP official e-mail address³.

Moreover, the following shall apply to Banks/NBQBs with written representation and BIR Form No. 2307 submitted within the abovementioned prescribed period:

4.1 The ASF, net of the CWT, shall be debited from their respective DDAs on the specified date referred to in the notice of ASF billing under Section 2 above.

4.2 Three (3) original signed copies of BIR Form No. 2307 Certificate of Creditable Tax Withheld at Source, which exclusively pertain to the withholding on ASF shall be submitted to the SDC at the address provided in Section 3 above. The BIR Form No. 2307 shall accurately indicate, among others, the following details:

4.2.1 Payee: Bangko Sentral ng Pilipinas

4.2.2 Tax Identification Number: 000-354-790-000

4.2.3 Address: A. Mabini St. corner P. Ocampo Sr. St.,
Malate, Manila

³ For Banks and NBQBs, sdc_drd1@bsp.gov.ph and sdc_drd2@bsp.gov.ph, respectively.

- 4.2.4 Zip Code: 1004
- 4.2.5 The BIR-registered name of the payor-bank/-NBQB, as exactly indicated in the BIR Certificate of Registration (BIR Form No. 2303) of the Bank/NBQB.
- 4.2.6 the amount of income payment pertaining to the gross ASF
- 4.2.7 the tax withheld
- 4.2.8 the period of tax return.

Furthermore, the BIR Form No. 2307 - Certificate of Creditable Tax Withheld at Source covering the withholding on ASF should **not** include other transactions with BSP and should pertain exclusively to the ASF. If the concerned Banks/NBQBs have other transactions with BSP, a separate BIR Form No. 2307 for the transaction/s shall be provided to BSP.

- 4.3 In case of failure of concerned Bank/NBQB to submit the duly accomplished forms within the deadline stated above or if such forms contain errors and discrepancies that would render the BIR Form No. 2307 invalid for claiming tax credits, the BSP shall be constrained to immediately debit an amount equivalent to the CWT from the DDA of Banks/NBQBs concerned, with no obligation on the part of the BSP to reimburse said amount. In case of DDA deficiency, the provisions in Section 1101 and Subsection 4901Q.1 (2008 – 4652Q) of the MORB and MORNBF, respectively, as amended, shall apply.

This Memorandum shall take effect immediately.

For strict compliance.


RESTITUTO C. CRUZ
Sector-In-Charge

8 April 2019

Scenarios for computation of 2019 Annual Supervisory Fee (ASF)**1. Upgrade/Downgrade from one bank category to another****Scenario A: RB A upgraded to TB A in January 2019**

The 2018 Average Assessable Assets (AAA) of RB A will be multiplied by the TB rate.

	2018 Net Assessable Assets
Jan	
Feb	
Mar	241,288,139.49
Apr	
May	
Jun	240,813,284.40
Jul	
Aug	
Sep	236,631,077.94
Oct	
Nov	
Dec	229,155,336.56
Sum of Net Assessable Assets	947,887,838.39
No.of reporting periods	4
Average Assessable Assets	236,971,959.60
ASF rate for TB (1/28 of 1%)	0.000357143
ASF for 2019 for TB A	84,632.88

Scenario B: TB B downgraded to RB B in January 2019

The 2018 AAA of TB B will be multiplied by the RB rate.

	2018 Net Assessable Assets
Jan	242,849,367.14
Feb	242,337,276.23
Mar	241,288,139.49
Apr	240,666,674.79
May	241,300,200.39
Jun	240,813,284.40
Jul	238,639,584.15
Aug	236,534,588.97
Sep	236,631,077.94
Oct	232,860,322.55
Nov	229,900,793.89
Dec	229,155,336.56
Sum of Net Assessable Assets	2,852,976,646.50
No.of reporting periods	12
Average Assessable Assets	237,748,053.88
ASF rate for RB (1/40 of 1%)	0.00025
ASF for 2019 for RB B	59,437.01

Scenario-C: RB A upgraded to TB A in November 2018

TB A will be charged the applicable rate for the equivalent number of months as RB/TB in 2018.
The difference in the amount collected as 2018 ASF will be added as an adjustment to the 2019 ASF.

Computation of 2019 ASF		2018 ASF (Based on 2017 Net Assessable Assets)			
		ASF actual collection for 2018	Recomputation		
	2018 Net Assessable Assets	As RB A	As RB A	As TB A	Total
Jan					
Feb					
Mar	232,860,323	241,288,139.49			
Apr					
May					
Jun	238,639,584	240,813,284.40			
Jul					
Aug					
Sep	242,337,276	236,631,077.94			
Oct					
Nov	254,991,835				
Dec	267,741,427	229,155,336.56			
Sum of Net Assessable Assets	1,236,570,445.70	947,887,838.39	947,887,838.39	947,887,838.39	
No. of reporting periods	5	236,971,959.60	236,971,959.60	236,971,959.60	
Average Assessable Assets	247,314,089.14	4	10	2	
ASF rate for TB (1/28 of 1%)	0.000357143		10/12	2/12	
ASF for 2019	88,326.50				
Under/(Over) Collection of 2018 ASF*	4,231.65		197,476,633.00	39,495,326.60	
Total ASF for 2019	92,558.14	0.000250	0.00025	0.000357143	
		59,242.99			
			49,369.16	14,105.48	63,474.64
					59,242.99
					4,231.65

Scenario D: TB A downgraded to RB A in November 2018

RB A will be charged the applicable rate for the equivalent number of months as TB/RB in 2018.
The difference for the amount collected as 2018 ASF will be added as an adjustment to the 2019 ASF.

Computation of 2019 ASF		2018 ASF (Based on 2017 Net Assessable Assets)			
		ASF actual collection for 2018	Recomputation		
	2018 Net Assessable Assets	As TB A	As TB A	As RB A	Total
Jan	233,738,443	242,849,367.14			
Feb	238,413,212	242,337,276.23			
Mar	243,181,476	241,288,139.49			
Apr	248,045,106	240,666,674.79			
May	253,006,008	241,300,200.39			
Jun	258,066,128	240,813,284.40			
Jul	263,227,451	238,639,584.15			
Aug	268,492,000	236,534,588.97			
Sep	273,861,840	236,631,077.94			
Oct	279,339,077	232,860,322.55			
Nov		229,900,793.89			
Dec	206,910,715	229,155,336.56			
Sum of Net Assessable Assets	2,766,281,455.45	2,852,976,646.50	2,852,976,646.50	2,852,976,646.50	
No. of reporting periods	11	237,748,053.88	237,748,053.88	237,748,053.88	
Average Assessable Assets	251,480,132.31	12	10	2	
ASF rate for RB (1/40 of 1%)	0.00025		10/12	2/12	
ASF for 2019	62,870.03		198,123,378.23	39,624,675.65	
Under/(Over) Collection of 2018 ASF*	(4,245.51)	0.000357143	0.000357143	0.00025	
Total ASF for 2019	58,624.53	2018 ASF Recomputation (TB A + RB A)	70,758.38	9,906.17	80,664.55
		Less: ASF actual collection for 2018			84,910.05
		Under/(Over) Collection of 2018 ASF*			(4,245.51)

2. **Consolidation:** Two or more entities combine to form a new single entity. The original entities cease operations after the new entity started its operations.

Scenario E: RB C and TB C consolidated in January 2019 to form a new TB D.

Since the consolidation was effected prior to the assessment for 2019 ASF, the 2018 Net Assessable Assets of the two banks will be combined and the TB rate will be applied.

	2018 Net Assessable Assets		
	RB C	TB C	TB D
Jan		164,658,792.00	
Feb		163,861,844.80	
Mar	21,928,504.00	165,311,225.60	
Apr		153,357,155.20	
May		154,301,374.40	
Jun	22,295,142.15	168,488,963.20	
Jul		170,373,352.00	
Aug		170,278,228.80	
Sep	22,320,467.05	168,700,764.00	
Oct		168,186,770.40	
Nov		177,710,888.80	
Dec	22,383,648.40	192,866,280.80	
	88,927,761.60	2,018,095,640.00	
No. of reporting periods	4	12	
Average Assessable Assets	22,231,940.40	168,174,636.67	
Total Average Assessable Assets of TB D			190,406,577.07
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2019 for TB D			68,002.38

Scenario F: RB X and TB Y consolidated in November 2018 to form a new TB Z.

TB Z will be charged the applicable rate as TB in 2018.

The difference in the amount collected as 2018 ASF will be added as an adjustment to the 2019 ASF.

Computation of 2019 ASF	2018 Net Assessable Assets				2018 ASF (Based on 2017 Net Assessable Assets)		
	RB X	TB Y	TB Z	TOTAL			
Jan		10,654,803,689.10			Jan		
Feb		10,682,445,949.12			Feb		9,322,953,227.96
Mar	63,369,057.35	10,918,572,741.48			Mar	55,447,925.18	9,347,140,205.48
Apr		11,184,687,926.88			Apr		9,553,751,148.80
May		11,466,349,241.26			May		9,786,601,936.02
Jun	74,579,312.57	11,404,472,742.45			Jun	65,256,898.50	10,033,055,586.10
Jul		11,195,888,229.99			Jul		9,978,913,649.65
Aug		11,253,628,841.52			Aug		9,796,402,201.24
Sep	77,663,914.91	12,658,546,529.99			Sep	67,955,925.55	9,846,925,236.33
Oct		12,714,239,768.38			Oct		11,076,228,213.74
Nov			12,961,410,549.24		Nov		11,124,959,797.34
Dec			13,237,637,600.40		Dec	77,891,985.28	11,341,234,230.58
Sum of Net Assessable Assets	215,612,284.83	114,133,635,660.18	26,199,048,149.63		Sum of Net Assessable Assets	266,552,734.50	11,582,932,900.35
No. of reporting periods	3	10	2		No. of reporting periods	4	12
Average Assessable Assets	71,870,761.61	11,413,363,566.02	13,099,524,074.82		Average Assessable Assets	66,638,183.63	10,232,591,527.80
Pro-rated no. of months	10/12	10/12	2/12		Applicable ASF Rates	0.000250	0.000357143
Pro-rated Average Assessable Assets	59,892,301.34	9,511,136,305.01	2,183,254,012.47		ASF actual collection for 2018	16,659.55	3,654,498.44
Total Average Assessable Assets of TB Z				11,754,282,618.83	Recomputation of 2018 ASF:		
ASF rate for TB (1/28 of 1%)				0.000357143	Pro-rated no. of months as RB	10/12	
ASF for 2019 of TB Z				4,197,959.76	Pro-rated 2018 ASF as RB	13,882.95	
Under/(Over) Collection of 2018 ASF*				1,189.97	Average Assessable Assets of RB X	66,638,183.63	
Total ASF for 2019				4,199,149.73	TB Rate	0.000357143	
					2018 ASF as TB	23,799.36	
					Pro-rated no. of months as TB	2/12	
					Pro-rated 2018 ASF as TB	3,966.56	
					Total pro-rated 2018 ASF		17,849.52
					Total Recomputed 2018 ASF		3,672,347.95
					Less: ASF collected for 2018 (RB X + TB Y)		3,671,157.98
					Under/(Over) Collection of 2018 ASF*		1,189.97

3. Merger: One entity absorbs another entity and continue to operate as the surviving entity while the absorbed entity ceases to operate

Scenario G: RB D and TB E merged in January 2019 with TB E as the surviving entity

The quarterly 2018 Net Assessable Assets of RB D will be combined with the monthly 2018 Net Assesable Assets of TB E and the TB rate will be applied.

	2018 Net Assessable Assets		
	RB D	TB E	Total
Jan		154,367,617.50	
Feb		153,620,479.50	
Mar	23,218,416.00	154,979,274.00	
Apr		143,772,333.00	
May		144,657,538.50	
Jun	23,606,621.10	157,958,403.00	
Jul		159,725,017.50	
Aug		159,635,839.50	
Sep	23,633,435.70	158,156,966.25	
Oct		157,675,097.25	
Nov		173,442,606.98	
Dec	23,700,333.60	187,318,015.53	
Sum of Net Assessable Assets	94,158,806.40	1,905,309,188.51	
No. of reporting periods	4	12	
Average Assessable Assets	23,539,701.60	158,775,765.71	
Total Average Assessable Assets of TB E			182,315,467.31
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2019 for TB E			65,112.69

Scenario H: RB A and TB A merged in December 2018 with TB A as the surviving entity

TB A will be charged the applicable rate as TB in 2018.

The difference for the amount collected as 2018 ASF will be added as an adjustment to the 2019 ASF.

Computation of 2019 ASF	2018 Net Assessable Assets			
	RB A	TB A	Merged TB A	TOTAL
Jan		11,320,728,920		
Feb		11,350,098,821		
Mar	67,329,623.44	11,600,983,538		
Apr		11,883,730,922		
May		12,182,996,069		
Jun	79,240,519.60	12,117,252,289		
Jul		11,895,631,244		
Aug		11,956,980,644		
Sep	82,517,909.59	13,449,705,688		
Oct		13,508,879,754		
Nov		13,771,498,709		
Dec			14,064,989,950	
Sum of Net Assessable Assets	229,088,052.63	135,038,486,597.51	14,064,989,950.42	
No. of reporting periods	3	11	1	
Average Assessable Assets	76,362,684.21	12,276,226,054.32	14,064,989,950.42	
Pro-rated no. of months	11/12	11/12	1/12	
Pro-rated Average Assessable Assets	69,999,127.19	11,253,207,216.46	1,172,082,495.87	
Total Average Assessable Assets of TB A				12,495,288,839.52
ASF rate for TB (1/28 of 1%)				0.000357143
ASF for 2019				4,462,604.94
Under/(Over) Collection of 2018 ASF*				637.49
Total ASF for 2019				4,463,242.44

	2018 ASF (Based on 2017 Net Assessable Assets)	
	ASF Collected for 2018	
	RB A	TB A
Jan		9,988,878,458.53
Feb		10,014,793,077.30
Mar	59,408,491.27	10,236,161,945.14
Apr		10,485,644,931.45
May		10,749,702,413.68
Jun	69,918,105.53	10,691,693,196.05
Jul		10,496,145,215.62
Aug		10,550,277,038.92
Sep	72,809,920.23	11,867,387,371.87
Oct		11,919,599,782.86
Nov		12,151,322,389.91
Dec	83,455,698.51	12,410,285,250.37
Sum of Net Assessable Assets	285,592,215.54	131,561,891,071.70
No. of reporting periods	4	12
Average Assessable Assets	71,398,053.89	10,963,490,922.64
Applicable ASF Rates	0.00025	0.000357143
Original 2018 ASF	17,849.51	3,915,534.04
Recomputation of 2018 ASF:		
Pro-rated no. of months as RB	11/12	
Pro-rated 2018 ASF as RB	16,362.05	
Average Assessable Assets of RB A	71,398,053.89	
TB Rate	0.000357143	
2018 ASF as TB	25,499.32	
Pro-rated no. of months as TB	1/12	
Pro-rated 2018 ASF as TB	2,124.94	
Total pro-rated 2018 ASF		18,487.00
Total Recomputed 2018 ASF		3,934,021.04
Less: ASF collected for 2018 (RB A+ TB A)		3,933,383.55
Under/(Over) Collection of 2018 ASF*		637.49

4. Amendment of reports used in the computation of ASF

Scenario I: RB E amended its Dec 2017 FRP in January 2019

The 2018 ASF will be recomputed and the resulting under/(over) collection will be added to/deducted from the 2019 ASF.

Computation of 2019 ASF	
	2018 Net Assessable Assets
	RB E
Jan	
Feb	
Mar	19,864,644.80
Apr	
May	
Jun	20,196,775.83
Jul	
Aug	
Sep	20,219,717.21
Oct	
Nov	
Dec	20,276,952.08
Sum of Net Assessable Assets	80,558,089.92
No. of reporting periods	4
Average Assessable Assets	20,139,522.48
ASF rate for RB (1/40 of 1%)	0.00025
ASF for 2019	5,034.88
Under/(Over) Collection of 2018 ASF*	24.94
Total ASF for 2019	5,059.82

Recomputation of 2018 ASF		
	2017 Net Assessable Asssets	
	RB E	
	Original	Amended
Jan		
Feb		
Mar	18,522,548.05	18,522,548.05
Apr		
May		
Jun	19,605,793.15	19,605,793.15
Jul		
Aug		
Sep	20,644,771.95	20,644,771.95
Oct		
Nov		
Dec	21,484,407.05	21,883,458.27
Sum of Net Assessable Assets	80,257,520.20	80,656,571.42
No. of reporting periods	4	4
Average Assessable Assets	20,064,380.05	20,164,142.85
ASF rate for RB (1/40 of 1%)		0.00025
Recomputed ASF for 2018		5,041.04
Less: ASF collected for 2018		5,016.10
Under/(Over) Collection of 2018 ASF*		24.94