



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2019- 010

**TO : ALL NON-STOCK SAVINGS AND LOAN ASSOCIATIONS (NSSLAs)
AND TRUST CORPORATIONS (TCs)**

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

Pursuant to Section 4655S and Subsection 4901T.1 of the Manual of Regulations for Non-Bank Financial Institutions (MORBNFI), the following guidelines shall govern the computation and collection by the Bangko Sentral Ng Pilipinas (BSP) and the payment by NSSLAs and TCs of the 2019 ASF.

1. Computation of ASF for 2019

In view of the amendments to Republic Act (R.A.) No. 7653¹, 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.

NSSLAs

The prescribed rate for the ASF is 1/65 of 1% of its Average Assessable Assets (AAA)² of the immediately preceding year or the maximum amount of ASF per AAA range, whichever is lower, but shall not exceed the maximum amount provided below:

Total AAA of NSSLA	Maximum Amount of Annual Fees
>P1.0 billion	P500,000.00
>P750.0 million - P1.0 billion	P400,000.00
>P500.0 million - P750.0 million	P200,000.00
>P250.0 million - P500.0 million	P100,000.00
>P100.0 million - P250.0 million	P 50,000.00
Up to P100.0 million	P 10,000.00

Provided, That the minimum amount of annual fees of NSSLAs with AAA of up to P100.0 million shall be P10,000.00.

¹ 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)

² AAA shall be the summation of end-of-quarter total assessable assets (end-of-quarter total assets per balance sheet, after deducting cash on hand and amounts due from banks) divided by the number of quarters in operation during the particular assessment period.

TCs

The prescribed rate for the ASF is 0.01% of the average monthly balance of assets under management (AUM)³ for the first three (3) years of the trust corporation's operations and 0.02% of the average monthly balance of AUM on the 4th year and onwards.

Securities held under custodianship shall be exempt from annual fees.

The AAA of the preceding year/average monthly balance of AUM is derived from the reports⁴ submitted by the NSSLA/TC to the BSP in compliance with the standards and requirements prescribed under existing regulations.

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 NSSLA/TC 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 becomes due payable to the BSP.

The BSP will only accept payments in the form of Cash or Manager's/Cashier's Check drawn payable to the BSP.

3. Exceptions Noted on Billing Notice of 2019 ASF

Upon receipt of the BSP Notice of ASF billing, an NSSLA/TC 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 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

³ All funds, properties and securities, denominated in peso and other foreign currency, which the TC, acting as trustee, fiduciary and agent, shall manage, administer, hold, and/or take custody, for the use and/or benefit of persons other than the TC

⁴ Consolidated Statement of Condition (CSOC) for NSSLAs and Financial Reporting Package (FRP) for TCs

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 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, among others, 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.

An NSSL/TC 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 specified date of collection 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 sdcdrd2@bsp.gov.ph.

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

- 4.1 The ASF, net of the CWT, shall be paid to the BSP 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
 - 4.2.4 Zip Code: 1004


- 4.2.5 The BIR-registered name of the payor-NSSLA/TC, as exactly indicated in the BIR Certificate of Registration (BIR Form No. 2303) of the NSSLA/TC.
- 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 NSSLA/TC has 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 NSSLA/TC 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 bill the NSSLA/TC an amount equivalent to the CWT.

This Memorandum shall take effect immediately.

For strict compliance


RESTITUTO C. CRUZ
Sector-In-Charge

8 April 2019