



BANGKO SENTRAL NG PILIPINAS

SUPERVISORY POLICY AND RESEARCH DEPARTMENT Primer on BSP's COVID-19 response toolkit (As of 24 January 2023)

The detailed list of the operational and prudential relief measures implemented by the BSP in response to the COVID-19 pandemic is in Annex A.

1. *Extension of financial relief to borrowers.* BSP-supervised financial institutions (BSFIs) were given regulatory relief to enable them to grant equivalent financial relief to their borrowers in the form of more flexible and favorable lending terms, or to restructure loan accounts.

- *Staggered booking of allowance for credit losses.* Banks can stagger booking of allowance for credit losses for all types of credits extended to individuals and businesses directly affected by COVID-19 as of 8 March 2020, for a maximum period of five (5) years, subject to BSP approval.¹ The availment period of this relief measure lapsed on 31 March 2021.
- *Capital relief on the treatment of provisioning requirements.*² Covered BSP-supervised FIs will be allowed to add-back increase in Stage 1 and Stage 2 provisioning requirements booked under allowance for credit losses from end-December 2019 to Common Equity Tier 1 (CET 1) capital over a period of two (2) years starting 01 January 2022 reporting period, subject to a declining add-back factor of 100 percent for the first year, and 50 percent for the second year of application.

To avail of this relief, a covered BSFI shall comply with the following conditions:

- Submission to the appropriate supervising department of the Bangko Sentral of a letter-notification by the BSFI stating its intention to avail of the regulatory relief on the capital treatment of provisioning requirements under PFRS 9, including a copy of the resolution of the Board of Directors authorizing the BSFI to avail of the said regulatory relief;

¹ Memorandum No. M-2020-008 dated 14 March 2020.

² Memorandum No. M-2021-055 dated 19 October 2021

- Submission of a supplemental Capital Adequacy Ratio (CAR) Report during the period of availment of the relief measure;³
 - Exclusion of the amount added back to CET1 capital from the amount available for discretionary distribution of earnings, including dividends, share buybacks, profit remittance, and bonus payments;
 - Disclosure of the following information in the covered BSFI's annual report; (1) a description of the prudential relief measure on the capital treatment of provisioning requirements, including the financial year when the prudential relief measure is first applied and the duration of the application; and (2) comparison of the: (i) capital ratios computed in accordance with the prudential relief measure on the capital treatment of provisioning requirements; and (ii) capital ratios had said prudential relief measure not been applied;
 - Discontinuance of the staggered booking of allowance for credit losses by covered BSFIs which have availed themselves of subject relief measure; and
 - Notification by the covered BSFI of its intent to no longer avail of the prudential relief measure on the capital treatment of provisioning requirements to the appropriate supervising department of the Bangko Sentral: Provided, That, the covered BSFI shall no longer be allowed to avail itself of the same in subsequent periods.
- *Ceilings on credit card transactions.* The BSP Monetary Board approved the setting of ceilings on credit card transactions effective 03 November 2020, subject to review every six (6) months.⁴ The caps on credit card transactions aim to ease the financial burden of consumers and micro-, small- and medium enterprises (MSMEs) amid a difficult economic environment caused by the COVID-19 pandemic.

³ Memorandum No. M-2022-002 dated 11 January 2022

⁴ The ceilings on credit card transactions under Circular No. 1098 dated 24 September 2020 include the following:

- o Interest or finance charge on all credit card transactions shall not exceed 24 percent annually or a monthly interest rate of up to 2 percent.
- o The monthly add-on rate which is used to derive interest on credit card installment loans should not exceed 1 percent per month.
- o The upfront processing fees charged upon availment of credit card cash advances is subject to a cap of P200 per transaction

Relatedly, the BSP Monetary Board, in its meetings dated 31 March 2021, 11 November 2021 and 19 May 2022, approved the retention of the said ceilings for another six (6) months. The said ceilings were also retained, subject to further review in January 2023, as approved by the BSP Monetary Board in its meeting dated 10 November 2022.

Meanwhile, the Monetary Board, in its meeting on 13 January 2023, decided to adjust the ceilings on credit card transactions by increasing the maximum interest rate or finance charge imposed on a cardholder's unpaid outstanding credit card balance by 100 basis points (bps) or from 2 percent to 3.0 percent per month.⁵ Meanwhile, the other existing ceilings⁶ were retained. The ceilings are subject to the 6-month review period.

2. *Incentivized lending.* The BSP's prudential measures are aimed to assist MSMEs and large enterprises critically impacted by the pandemic to carry on with their business, and to hasten recovery and sustainability of their operations during the post-crisis period.

- *Reduction in credit risk weights for MSME loans.* The BSP reduced the credit risk weights of loans granted to MSMEs that are current in status to 50 percent from 75 percent for qualified MSME portfolio (i.e., diversified with at least 500 borrowers over a number of industries), and from 100 percent for non-qualified MSME portfolio. The reduced credit risk weight would be subject to review by end-June 2023.⁷
- *Zero-percent risk weight for exposures guaranteed by the AGFP and ACPC.* The BSP approved the assignment of a zero-percent risk weight to loans that are guaranteed by the Agricultural Guarantee Fund Pool (AGFP) and the Agricultural Credit Policy Council (ACPC) to encourage banks to lend to small farmers and fisherfolk.⁸
- *Utilization of MSME loans and eligible loans to large enterprises as alternative compliance with the reserve requirement.* Peso-denominated loans to MSMEs and large enterprises that were critically impacted by the pandemic

⁵ Circular No. 1165 dated 19 January 2023.

⁶ Monthly add-on rate on installment loans of 1 percent per month and the maximum processing fee on the availment of credit card cash advances at P200 per transaction.

⁷ Memorandum No. M-2020-034 dated 28 April 2020, as amended by Memorandum No. M-2022-004 dated 17 January 2022 and Memorandum No. M-2022-041 dated 23 September 2022.

⁸ Circular No. 1084 dated 28 April 2020.

were allowed to be recognized as a mode of alternative compliance with banks'/quasi banks' (QBs') reserve requirements against deposit liabilities and deposit substitutes. This policy became effective on 24 April 2020 for MSME loans and 29 May 2020 for loans to large enterprises and lapses on 30 June 2023⁹. To qualify: (a) these loans should be granted, renewed, or restructured after 15 March 2020; (b) the loans that were granted on or before 15 March 2020 but have been renewed or restructured after 15 March 2020 may be allowed provided that the bank/QB could demonstrate growth in the loan portfolio during the month preceding the reserve day; and (c) the loans are not encumbered, rediscounted with the BSP, or earmarked for any other purpose.¹⁰

The following measures which aim to promote lending, in general were also adopted:

- *Utilization of capital and liquidity buffers.* Banks/quasi-banks were allowed to use Capital Conservation and Liquidity Coverage Ratio (LCR) buffers during the crisis, subject to certain conditions. They would also be given a reasonable time to restore these buffers after the crisis.¹¹
- *Increase in Single Borrower's Limit.* The Single Borrower's Limit (SBL) was temporarily increased to 30 percent from 25 percent until 31 December 2022. This measure is intended to promote the flow of liquidity at the wholesale level and to ensure sustained credit for programs and projects that will support economic recovery. The relaxation of the limit also covers the increase in the 25 percent SBL for project finance loans of initiatives that are in line with the priority programs of the Government.¹² The 30 percent SBL limit was extended until 30 June 2023 as part of the six-month transition period on the amendments to the regulations on credit risk transfer.¹³
- *Relief from sanctions for breaches in SBL by branches of foreign banks.* The BSP approved the grant of regulatory relief

⁹ Circular No. 1155 dated 21 September 2022.

¹⁰ Circular No. 1083 dated 22 April 2020 and Circular No. 1087 dated 27 May 2020 for MSMEs and large enterprises, respectively, as amended by Circular No. 1100 dated 8 October 2020.

¹¹ Memorandum No. M-2020-039 dated 4 May 2020.

¹² Memorandum No. M-2020-011 dated 19 March 2020 as amended by Memorandum Nos. M-2020-057 dated 21 July 2020, M-2021-026 dated 26 April 2021 and M-2022-004 dated 17 January 2022.

¹³ Circular No. 1164 dated 5 January 2023.

to branches of foreign banks which were established in the Philippines prior to the effectivity of R.A. No. 10641 in the form of non-imposition of sanctions prescribed under existing regulations for breach in the SBL¹⁴ until 31 December 2022. New loans, credit accommodations or guarantees extended and existing credit exposures which are restructured, renewed, and refinanced, beginning 1 January 2021 until 31 December 2022, shall not exceed the prescribed percentage limit using as reference point twice the level of capital or net worth of a foreign bank branch.¹⁵ This measure was extended from 1 January to 30 June 2023 as part of the six-month transition period on the amendments to the regulations on credit risk transfer.¹⁶

- *Increase in real estate loan limit.* The BSP increased the real estate loan limit applicable to universal/commercial banks to 25 percent from 20 percent.¹⁷
- *Relaxation in the REST limits.* Relaxation in the guidelines on the Real Estate Stress Test (REST) Limits by excluding residential real estate loans and foreclosed assets from the real estate exposures that are subject to the REST limits.¹⁸
- *Prudential Relief on the Recognition of Losses from Sale/Transfer of Non-Performing Assets (NPAs).* BSFIs may defer the recognition of losses arising from the sale/transfer of NPAs under the Financial Institutions Strategic Transfer Act up to a maximum period of five (5) years from the date of sale/transfer of the NPAs, subject to prior BSP approval and disclosure requirements. A BSFI that is allowed by the BSP to defer the recording of losses on the sale/transfer of NPAs shall, likewise, adopt the same in determining compliance with prudential requirements such as the minimum capital requirement, risk-based capital adequacy ratios, and in computing adjusted net worth for purposes of complying with the single borrower's limit, among other requirements. Said BSFI, however, shall exclude the amount of losses that were deferred, or were in effect retained as part of capital, from the amount available for discretionary distribution of

¹⁴ The SBL was temporarily increased to 30 percent until 31 December 2022.

¹⁵ Memorandum No. M-2021-002 dated 4 January 2021, as amended by Memorandum No. M-2022-004 dated 17 January 2022.

¹⁶ Circular No. 1164 dated 5 January 2023.

¹⁷ Circular No.1093 dated 20 August 2020.

¹⁸ Circular No.1093 dated 20 August 2020.

earnings including dividends, share buybacks, profit remittance, and bonus payments.¹⁹

3. *Promotion of continued access to financial services.* Policies were put in place to ensure access of deeply affected retail clients to formal financing channels. The use of information technology in carrying out financial transactions was highly encouraged during the ECQ period.

- *Waiver of PhilPaSS transaction fees.* PhilPaSS transaction fees for fund transfer instructions were temporarily waived until the last business day of January 2023.²⁰
- *Temporary Regulatory Relief for Banks that Offer Basic Deposit Accounts (BDA).* The BSP approved the adoption of temporary regulatory relief for banks that offer BDAs which include: (i) non-presentation of IDs for BDA for the year 2022, subject to certain conditions;²¹ (ii) waiver of BSP fees related to the application of Advanced EPFS for the year 2022 for banks which intend to use the said service to support the offering of BDA; and (iii) reduction in the Annual Supervisory Fees of banks for the years 2022 and 2023 by reducing the bank's Average Assessable Assets by the average amount of BDA maintained by the bank in the preceding year.²²

4. *Support for continued financial services delivery.* The BSP granted operational relief measures to assist the BSFIs in focusing their limited resources on the delivery of financial services and support their subsequent recovery efforts.

- *Relaxation of notification requirements for changes in banking days, hours and temporary closure of bank*

¹⁹ Memorandum No. M-2022-028 dated 06 June 2022.

²⁰ Memorandum No. M-2020-027 dated 21 April 2020, as amended by Memorandum Nos. M-2020-095 dated 16 December 2020, M-2021-073 dated 30 December 2022, Memorandum No. M-2022-019 dated 30 March 2022 and Memorandum No. M-2022-053 dated 16 December 2022.

²¹ The conditions related to the non-presentation of IDs for BDA include the following:

- a. The customer shall submit duly signed certification, either in physical or electronic form, which need not be notarized, that he/she has no valid ID;
- b. The customer's account activities shall be subject to ongoing monitoring by the bank to identify potential abuse of the relaxed requirement and any suspicious transactions shall be reported to the Anti-Money Laundering Council within the prescribed period; and
- c. Should the depositor exceed the P50 thousand maximum balance, the bank should initiate measures to convert the account into a regular deposit account. Consequently, the existing Know-Your-Customer rules on regular deposit accounts under Section 921 of the Manual of Regulations for Banks will apply;

²² Memorandum No. M-2021-065 dated 23 November 2021.

branches/BLUs. The notification requirements related to changes in banking days and hours and temporary closure of bank/branch/BLUs and BSFI offices/service units were relaxed until 31 December 2022. BSFIs shall submit a consolidated report to the BSP on the bank branch/BLUs and BSFI offices/service units that were temporarily closed, in accordance with the following timeline:

- Temporary closures from April 2021 to 31 December 2021 - on or before 30 June 2022, and
- Temporary closures from 01 January 2022 to 31 December 2022 – on or before 31 March 2023.²³

²³ Memorandum No. M-2020-011 dated 19 March 2020, as amended by Memorandum Nos. M-2020-057 dated 21 July 2020, M-2021-029 dated 30 April 2021 and M-2022-005 dated 17 January 2022.

Policy Issuance No./Date	Details of Relief Measure	Original Period Covered/Validity		Extension		Remarks
		From	To	From	To	(e.g., whether the temporary relief measure already expired or has been adopted as permanent policy)
1. Extension of financial relief to borrowers						
<ul style="list-style-type: none"> Exclusion of eligible loans from the past due and non-performing loan classification Memorandum No. M-2020-008 dated 14 March 2020 Memorandum No. M-2020-032 dated 27 April 2020 Memorandum No. M-2020-087 dated 2 December 2020 Memorandum No. M-2021-026 dated 26 April 2021 	Loans of affected borrowers which have been granted a temporary grace period or restructured by the BSFI were allowed to be excluded from the past due (PD) and non-performing loan (NPL) classification. BSFIs continued to report PD and NPL in the Financial Reporting Package in accordance with existing guidelines. Meanwhile, the availment of the regulatory relief on the exclusion of reporting from the PD and NPL classification were reflected in the Supplemental Report that will be submitted by the BSFI to the BSP.	1Q 2020	1Q 2021	2Q 2021	4Q 2021	Expired
<ul style="list-style-type: none"> Staggered booking of allowance for credit losses Memorandum No. M-2020-008 dated 14 March 2020 Memorandum No. M-2020-061 dated 3 August 2020 	Banks were allowed to stagger booking their allowance for credit losses for all types of credits extended to individuals and businesses directly affected by COVID-19 as of 8 March 2020, for a maximum period of five (5) years, subject to BSP approval.	3Q 2020	1Q 2021			Expired
<ul style="list-style-type: none"> Clarification on the treatment of loan modifications Memorandum No. M-2021-056 dated 21 October 2021 Memorandum No. M-2022-001 dated 11 January 2022 	<p>The grant of payment deferral or extension of the term of the loan will not automatically be considered an indicator of significant increase in credit risk, hence should not result in the loan automatically being classified under Stage 2 or 3, and not warrant the classification of the account as a "restructured loan". Provided, That prior to the grant of payment deferral or extension of the term of the loan, the borrower has continuously paid the account on schedule and the borrower exhibits the capacity to repay the loan under the modified terms.</p> <p>Loans that have been restructured to support a borrower:</p> <p>(a) whose financial difficulty is temporary or whose paying capacity can reasonably be expected to return to levels allowing full payment once COVID-19 restrictions are lifted, and (b) who is expected to fully pay the loan under the modified terms shall classify the restructured loan accounts under Stage 2 at the time of restructuring for purposes of determining ECL and the same shall be considered as performing loans.</p>	3Q 2020	4Q 2022			Expired
<ul style="list-style-type: none"> Capital relief on the treatment of provisioning requirements Memorandum No. M-2021-055 dated 19 October 2021 Memorandum No. M-2022-002 dated 11 January 2022 	Covered BSP-supervised will be allowed to add-back increase in Stage 1 and Stage 2 provisioning requirements booked under allowance for credit losses from end-December 2019 to Common Equity Tier 1 (CET 1) capital over a period of two (2) years starting 01 January 2022 reporting period, subject to a declining add-back factor of 100 percent for the first year, and 50 percent for the second year of application. The declining add-back factor will help reduce the cliff effect of the relief measure upon its expiration. It also recognizes that the need for such measure would decline over time in line with the recovery of the economy.	1Q 2022	4Q 2023			
<ul style="list-style-type: none"> Ceilings on credit card transactions Circular No. 1098 dated 24 September 2020 Circular No. 1165 dated 19 January 2023 	The BSP Monetary Board approved the setting of ceilings on credit card transactions effective 03 November 2020, subject to review every six (6) months. The caps on credit card transactions aim to ease the financial burden of consumers and micro-, small- and medium enterprises (MSMEs) amid a difficult economic environment caused by the COVID-19 pandemic. In addition, the 6-month review ensures that these remain appropriate given prevailing conditions.	4Q 2020	2Q 2021	2Q 2021 4Q 2021 2Q 2022 1Q 2023	4Q 2021 2Q 2022 January 2023 2Q 2023	

Policy Issuance No./Date	Details of Relief Measure	Original Period Covered/Validity		Extension		Remarks
		From	To	From	To	(e.g., whether the temporary relief measure already expired or has been adopted as permanent policy)
•Regulatory Relief to Non-Stock and Savings Loan Association Memorandum No. 2020-075 dated 27 September 2020 Memorandum No. 2020-088 dated 9 December 2020	For purposes of net income distribution to members for 2020, NSSLAs were allowed to recognize as income the accrued interest earned during the 30-day mandatory grace period and subsequent extensions thereon as provided under R.A. No. 11469 and pertinent issuances thereon, on the members' unclassified loans, net of general allowance for credit losses (ACL) of one percent (1%) of outstanding accrued interest receivable, subject to conditions. NSSLAs with adequate office premises, furniture, fixtures and equipment necessary for the conduct of its business, as certified by its Board of Trustees, were allowed to revert to surplus free, reserves set for said purpose, as well as other amounts set aside voluntarily by the NSSLA for anticipated projects/expenses.	3Q 2020	4Q 2020			Expired
2. Incentivized Lending						
•Reduction in credit risk weights for MSME loans Memorandum No. M-2020-034 dated 28 April 2020 Memorandum No. M-2022-004 dated 17 January 2022 Memorandum No. M-2022-041 dated 23 September 2022	The BSP reduced the credit risk weights of loans granted to MSMEs that are current in status to 50 percent from 75 percent for qualified MSME portfolio (i.e., diversified with at least 500 borrowers over a number of industries), and from 100 percent for non-qualified MSME portfolio.	3Q 2020	4Q 2021	4Q 2022	2Q 2023	
•Zero-percent risk weight for exposures guaranteed by the AGFP and ACPC Circular No. 1084 dated 28 April 2020	The BSP approved the assignment of a zero-percent risk weight to loans that are guaranteed by the Agricultural Guarantee Fund Pool (AGFP) and the Agricultural Credit Policy Council (ACPC) to encourage banks to lend to small farmers and fisherfolk. Loans that are covered by guarantees of the National Government as well as its instrumentalities are deemed to be non-risk in nature and merit assignment of a zero percent risk weight.	NO EXPIRY				Adopted as permanent policy
•Utilization of MSME loans and eligible loans to large enterprises as alternative compliance with the reserve requirement Circular No. 1083 dated 22 April 2020 Circular No. 1087 dated 27 May 2020 Circular No. 1100 dated 8 October 2020	Peso-denominated loans to MSMEs and large enterprises that were critically impacted by the pandemic were allowed to be recognized as a mode of alternative compliance with banks/quasi banks' (QBs') reserve requirements against deposit liabilities and deposit substitutes. This policy became effective on 24 April 2020 for MSME loans and 29 May 2020 for loans to large enterprises and lapses on 30 June 2023.	2Q 2020	4Q 2021	4Q 2022	2Q 2023	
•Inclusion of housing loans as an alternative mode of compliance with the mandatory credit allocation for agriculture and agrarian reform Memorandum No. 2020-086 dated 3 December 2020	Private banks are encouraged to reallocate any unutilized loanable funds to housing loans. In this respect, housing loans granted starting from 15 September 2020 until 31 December 2020 may be used as an alternative mode of compliance with the twenty-five percent (25%) total mandatory credit allocation for agriculture and agrarian reform. The regulatory relief was adopted in line with the provisions of the Bayanihan to Recover as One Act.	3Q 2020	4Q 2020			Expired
•Deferred adoption of the amendments to risk-based capital adequacy framework Circular No. 1079 dated 9 March 2020 Circular No. 1084 dated 28 April 2020	The BSP approved the amendments to the risk-based capital adequacy framework for stand-alone thrift banks (TBs), rural banks and cooperative banks (RBs/CBs) aimed at improving the quality of regulatory capital of covered banks. However, due to the pandemic, the BSP deferred its implementation to enable these banks to continue supporting their rural community-based clients.	1Q 2022	4Q 2022			Expired

Policy Issuance No./Date	Details of Relief Measure	Original Period Covered/Validity		Extension		Remarks
		From	To	From	To	(e.g., whether the temporary relief measure already expired or has been adopted as permanent policy)
•Reduction of minimum liquidity ratio Memorandum No. M-2020-020 dated 7 April 2020 Memorandum No. M-2020-085 dated 1 December 2020 Memorandum No. M-2022-004 dated 17 January 2022	The minimum liquidity ratio (MLR) of stand-alone TBs and RBs/CBs was reduced from 20 percent to 16 percent, unless otherwise revoked by the BSP. The end-December 2022 expiration is meant to coincide with projected economic recovery by end of this year.	2Q 2020	4Q 2020	4Q 2020 1Q 2022	4Q 2021 4Q 2022	Expired
•Relaxation of maximum borrowing limit Memorandum No. M-2020-050 dated 15 June 2020 Memorandum No. M-2022-004 dated 17 January 2022	The maximum borrowing limit of pawnshops was temporarily relaxed by increasing the allowable percentage of their total borrowings to pledge loans to 70 percent from 50 percent. The end-December 2022 expiration is meant to coincide with projected economic recovery by end of this year.	2Q 2020	4Q 2021	1Q 2022	4Q 2022	Expired
•Utilization of capital and liquidity buffers Memorandum No. M-2020-039 dated 4 May 2020	Banks/quasi-banks were reminded that they can use Capital Conservation and Liquidity Coverage Ratio (LCR) buffers during the crisis, subject to certain conditions. They would also be given a reasonable time to restore these buffers after the crisis. These are flexibilities which are provided under the existing Basel regulations; thus, are not temporary in nature. Existing regulations allow a covered bank/QB which has built up its capital conservation buffer and Liquidity Coverage Ratio (LCR) buffer to utilize the same during a state of emergency.	NO EXPIRY				Flexibility is already embedded in the BSP Basel capital and liquidity standards
•Increase in Single Borrower's Limit Memorandum No. M-2020-011 dated 19 March 2020 Memorandum No. M-2020-057 dated 21 July 2020 Memorandum No. M-2021-026 dated 26 April 2021 Memorandum No. M-2022-004 dated 17 January 2022 Circular No. 1164 dated 5 January 2023	The Single Borrower's Limit (SBL) was temporarily increased to 30 percent from 25 percent. This measure is intended to promote the flow of liquidity at the wholesale level and to ensure sustained credit for programs and projects that will support economic recovery. The relaxation of the limit also covers the increase in the 25 percent SBL for project finance loans of initiatives that are in line with the priority programs of the Government. The end-December 2022 expiration is meant to coincide with projected economic recovery by end of this year	1Q 2020	4Q 2021	1Q 2022 4Q 2022	4Q 2022 2Q 2023	
•Regulatory Relief to branches of foreign banks which were established in the Philippines prior to the effectivity of R.A. No. 10641 Memorandum No. M-2021-002 dated 4 January 2021 Memorandum No. M-2022-004 dated 17 January 2022 Circular No. 1164 dated 5 January 2023	The BSP approved the grant of regulatory relief to branches of foreign banks which were established in the Philippines prior to the effectivity of R.A. No. 10641 in the form of non-imposition of sanctions prescribed under existing regulations for breach in the SBL. The end-December 2022 expiration is meant to coincide with projected economic recovery by end of this year	1Q 2021	4Q 2021	1Q 2022 4Q 2022	4Q 2022 2Q 2023	
•Increase in real estate loan limit Circular No.1093 dated 20 August 2020	The BSP increased the real estate loan limit applicable to universal/commercial banks to 25 percent from 20 percent. This was adopted to align with the Single Borrower's limit which is set at 25 percent as a matter of general policy.	NO EXPIRY				Adopted as permanent policy
•Relaxation in the REST limits Circular No.1093 dated 20 August 2020	Relaxation in the guidelines on the Real Estate Stress Test (REST) Limits by excluding residential real estate loans and foreclosed assets from the real estate exposures that are subject to the REST limits. The amendments to the methodology for computing the Real Estate Stress Test limits recognize that loans to finance owner-occupied residential real estate property are deemed low risk since the real property being financed is intended for own occupancy rather than for investment/speculative purposes. Moreover, foreclosed assets are subject to a risk weight of 150 percent under the risk-based capital adequacy framework. Thus, these need not be subject to a further 25 percent write-off under the REST exercise.	NO EXPIRY				Adopted as permanent policy

Policy Issuance No./Date	Details of Relief Measure	Original Period Covered/Validity		Extension		Remarks
		From	To	From	To	(e.g., whether the temporary relief measure already expired or has been adopted as permanent policy)
-Relief in the Recognition of Losses from Sale/Transfer of Non-Performing Assets under the Financial Institutions Strategic Transfer Act Memorandum No. M-2022-028 dated 06 June 2022	A BSFI is allowed to defer the recognition of losses arising from the sale/transfer of NPAs under the Financial Institutions Strategic Transfer Act up to a maximum period of five (5) years from the date of sale/transfer of the NPAs, subject to prior BSP approval and disclosure requirements. Said BSFI, however, shall exclude the amount of losses that were deferred, or were in effect retained as part of capital, from the amount available for discretionary distribution of earnings including dividends, share buybacks, profit remittance, and bonus payments.	2Q 2022	2Q 2027			
3. Promotion of continued access to financial services -Relaxation of KYC requirements Memorandum No. M-2020-015 dated 30 March 2020 Memorandum No. M-2020-057 dated 21 July 2020 Memorandum No. M-2021-029 dated 30 April 2021 Memorandum No. M-2022-005 dated 17 January 2022	The BSP relaxed the Know-Your-Customer (KYC) requirements, particularly the presentation of valid IDs by retail clients, including micro-business owners, to facilitate their access to formal financing channels, subject to certain conditions. The end-December 2022 expiration is meant to coincide with projected economic recovery by end of this year	1Q 2020	2Q 2020	Q3 2020 2Q 2021 1Q 2022	1Q 2021 4Q 2021 4Q 2022	Expired
-Documents sent thru an official email address of the BSFI to the FSS to be recognized as an authorized submission even without physical signature Memorandum No. M-2020-011 dated 19 March 2020 Memorandum No. M-2020-057 dated 21 July 2020	Reports or documents sent through an official e-mail address of the BSFI to the Financial Supervision Sector are recognized as an authorized submission without the need for a physical signature. This was implemented to support shift to electronic submission in view of changes to work arrangement as well as utilization of digital mode in rendering BSP functions.	NO EXPIRY				Adopted as permanent policy
-Waiver of fees for EPFS applications Memorandum No. M-2020-033 dated 27 April 2020 Memorandum No. M-2020-079 dated 01 October 2020 Memorandum No. M-2021-026 dated 26 April 2021 Memorandum No. M-2021-029 dated 30 April 2021	Fees related to the grant of license or authority to provide Types A and B Advanced Electronic Payments and Financial Services (EPFS) were temporarily waived to encourage BSFIs to provide safe, efficient and reliable digital channels that support critical payment use cases such as social benefit transfers, payments to merchants or billers including the Government, payments to suppliers, and remittances.	1Q 2020	4Q 2021			Expired
-Temporary Regulatory Relief for Banks that Offer Basic Deposit Accounts (BDA) Memorandum No. M-2021-065 dated 23 November 2021	The BSP approved the adoption of temporary regulatory relief for banks that offer BDAs which include: (i) non-presentation of IDs for BDA, subject to certain conditions; (ii) waiver of BSP fees related to the application of Advanced EPFS for banks which intend to use the said service to support the offering of BDA; and (iii) reduction in the Annual Supervisory Fees (ASF) of banks for the years 2022 and 2023 by reducing the bank's Average Assessable Assets by the average amount of BDA maintained by the bank in the preceding year.	1Q 2022	4Q 2022 4Q 2023 (ASF)			
4. Support for continued financial services delivery -Relaxation of notification requirements for changes in banking days, hours and temporary closure of bank branches/BLUs Memorandum No. M-2020-011 dated 19 March 2020 Memorandum No. M-2020-057 dated 21 July 2020 Memorandum No. M-2021-029 dated 30 April 2021 Memorandum No. M-2022-005 dated 17 January 2022	The notification requirements related to changes in banking days and hours and temporary closure of bank/branch/BLUs and BSFI offices/service units were relaxed. BSFIs shall submit a consolidated report to the BSP on the bank branch/branch lite units (BLUs) and BSFI offices/service units that were temporarily closed, in accordance with the following timeline: >Temporary closures from April 2021 to 31 December 2021 - on or before 30 June 2022, and >Temporary closures from 01 January 2022 to 31 December 2022 - on or before 31 March 2023. The end-December 2022 expiration is meant to coincide with projected economic recovery by end of this year	1Q 2020	4Q 2021	1Q 2022	4Q 2022 1Q 2023	

Policy Issuance No./Date	Details of Relief Measure	Original Period Covered/Validity		Extension		Remarks
		From	To	From	To	(e.g., whether the temporary relief measure already expired or has been adopted as permanent policy)
•Extension of the deadline for submission of AFS Circular No. 1074 dated 7 Feb 2020 Circular No. 1075 dated 7 Feb 2020 Memorandum No. M-2020-055 dated 11 July 2020 (for Banks) Memorandum No. M-2020-060 dated 3 August 2020 (for NBFIs) Memorandum No. M-2021-029 dated 30 April 2021 Memorandum No. M-2022-023 dated 29 April 2022	The annual submission of the 2020 Audited Financial Statements (AFS) of BSFIs was extended to consider the timelines set by the SEC in the submission of the 2020 AFS, under SEC MC No. 3 dated 9 March 2021 as well as to coincide with the submission of the 2020 Annual Report of covered BSFIs.	not later than 120 calendar days after the close of the calendar year or the fiscal year adopted by the bank/quasi-bank (QB)		until 30 June 2021 or 60 calendar days from the original deadline until 30 June 2022 or 60 calendar days from the original deadline		Expired
•Extension of transition period on the adoption IRRBB requirements Circular No. 1101 dated 19 October 2020	The BSP extended the transition period for the implementation of the requirements under Section 151/4181Q of the MORB and MORNBFi on the management of interest rate risk in the banking book.	4Q 2020	4Q 2021			Expired
•Relaxation of deadline to open approved bank branches/BLUs Memorandum No. M-2021-029 dated 7 May 2021 Memorandum No. M-2022-005 dated 17 January 2022	The prior BSP approval requirement for requests for extension of the deadline to open approved bank branches/BLUs is waived. A bank which opts to avail of the said relief must notify its supervising department of the deferment of the opening of its approved branches/BLU, provided that the deferment shall not exceed three (3) years from the date of BSP approval of the establishment of subject branch/BLU. The end-December 2022 expiration is meant to coincide with projected economic recovery by end of this year	2Q 2021	4Q 2021	1Q 2022	4Q 2022	Expired
•Extension of the Period of Compliance with BSP supervisory requirements Memorandum No. M-2020-011 dated 19 March 2020 Memorandum No. M-2020-057 dated 21 July 2020 Memorandum No. M-2022-005 dated 17 January 2022	BSFIs are given until 30 June 2022 within with to comply with supervisory or notification requirements which fall due within the months of January to March 2022, unless otherwise directed by the concerned supervising department. In addition, BSFIs are also given until end-June 2022 to submit the documentary requirements related to activities under a Type C license that fall due within the months of January to March 2022. The regulatory relief was to reduce compliance burden on BSFIs during the first quarter of 2022 given the unexpected surge in COVID-19 cases in early January 2022.	1Q 2020	2Q 2020	1Q 2022	2Q 2022	Expired
•Relaxation of reportorial requirements Memorandum No. M-2020-011 dated 19 March 2020 Memorandum No. M-2020-049 dated 9 June 2020 Memorandum No. M-2020-057 dated 21 July 2020 Memorandum No. M-2020-063 dated 7 August 2020 Memorandum No. M-2022-006 dated 21 January 2022	The submission of prudential reports to the BSP-FSS, except for those identified as priority Level 1 and transactional reports to reduce compliance burden on BSFIs during the first quarter of 2022 given the unexpected surge in COVID-19 cases in early January 2022.	MARCH 2020*	SEPT 2020*	JAN 2022*	MARCH 2022*	Expired
•Accounting relief measure to reduce impact of mark-to-market (MTM) losses Memorandum No. M-2020-022 dated 8 April 2020 Memorandum No. M-2021-011 dated 2 February 2021.	The BSP provided accounting relief measures to reduce the impact of mark-to-market (MTM) losses on the financial condition of BSFIs. Banks' debt securities lodged at fair value category were allowed to be reclassified to the amortized cost category. In reverting to PFRS 9, BSFIs shall classify their outstanding debt securities as of the start of the financial reporting period when such decision will be made with the cumulative effect of the reclassification reflected as an adjustment to each affected component of the BSFI's equity at the start of the relevant financial reporting period.	1Q 2020	3Q 2020			Expired

Policy Issuance No./Date	Details of Relief Measure	Original Period Covered/Validity		Extension		Remarks
		From	To	From	To	(e.g., whether the temporary relief measure already expired or has been adopted as permanent policy)
- Treatment of Net Unrealized Losses in the EFCDU/FCDU Book for Purposes of Determining Compliance with the EFCDU/FCDU Asset Cover Requirement Memorandum No. M-2020-023 dated 08 April 2020	A bank was allowed to "add back" net unrealized losses in its Expanded Foreign Currency Deposit Unit/Foreign Currency Deposit Unit (EFCDU/FCDU) to total assets in the EFCDU/FCDU book for purposes of determining compliance with the 100 percent asset cover requirement instead of transferring eligible foreign currency assets from the Regular Banking Unit book to EFCDU/FCDU book as required under BSP regulations.	2Q 2020	3Q 2020			Expired
•Extension of implementation timeline of UITF certification Circular No. 1103 dated 26 November 2020	The BSP extended the implementation timeline of the certification requirement for unit investment trust fund (UITF) marketing personnel until the beginning of year 2023.	4Q 2020	4Q 2022			Expired
•Regulatory Relief for Pawnshops and Money Service Businesses (MSBs) through the extension of deadline within which to pay the 2021 annual supervision/service fee Memorandum No. 2021-037 dated 28 June 2021	Pawnshops and Money Service Businesses (MSBs) were given regulatory relief through the extension of deadline from 31 March 2021 to 31 December 2021 within which to pay the 2021 annual supervision/service fee. The regulatory relief is expected to assist pawnshops and MSBs as they continue to deliver financial services during this extraordinary situation.	1Q 2021	4Q 2021			Expired

* Required reports to the BSP-FSS that fall due within said period