



BANGKO SENTRAL NG PILIPINAS
OFFICE OF THE GOVERNOR

CIRCULAR NO. 1175
Series of 2023

Subject: **Reduction in Reserve Requirements**

The Monetary Board, in its Resolution No. 727 dated 08 June 2023, approved the reduction in the reserve requirement (RR) ratios of deposit and deposit substitute liabilities of banks and non-bank financial institutions with quasi-banking functions (NBQBs).

Section 1. Section 251 of the Manual of Regulations for Banks (MORB) on *Required reserves against deposit and deposit substitute liabilities*, as amended by Circular No. 1154 dated 14 September 2022, is hereby further amended to read, as follows:

251 ACCOUNTS SUBJECT TO RESERVES; AMOUNTS REQUIRED

The following rules and regulations shall govern the reserves against deposit and deposit substitute liabilities.

Required reserves against deposit and deposit substitute liabilities. The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks effective reserve week 30 June 2023 shall be, as follows:

Reservable Liabilities	UBs/KBs	Digital Banks	TBs	RBs/Coop Banks
a. Demand Deposits	9.5%	6%	2%	1%
b. NOW accounts	9.5%	6%	2%	1%
c. Savings Deposits (excluding basic deposit accounts)	9.5%	6%	2%	1%
d. Time Deposits, Negotiable CTDs, Long-Term Non-Negotiable Tax Exempt CTDs	9.5%	6%	2%	1%
e. xxx	xxx	xxx	xxx	xxx
f. Deposit Substitutes (DS)	9.5%	6%	2%	NA
xxx	xxx	xxx	xxx	xxx

xxx

Section 2. Section 211-Q of the Manual of Regulations for Non-Bank Financial Institutions (MORNBF) on Reserves against deposit substitutes is hereby amended to read, as follows:

211-Q RESERVES AGAINST DEPOSIT SUBSTITUTES

NBQBS shall maintain required reserves equivalent to nine and a half percent (9.5%) of peso-denominated deposit substitute liabilities as defined in Section 95 of R.A. No. 7653, as amended by R.A. No. 11211, regardless of maturities except:

- a. xxx;
- b. xxx; and
- c. xxx

effective reserve week starting 30 June 2023.

Section 3. This Circular shall take effect on 30 June 2023 after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


FELIPE M. MEDALLA
Governor

23 June 2023