

[**BSP CIRCULAR NO. 824, January 30, 2014**]

**AMENDMENT TO THE REGULATIONS ON LONG-TERM
NEGOTIABLE CERTIFICATES OF TIME DEPOSITS**

Pursuant to Monetary Board Resolution No. 2134 dated 19 December 2013, the provisions of the Manual of Regulations for Banks (MORB) on long-term negotiable certificates of time deposit (LTNCTD) are hereby amended as follows:

Section 1. Item "b" of Subsection X233.9 of the MORB is hereby amended to read as follows:

"(b) Application for authority of the issuing bank. An application for authority on each issue/issue program of LTNCTD shall be filed with the appropriate department of the SES: Provided, That any portion of an approved LTNCTD that is not issued within six (6) months of the approval of the Monetary Board will be deemed forfeited.

x x x"

Section 2. Items "e" to "k" of Subsection X233.9 of the MORB are hereby relabelled as "f" to "I", respectively. A new provision is hereby added as item "e" of the same subsection:

"(e) Listing of LTNCTD with an accredited exchange. LTNCTDs shall be listed on an accredited exchange within thirty (30) calendar days after its approval by the Monetary Board. Banks which fail to list their issued LTNCTD on an accredited exchange within the prescribed period shall not be allowed to further issue LTNCTDs."

Section 3. Item "I" of Subsection X233.9 of the MORB on the issue size and aggregate ceiling on LTNCTD is hereby deleted.

Section 4. Item "e" of Subsection X253.1 of the MORB on the required reserve against LTNCTD shall be increased from 3 percent to 6 percent. Thus, Subsection X253.1 is hereby amended to read as follows:

"Subsection X253.1 Required reserves against deposit and deposit substitute liabilities. The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks shall be as follows:

Account	UBs/KBs	TBs	RBs/Coop Banks
xxx	xxx	xxx	xxx
e. Long-term Negotiable Certificate of Time	6%	6%	6%