

[BSP CIRCULAR NO. 100, December 28, 1995]

**AMENDMENT TO SUBSECTIONS 1239.3, 2239.3 AND 4291Q.2 OF
BOOKS I TO IV, RESPECTIVELY, OF THE MANUAL OF
REGULATIONS FOR BANKS AND OTHER FINANCIAL
INTERMEDIARIES**

Pursuant to Monetary Board Resolution No. 1378 dated December 6, 1995, Subsection 1239.3, 2239.3 and 4291Q.2 of Books I to IV, respectively, of the Manual of Regulations for Banks and Other Financial Intermediaries are hereby amended to read, as follows:

"Liquidity Floor - Unless otherwise prescribed by the Monetary Board, authorized government depository banks other than the Bangko Sentral ng Pilipinas, and authorized private banks including government-acquired banks with special depository privileges shall, inclusive of the required reserves against deposit and/or deposit substitutes, maintain a fifty percent (50%) liquidity floor with respect to deposits of, borrowings from, and all other liabilities to, the Government and government entities, in the form of negotiable and transferable government securities which represent direct obligations of the National Government.

"Government securities representing direct obligations of the National Government, regardless of maturity, issued pursuant to the provisions of Republic Act No. 245, as amended by Presidential Degree No. 142, which are not otherwise earmarked or used as part of reserve requirements, shall be eligible as liquidity reserves for this purpose.

"Eligible securities being used as such reserve shall not in any way be encumbered or be subject to any transaction without prior approval of the Bangko Sentral ng Pilipinas.

"Also eligible for liquidity floor is the free portion of the 'Due from Bangko Sentral-Local Currency' after satisfying the legal and other reserve requirements."

This Circular supersedes Circular No. 70, series of 1995, and shall take effect immediately.

Adopted: 28 Dec. 1995

(SGD.) GABRIEL C. SINGSON
Governor
