

[BSP MEMORANDUM, October 06, 2000]

TRUST RULES

Pursuant to Monetary Board Resolution No. 1716 dated 4 October 2000 **increasing the liquidity reserve requirement** for all financial intermediaries, the Rules and Regulations on Trust, Other Fiduciary Business and Investment Management Activities (Trust Rules) are amended as follows:

SECTION 1. Reserves Against Peso-Denominated Common Trust Funds. —

The liquidity reserves against peso-denominated common trust funds and such other peso funds which partake the nature of collective investment of peso-denominated common trust funds **shall be increased as follows:**

	From	To
a) For universal banks and commercial banks	4%	6%
b) For thrift banks	4%	6%
c) For non-bank financial intermediaries with or without quasi-banking functions	4%	6%

The liquidity reserve may be held in the form of short-term market-yielding government securities purchased directly from the Bangko Sentral ng Pilipinas (BSP) — Treasury Department.

In addition to the liquidity reserves, the regular reserves against peso-denominated common trust funds and such other managed peso funds which partake the nature of collective investment of peso-denominated common trust funds of all financial intermediaries authorized to engage in trust and other fiduciary business shall be maintained as follows:

a) For universal banks and commercial banks	6%
b) For thrift banks	5%
c) For non-bank financial intermediaries with or without quasi-banking functions	6%
d) For rural banks	4%

SECTION 2. Reserves Against Trust and Other Fiduciary Accounts (TOFA)-Others. — In addition to the basic security deposit required under Subsection X405. 1 of the Manual of Regulations for Banks and Subsection _405.1 of Book IV of the Manual of Regulations for Banks and