[BSP CIRCULAR NO. 144, October 01, 1997]

LIQUIDITY RESERVES FOR ALL FINANCIAL INTERMEDIARIES

Pursuant to Monetary Board Resolution No. 1180 dated 17 September 1997, reducing the ratio of liquidity reserves for all financial intermediaries, Circular No. 119 dated 31 December 1996 and Books I, II and IV of the Manual Regulations are hereby amended as follows:

Liquidity Reserves for All Financial Intermediaries

SECTION 1. Section 11 of Circular No. 119 dated 31 December 1996 is amended to read as follows:

> "Section 11. On top of the regular reserve requirements, a liquidity reserve against peso demand, savings, time deposit and deposit substitute liabilities shall continue to be imposed, as follows:
>
> a) For expanded commercial banks, commercial banks, and nonbank financial intermediaries with quasibanking functions (NBQBFs), **from six (6) percentage points to five (5) percentage points effective 15 October 1997, and to four (4) percentage points effective 15 November 1997; and**
>
> b) For thrift banks, **from five (5) percentage points to four (4) percentage points effective 15 October 1997, and to three (3) percentage points effective 15 November 1997.**
>
> The liquidity reserve may be maintained in the form of short-term market-yielding government securities purchased directly from the BSP-Treasury Department, pursuant to Circular No. 10, dated 29 December 1993.
>
> The same forms and composition of reserves as provided in Sections 1254, 2254, 3254, 1283, 2283.1, 3283, and 4283Q of Books I, II, III and IV, respectively, of the Manual of Regulations for Banks and Other Financial Intermediaries shall be maintained in the case of regular reserves."

Adopted: 1 Oct. 1997

(SGD.) GABRIEL C. SINGSON
Governor