

[BSP CIRCULAR NO. 70, April 21, 1995]

AMENDMENTS TO SUBSECS. 1239.3, 2239.3, 3239.3 AND 4291 Q.2 OF BOOKS I TO IV, RESPECTIVELY, OF THE MANUAL OF REGULATIONS FOR BANKS AND OTHER FINANCIAL INTERMEDIARIES

Pursuant to Monetary Board Resolution No. 314 dated 22 March 1995 approving the request to make all Treasury Notes eligible for the liquidity floor requirement on government deposits, Subsections 1239.3, 2239.3, 3239.3 and 4291 Q.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 government securities which represent direct obligations of the National Government and such other government securities as may be approved for the purpose by the Monetary Board.

"Only government securities representing direct obligations of the National Government issued pursuant to the provisions of R.A. No. 245, as amended by P.D. No. 142, with remaining maturities of not more than one (1) year, which are administered by the Bangko Sentral ng Pilipinas and not otherwise earmarked or used as part of other reserve requirements of the Bangko Sentral shall be eligible as liquidity reserves for this purpose, except for Treasury Notes which shall be eligible as liquidity reserves, regardless of their maturity: Provided, that, they are not earmarked or used as part of other reserve requirements.

"Specifically falling under subject classification are the following outstanding government securities:

1. All outstanding regular issues of Treasury Bills.
2. Outstanding Treasury Notes regardless of maturity
3. Outstanding issues of Treasury Bonds with remaining maturities of not more than one (1) year at the time of use.

"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.