

## 261 INTEREST ON DEPOSITS/ DEPOSIT SUBSTITUTES

Demand, savings, NOW accounts, time deposits and deposit substitutes shall not be subject to interest ceilings.

***Time of payment of interest on time deposits/deposit substitutes.*** Interest or yield on time deposit/deposit substitute may be paid at maturity or upon withdrawal or in advance: *Provided, however,* That interest or yield paid in advance shall not exceed the interest for one (1) year.

***Treatment of matured time deposits/deposit substitutes.*** A time deposit not withdrawn or renewed on its due date shall be treated as a savings deposit and shall earn interest from maturity to the date of actual withdrawal or renewal at a rate applicable to savings deposits.

A deposit substitute instrument not withdrawn or renewed on its maturity date shall from said date become payable on demand and shall earn an interest or yield from maturity to actual withdrawal or renewal at a rate applicable to a deposit substitute with a maturity of fifteen (15) days.

Banks performing quasi-banking functions shall continue to consider matured and unwithdrawn deposit substitutes as such and subject to reserves.