

418 RESERVES AGAINST PESO-DENOMINATED COMMON TRUST FUNDS AND TRUST AND OTHER FIDUCIARY ACCOUNTS (TOFA) -- OTHERS.

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In addition to the basic security deposit, banks/institutions authorized to engage in trust and other fiduciary business shall maintain reserves on TOFA - Others, except accounts held under (1) *Administratorship*; (2) *Trust Under Indenture*; (3) *Custodianship and Safekeeping*; (4) *Depository and Reorganization*; (5) *Employee Benefit Plans Under Trust*; (6) *Escrow*; (7) *Personal Trust (testamentary or living trust)*; (8) *Executorship*; (9) *Guardianship*; (10) *Life Insurance Trust*; (11) *Pre-need Plans (institutional/individual)*; (12) *Personal Equity and Retirement Account (PERA)*; and (13) *Legislated and Quasi-Judicial Trust*; and (14) *Specialized Institutional Accounts under Trust*.

a. *Reserves against peso-denominated CTFs.*

The required reserves against peso-denominated CTFs and such other managed peso funds which partake of the nature of a collective investment of peso-denominated CTFs shall be as follows:

| | |
|---------|-----|
| UBs/KBs | 19% |
| TBs | 9% |
| RBs | 4% |

Starting reserve week 2 March 2018.

b. *Reserves against TOFA - Others*

The required reserves against TOFA- Others shall be as follows:

| | |
|---------|-----|
| UBs/KBs | 17% |
| TBs | 9% |
| RBs | 4% |

Composition of reserves. The provisions of Sec. 252 shall govern the composition of reserves against TOFA- Others of banks authorized to engage in trust and other fiduciary business.

For purposes of this Section, a separate deposit account shall be maintained by banks with the Bangko Sentral exclusively for trust reserves. Deposits maintained by banks authorized to engage in trust and other fiduciary business with the Bangko Sentral in compliance with the reserve requirement shall not earned interest.

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Computation of reserve position. A bank authorized to engage in trust and other fiduciary business shall calculate daily the required and available reserves on the value per books of its TOFA-Others based on the seven-day week, starting Friday and ending Thursday including Saturdays, Sundays, holidays, non-banking days or days when there is no clearing: *Provided*, That with reference to holidays, non-banking days and days where there is no clearing, the reserve position at the close of banking day immediately preceding such holidays, non-banking days or days where there is no clearing, shall apply. For the purpose of computing reserve position, the principal office in the Philippines and all branches and agencies located therein shall be treated as a single unit.

The required reserves in the current period (reference reserve week) shall be computed based on the corresponding levels of TOFA-Others of the prior week.

For purposes of computing the required and available statutory and liquidity reserves for TOFA-Others the term value per books shall refer to the total volume of TOFA-Others less booked "*Allowance for Probable Losses*".

Reserve deficiencies; sanctions. The provisions of Sec. 255 shall govern the computation of reserve deficiencies for TOFA-Others of banks authorized to engage in trust and other fiduciary business, including the sanctions provided in said Section.

Report of compliance. Every bank shall submit a report to the Bangko Sentral of its daily required and available reserves on TOFA- Others in such frequency and within the deadline stated in *Appendix 7*.

(Circular Nos. 1025 dated 13 December 2018, 1004 dated 24 May 2018, 997 dated 15 February 2018, 906 dated 10 March 2016, 890 dated 02 November 2015, 878 dated 22 May 2015, 832 dated 27 May 2014, and 830 dated 03 April 2014)