



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1229 Series of 2026

Subject : **Amendments to the BSP Regulations on Reserve Requirements and Related Reports**

The Monetary Board, in its Resolution No. 33 dated 22 January 2026, approved the following amendments to the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) pertaining to reserve requirements and related reports.

Section 1. Section 251 of the MORB, as amended by BSP Circular Nos. 1175 dated 23 June 2023, 1176 dated 29 June 2023, 1185 dated 3 December 2023, 1201 dated 20 September 2024, and 1211 dated 11 March 2025, on Accounts Subject to Reserves; Amounts Required is amended to read, as follows:

251 ACCOUNTS SUBJECT TO RESERVES; AMOUNTS REQUIRED

The following rules and regulations shall govern the reserves against deposit and deposit substitute liabilities.

Required reserves against deposit and deposit substitute liabilities. The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks effective reserve week starting 27 February 2026 shall be as follows:

Reservable Liabilities	UBs/KBs	Digital Banks	TBs	RBs/Coop Banks
xxx	xxx	xxx	xxx	xxx
e. Long-term Negotiable Certificates of Time Deposits*	0%	xxx	0%	0%
xxx	xxx	xxx	xxx	xxx
g. Bonds				
1. xxx	xxx	xxx	xxx	xxx
2. Other Bonds*	2%	2%	0%	xxx
h. Mortgage/CHM cert.*	xxx	xxx	0%	xxx
xxx	xxx	xxx	xxx	xxx

x x x

* For reserve week starting 27 February 2026.

Section 2. Section 253 of the MORB on Exemptions from Reserve Requirements is amended to read, as follows:

253 EXEMPTIONS FROM RESERVE REQUIREMENTS

x x x

Local banks may deduct from the amount of their gross demand deposits, the total of their Due from Local Banks - Demand and Due from Local banks - Clearing Account in an amount not exceeding the total of their Demand Deposits-Banks and Due to Local Banks. As used herein, the term gross demand deposits shall mean the sum of all individual

deposits, including deposits made by other local banks, the Philippine Government, its political subdivisions, and instrumentalities, and GOCCs.

Section 3. Section 254 of the MORB on Computation of Reserve Position is amended to read, as follows:

254 COMPUTATION OF RESERVE POSITION

The reserve position of any bank and the penalty on reserve deficiency shall be computed based on a seven (7)-day week, starting Friday and ending Thursday (reserve period), including Saturdays, Sundays, public special/legal holidays, non-banking days or declared half-day holidays and days when there is no clearing: *Provided*, That with reference to public special/legal holidays, non-banking days, unexpected declared non-banking days, declared half day holidays and days when there is no clearing, the reserve position as calculated at the close of the business day immediately preceding such public special/legal holidays, non-banking days and unexpected declared non-banking days and declared half-day holidays and days when there is no clearing, shall apply thereon. For purposes of determining the penalty on reserve deficiencies, if a declared non-reserve day falls on a Friday or any two (2) days in a reserve period (other than Saturday and Sunday), such reserve period will be combined with the following reserve period as a "single reserve period". The single reserve period will start on the Friday of the first reserve period where a non-reserve day falls on a Friday or when the two (2) non-reserve days occurred (other than Saturday and Sunday), and will end on Thursday of the following reserve period.

For this purpose, the principal office in the Philippines and all other banking offices located therein shall be treated as a single unit.

The guidelines on the computation of a banks' reserve position during Philippine holiday and determination of the non-reserve day for purposes of implementing the single reserve period, are shown in *Appendix 88*.

Measurement of reserve requirement and available reserves. The required reserves in the current period (reference reserve week) shall be computed based on the corresponding levels of deposit, deposit substitutes and all other reservable liabilities of the prior week. Meanwhile, the main mode of compliance, specifically the deposits maintained by banks in Demand Deposit Account (DDA) with BSP, and alternative modes of compliance with the required reserves for the current reserve period will be included in the computation of available reserves in the current period (reference reserve period). The required reserve is deducted from the available reserve in computing the reserve position.

Section 4. Section 255 of the MORB on reserve deficiencies sanctions is amended to read, as follows:

255 RESERVE DEFICIENCIES; SANCTIONS

Whenever the reserve position of any bank in a day computed in the manner specified in Sec. 254 is below the required minimum, it shall pay the Bangko Sentral one-tenth of one percent (1/10 of 1%) on the amount of the deficiency: *Provided, however*, That a bank shall be permitted to offset any reserve deficiency occurring one (1) or more days of the reserve week covered by the report against excess reserves which it may hold on other days of the same reserve week** in which case, the penalty shall be computed based on the total net reserve deficiency for the week.

In case of abuse, a bank shall automatically lose the privilege of offsetting reserve deficiency in the aforesaid manner until such time that it maintains its daily reserve position at the required minimum for at least one (1) reserve period.

** See Appendix 92 on Regulatory Relief for Banks Affected by Calamities.

As used in this Section, "abuse" in the privilege of offsetting reserve deficiencies against excess reserves shall mean having reserve deficiencies occurring four (4) or more times during any given week for two (2) consecutive reserve periods, whether or not resulting in net weekly deficiencies.

Chronic reserve deficiency; penalties. In cases where the bank has chronic reserve deficiency in deposit/deposit substitute liabilities, the bank shall be denied the credit facilities of the Bangko Sentral; and the Monetary Board may:

- a. limit or prohibit the making of new loans or investments by the bank; and
- b. prohibit the declaration of cash dividends. The board of directors of said bank shall be notified of such chronic reserve deficiency and the penalties therefor, and shall be required to immediately correct the reserve position of the bank by maintaining the required reserve position for one (1) reserve period.

As used in this section, "chronic reserve deficiency" shall mean having net reserve deficiencies for two (2) consecutive reserve periods.

x x x

Section 5. Section 256 of the MORB on report on compliance is amended to read, as follows:

256 REPORT ON COMPLIANCE

Every bank shall submit a weekly report to the Bangko Sentral stating its daily deposit/deposit substitute liabilities as well as any other reservable liabilities using the procedures outlined in *Appendix 7*.

Section 6. Section 418 of the MORB on Reserves Against Trust and Other Fiduciary Accounts (TOFA) - Others is amended to read, as follows:

418 RESERVES AGAINST TRUST AND OTHER FIDUCIARY ACCOUNTS (TOFA)- OTHERS

x x x

The required reserves against TOFA- Others shall be zero percent (0%) effective reserve period starting 27 February 2026.

x x x

Report of compliance. Every bank shall submit a report to the Bangko Sentral of its daily required reserves on TOFA- Others in accordance with *Appendix 7*.

Section 7. Appendix 14 of the MORB on Rules Governing Issuance of Mortgage/Chattel Mortgage Certificate by Thrift Banks is amended to read as follows:

Appendix 14-RULES GOVERNING ISSUANCE OF MORTGAGE/CHATTEL MORTGAGE CERTIFICATE BY THRIFT BANKS (Appendix to Sec. 293-B/C)

x x x

- j. A zero percent (0%) reserve shall be maintained against all issues of mortgage/chattel mortgage certificates effective reserve period starting 27 February 2026. The Monetary Board may change the required reserves as may be necessary.

x x x

Section 8. Section 214-Q of the MORNBF I on Computation of Reserve Position is amended to read as follows:

214-Q COMPUTATION OF RESERVE POSITION

The reserve position of any QB and the penalty on reserve deficiency shall be computed based on a 7-day week, starting Friday and ending Thursday (reserve period), including Saturdays, Sundays, public special/legal holidays, non-business days, unexpected declared non-business days or declared half-day holidays and days when there is no clearing: *Provided*, That with reference to public special/legal holidays, non-business unexpected declared non-business days, declared half day holidays and days when there is no clearing, the reserve position as calculated at the close of the business day immediately preceding such public special legal holidays, non-business days and unexpected declared non-business days/s and declared half day holidays and days when there is no clearing, shall apply thereon. For purposes of determining the penalty on reserve deficiencies, if a declared non-reserve day falls on a Friday or any two (2) days in a reserve period (other than Saturday and Sunday), such reserve period will be combined with the following reserve period as a "single reserve period". The single reserve period will start on the Friday of the first reserve period where a non-reserve day falls on a Friday or when the two (2) non-reserve days occurred (other than Saturday and Sunday), and will end on Thursday of the following reserve period.

For this purpose, the principal office in the Philippines and all other offices located therein shall be treated as a single unit.

The guidelines on the computation of a QB's reserve position during Philippine holidays and in determining the non-reserve day for purposes of implementing the single reserve period are shown in *Appendix Q-51*.

The required reserves shall be computed based on the corresponding levels of deposit substitute liabilities of the prior week. Meanwhile, the main mode of compliance, specifically the deposits maintained by banks in Demand Deposit Account (DDA) with BSP and alternative modes of compliance with the required reserves will be included in the computation of available reserves in the current period (reference reserve period).

Report on Compliance. Every QB shall submit a weekly report to the Bangko Sentral of its daily deposit substitutes and all other reservable liabilities in accordance with *Appendix Q-3*.

Section 9. Section 215-Q of the MORNBF I on reserve deficiencies sanctions is amended to read as follows:

215-Q RESERVE DEFICIENCIES; SANCTIONS

- a. Whenever the reserve position of any QB in a day computed in the manner specified in Sec. 214-Q is below the required minimum, the QB concerned shall pay the Bangko Sentral one-tenth of one percent (1/10 of 1%) on the amount of the deficiency: *Provided, however*, That the QB shall be permitted to offset any reserve deficiency occurring one (1) or more days of the reserve week covered by the report against excess reserves which it may hold on other days of the same reserve week in which case, the penalty shall be computed based on the total net reserve deficiency for the week.

In case of abuse, the QB shall automatically lose the privilege of offsetting reserve deficiency in the aforesaid manner until such time that it maintains its daily reserve position at the required minimum for at least one (1) reserve period.

As used in this Section, *abuse* in the privilege of offsetting reserve deficiencies against excess reserves shall mean having reserve deficiencies occurring four (4) or more times during any given reserve period for two (2) consecutive reserve periods, whether or not resulting in net weekly deficiencies.

- b. In cases where the QB has chronic reserve deficiency on deposit substitute liabilities, the Monetary Board may (1) limit or prohibit the making of new loans or investments by the QB concerned; (2) prohibit the declaration of cash dividends; and/or (3) impose such other sanctions, as it may deem necessary. The board of directors of such QB shall be notified of such chronic reserve deficiency and the penalties therefor, and shall be required to immediately correct the reserve position of the QB by maintaining the required reserve position for one reserve period.

As used in this Section, the following terms shall have the following meanings: *Chronic reserve deficiency* shall mean having net reserve deficiency for two (2) consecutive reserve periods.

New loan and new investment shall refer to any loan and any investment involving disbursement of funds.

x x x

*** See Appendix Q-73

Section 10. Section 417-Q of the MORNBF on Reserves Against Trust and Other Fiduciary Accounts (TOFA) - Others is amended to read as follows:

417-Q RESERVES AGAINST TRUST AND OTHER FIDUCIARY ACCOUNTS (TOFA)- OTHERS

xxx

The reserves to be maintained shall be zero percent (0%) effective reserve period starting 27 February 2026.

xxx

Report of compliance. Every institution shall submit a weekly report to the Bangko Sentral of its daily required reserves on TOFA-Others, in accordance with *Appendix Q-3*.

Section 11. The reports (Consolidated Daily Report of Condition [and corresponding Control Proof list], Consolidated Report on Required and Available Reserves Against Deposit Substitutes and Special Financing, Weekly Report on Required and Available Reserves Against Deposit Liabilities [and the corresponding Control Proof list], and the Capital Reserves System [CARE] Reports on Required and Available Reserves) are replaced by the Weekly Reserve Report (WRR).

The WRR must be submitted by all banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs) following the prescribed format indicated in **Annex A** of this Circular. In relation to this, Appendix 7 of the MORB, as amended, on the Reports Required of Banks and Appendix Q-3 of the MORNBF, as amended, on the List of Reports Required from Quasi Banks, are further amended as shown in **Annex B** of this Circular.

Section 12. The BSP shall continue to monitor the Reserves Against Trust and Other Fiduciary Accounts (TOFA) - Others notwithstanding the reduction of reserve requirement

rates. Thus, banks and financial institutions authorized to engage in trust and other fiduciary business must submit their TOFA-Others report following the prescribed format indicated in **Annex A** of this Circular. In relation to this, Appendix 7 of the MORB, as amended, on the Reports Required of Banks and Appendix Q-3 of the MORNBF, as amended, on the List of Reports Required from Quasi Banks, are further amended as shown in **Annex C** of this Circular.

Section 13. The manner of the electronic submission of WRR as well as the Reserves Against TOFA to the Department of Supervisory Analytics (DSA) of the Bangko Sentral shall be covered by a separate issuance.

Section 14. This Circular shall take effect on fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:



ELI M. REMOLONA, JR.
Governor

ii February 2026

I. For All Bank Types:

Name of Bank	Code
Address	

WEEKLY RESERVES REPORT

For Reference Week _____ to _____

Account Name	Record No.	A M O U N T (In Pesos)						
		Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday
A. Domestic Deposits	410							
1. Demand Deposits ^{1/}	411							
2. Savings Deposit	412							
a. Basic Deposit Accounts	832							
b. PERA Self-Custody Deposit Accounts	834							
c. All Other Savings Deposits ^{2/}	833							
3. NOW Accounts	413							
4. Time Certificate of Deposits	428							
a. Long-term Negotiable Certificates of Time Deposits (LTNCTDs) ^{3/}	425							
b. All other Time Certificate of Deposits ^{4/}	427							
B. Deposit Substitutes	445							
1. Mortgage/CHM Certificates ^{5/}	481							
2. Others ^{6/}	441							
C. Bonds Payable	455							
1. Sustainable Bonds ^{7/}	460							
2. Other Bonds ^{8/}	461							
D. Peso deposits lodged under Due to foreign banks^{9/}	435							

E. Peso deposits lodged under Due to Head Office/Branches/Agencies Abroad (Philippine branch of a foreign bank) ^{9/}	436								
F. Additional Information:									
1. Total Loan Portfolio	580								
2. Due from Local banks - Clearing Account	030								
3. Due from Local Banks - Demand Deposits	310								
4. Due to Local Banks (Gross)	430								
5. Demand Deposit – Banks	640								
6. Special Time Deposits (STD) ^{10/}	785								
7. Repurchase Agreements with Bangko Sentral ng Pilipinas	446								
8. Others (Specify):	665								
1.	666								
2.	667								
3.	668								
4.	669								
5.	670								

^{1/} Local banks may deduct from the amount of their gross demand deposits, the total of their *Due from Local Banks -Demand and Due from Local Banks - Clearing* in an amount not exceeding the total of their *Demand Deposits-Banks and Due to Local Banks*. As used herein, the term *gross demand deposits* shall mean the sum of all individual deposits, including deposits made by other local banks, the Philippine Government, its political subdivisions, and instrumentalities, and GOCCs.

^{2/}Refers to savings deposits excluding Basic Deposit Accounts and PERA Self-Custody Deposit Accounts.

^{3/}Issued with prior approval of the Bangko Sentral per Section 217 of the Manual of Regulations for Banks as amended by Circular 1144 dated 12 April 2022.

^{4/}Refers to time deposits other than LTNCTDs and Special Time Deposits (STDs) from the Agrarian Reform Fund Commission and special savings deposits from farmer-borrowers.

^{5/}With prior approval of the Monetary Board, TBs may issue and deal in mortgage and Collateralized Home Mortgage (CHM) certificates. The rules and regulations governing the issuance of said certificates is shown in Appendix 14 of the Manual of Regulations for Banks (MORB).

^{6/}Refers to Deposit Substitutes other than Mortgage/CHM Certificates.

^{7/}As stated in Circular 1185 dated 13 December 2023, this shall include outstanding and new issuances of green, social, sustainability and other sustainable bonds as defined under relevant regulations of the Securities and Exchange Commission and/or other relevant regional or international standards acceptable to the market, which may include but not limited to the issuances of the International Capital Markets Association or endorsement of the ASEAN Capital Markets Forum. Outstanding and new issuances of sustainable bonds after the lapse of the regulatory incentive period on 13 December 2025 shall be subject to the applicable reserve requirement against other bonds.

^{8/}Refers to Bonds other than Sustainable Bonds.

^{9/}Refers to peso deposits, except those utilized as capital of foreign banks (including Head Office/Branches/Agencies abroad of local branches of foreign banks) booked under the "Due to Foreign Banks" and "Due to Head Office/Branches/Agencies Abroad" accounts as provided under Sec. 172 (Adoption of the Manual of Accounts), as amended.

^{10/} STDs from the Agrarian Reform Fund Commission and special savings deposits from farmer-borrowers.

II. For Non-Banks with Quasi-Banking Functions:

WEEKLY RESERVES REPORT

Name of NBQB _____

Code _____

Address _____

For Reference Week _____

to _____

(mm/dd/ccyy)

(mm/dd/ccyy)

ACCOUNT NAME	Rec. No.	A M O U N T (In Pesos)						
		Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday
A. Deposit Substitutes	10							
B. Deposit Substitutes Exempted from Reserve Requirements	33							
a. Repurchase Agreements with Bangko Sentral ng Pilipinas ^{1/}	45							
b. Special Financing ^{2/}	40							
C. Bonds	87							
D. Alternative Compliance	200							
a.	216							
b.	217							
c.	218							

^{1/}Borrowings from the Bangko Sentral through the sale of government securities under repo agreements made in connection with the provisions of Sec. 601-Q.

^{2/}Deposit substitutes arising from special financing programs of the Government and/or international financial institutions.

III. For Banks and Institutions authorized to engage in Trust and Other Fiduciary Business:

TRUST AND OTHER FIDUCIARY ACCOUNTS (TOFA)

For Reference Week _____ to _____

Account Name	Record No.	AMOUNT (In Pesos)						
		Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday
I. TRUST AND OTHER FIDUCIARY ACCOUNTS (TOFA) – OTHERS								
ACCOUNTS (TOFA) - OTHERS ^{1/}	010							

1/ 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.

Annex B of the Circular

Appendix 7: Reports Required of Banks

REPORTS REQUIRED OF BANKS

SECONDARY REPORTS						
A. UBs/KBs/Digital Banks*						
Category	Form No.	MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/e-mail Address
xxx	xxx	xxx	xxx	xxx	xxx	xxx
A-2		Sec. 256	Weekly Reserves Report (WRR)	Weekly	3 banking days after end of reference week	Submitted via Prudential Reporting Innovation and Monitoring Engine (PRIME)
B. TBs						
xxx	xxx	xxx	xxx	xxx	xxx	xxx
A-2		Sec. 256	Weekly Reserves Report (WRR)	Weekly	6 banking days after end of reference week	Submitted via Prudential Reporting Innovation and Monitoring Engine (PRIME)
C. RBs/Coop Banks						
xxx	xxx	xxx	xxx	xxx	xxx	xxx
A-2		Sec. 256	Weekly Reserves Report (WRR)	Weekly	4 banking days after end of reference week	Submitted via Prudential Reporting Innovation and Monitoring Engine (PRIME)

*xxx

Appendix Q-3 List of Reports Required from Quasi Banks

Category	Form No.	MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/e-mail Address
xxx	xxx	xxx	xxx	xxx	xxx	xxx
A-2		Sec. 214-Q	Weekly Reserves Report (WRR)	Weekly	4 banking days after end of reference week	Submitted via Prudential Reporting Innovation and Monitoring Engine (PRIME)

