

Bangko Sentral ng Pilipinas

MANILA

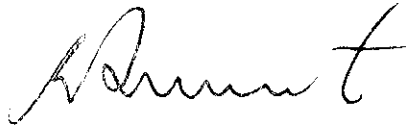
OFFICE OF THE GOVERNOR

CIRCULAR LETTER

TO: ALL BANKS

SUBJECT: LIFTING OF RESERVE REQUIREMENT ON INTERBANK LOANS

The Monetary Board, in its Resolution No. 1631 dated November 11, 1999, decided to lower the reserve requirement on interbank loans from one percent to zero percent effective December 17, 1999, provided, however, that for prudential reasons, only interbank borrowings evidenced by the interbank loan advice or repayment transfer tickets and settled through the respective demand deposits of banks or non-banks with quasi-banking functions with the BSP should be eligible to the zero level of reserve requirement.


RAFAEL B. BUENAVENTURA
Governor

16 December 1999