



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 992 Series of 2018

Subject : **Framework for Basic Deposit Accounts**

The Monetary Board, in its Resolution No. 58 dated 11 January 2018, approved the following amendments to the Manual of Regulations for Banks (MORB) to introduce the framework for basic deposit accounts that can promote financial inclusion, consistent with the *Bangko Sentral's* thrust to advance universal access to formal financial products and services.

Section 1. Section X222 of the MORB is hereby added to establish a basic deposit account, as follows:

“Sec. X222 Basic Deposit Account.

A basic deposit account refers to interest- or non-interest-bearing account designed to promote financial inclusion. This account will enable Filipinos, especially the unserved and underserved, to receive and make payments, as well as have a facility for store of value. It will have the basic functionalities that will characterize ease, accessibility, convenience, and reasonable cost for both banks and customers.

Banks shall be given the liberty to customize their product offerings based on the needs of the identified market: *Provided*, That banks adopt the following minimum key features of a basic deposit account:

<i>Features</i>	
Liberalized customer onboarding	Follows simplified Know-Your-Customer (KYC) for low risk customers, wherein identifying the customer and verifying their true identity may be based on any document or information reduced in writing which the covered person deems sufficient to establish customer's identity as provided under Item "w" of Sec. X803 of the MORB, or other reliable, independent source documents, data, or information.
Opening amount	Not more than P100.00
Minimum maintaining balance	None

<i>Features</i>	
Dormancy charges	None
Maximum balance	Not more than P50,000.00; Should the depositor exceed the P50,000.00 maximum balance, the bank should convert the basic deposit account to a regular deposit account
Reserve requirement	0%

In offering the basic deposit account, banks shall adopt clearly-defined written policies, procedures and controls to ensure due diligence and compliance with applicable rules and regulations.”

Section 2. Subsection X253.1 of the MORB on the required reserves against deposit and deposit substitute liabilities is hereby amended to read, as follows:

“Subsec. X253.1 Required reserves against deposit and deposit substitute liabilities.

xxx

	UBs/KBs	TBs	RBs/Coop Banks
xxx			
m. Basic deposit accounts, as defined in Sec. X222 of the MORB ¹	0 %	0 %	0 %

xxx”

Section 3. The following portions of the Financial Reporting Package (FRP) required under Subsection X191.2 of the MORB shall be amended as indicated below:

MANUAL OF ACCOUNTS

“BALANCE SHEET ACCOUNTS

xxx

3. Deposit Liabilities

xxx

¹ The required reserves for banks shall take effect starting reserve week 23 February 2018.

- (a) *Demand Deposit* – This refers to deposits, subject to withdrawal by check thru available bank channels and/or thru the automated tellering machines (ATM) which are otherwise known as *current or checking accounts*. The bank may or may not pay interest on these accounts.
- (b) *Savings Deposit* – This refers to interest- or non-interest-bearing deposits which are withdrawable upon demand thru available bank channels.
 - (1) *Regular savings account* – refers to interest-bearing account which is withdrawable either upon presentation of a properly accomplished withdrawal slip together with the corresponding passbook or thru automated tellering machine.
 - (2) *Kiddie and teen savings account* – refers to interest-bearing savings account of children and teens up to nineteen (19) years old with an initial deposit of P100 and no minimum maintaining balance requirement.
 - (3) *Basic deposit account* - refers to interest- or non-interest-bearing account designed to promote financial inclusion.
 - (4) *Other savings account* - refers to interest-bearing special savings account which offers tiered interest rates depending on the size of deposit. It usually carries higher interest rate compared to the rate for regular savings account.

xxx"

Section 4. Items F to I of *Appendix 45* on the Notes on Microfinance are hereby amended to read as follows:

"xxx

F. Definition and general features of microfinance savings deposit accounts or micro-deposits

Micro-deposits shall now be referred to as basic deposit accounts under Sec. X222 of the MORB.

G. Definition of microinsurance xxx

H. General features of a microinsurance product xxx

xxx"

Section 5. *Appendix 105* on the guidelines on reportorial requirement for bank interest rates will be amended to denote reference to the definitions used for deposit products in Section X222 as follows:

**“GUIDELINES ON REPORTORIAL REQUIREMENTS FOR BANK INTEREST RATES
(Appendix to Subsec. X149.8)**

xxx

a. xxx

b. xxx

c. *Kiddie and teen savings account* refers to interest-bearing savings account of children and teens up to nineteen (19) years old with an initial deposit of P100 and no minimum maintaining balance requirement.

d. *Basic deposit account* refers to interest- or non-interest-bearing account designed to promote financial inclusion, as defined in Sec. X222.

e. *Other peso savings account* xxx

xxx”

Section 6. The corresponding guidelines to implement the relevant reporting structures and dissemination of the accompanying data entry templates including the procedures for electronic submission shall be covered by a separate issuance.

Section 7. Effectivity. This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD


NESTOR A. ESPENILLA, R.
Governor

01 February 2018