REVENUE MEMORANDUM CIRCULAR NO. 16-2009 issued on March 17, 2009 clarifies the instruments embraced by the term “deposit substitutes” under Revenue Regulations (RR) No. 8-2008.

The term “deposit substitutes” may include, but need not be limited to other instruments described in Section 22(Y) of the National Internal Revenue Code of 1997, as amended, namely: bankers’ acceptances, promissory notes, repurchase agreements, including reverse repurchase agreements entered into by and between the Bangko Sentral ng Pilipinas and any authorized agent bank, certificates of assignment or participation and similar instruments with recourse: Provided, however, that debt instruments issued for interbank call loans with maturity of not more than five (5) days to cover deficiency in reserves against deposit liabilities, including those between or among banks and quasi-banks, shall not be considered as deposit substitute debt instruments.