



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 925

Series of 2016

Subject: Amendments to Foreign Exchange Regulations

Pursuant to Monetary Board Resolution No. 1644 dated 8 September 2016, the following provisions of the Manual of Regulations on Foreign Exchange Transactions (issued under Circular No. 645 dated 13 February 2009, as amended) are further revised as follows:

"PART ONE. RULES ON FOREIGN EXCHANGE TRANSACTIONS

Chapter I

GENERAL PROVISIONS

1. Regulations governing foreign exchange transactions are hereby consolidated in this Manual of Regulations on Foreign Exchange Transactions hereinafter referred to as the "Manual".
2. All foreign exchange transactions, including those of authorized agent banks (AABs)/AAB-subsiidiary/affiliate forex corporations (AAB-forex corps), must be compliant with applicable laws, rules and regulations, including the "Know Your Customer" policy.
3. The sale of foreign exchange may be freely made: (a) between and among AABs; (b) by AAB-forex corps to AABs; and (c) between and among individuals/entities other than AABs/AAB-forex corps: *Provided*, that the sale of foreign exchange by non-bank BSP-supervised entities (NBBSEs), including qualified entities operating as foreign exchange dealers/money changers (FXDs/MCs) and remittance agents (RAs) that are neither AABs nor AAB-forex corps, shall be governed by other applicable BSP regulations, including Circular No. 471 dated 24 January 2005, as amended, and shall not be covered by this Manual.
4. The rules on foreign exchange that may be sold and the related documentary requirements shall apply to the sale of foreign exchange by AABs/AAB-forex corps to individuals/entities that are not AABs.
5. All sales of foreign exchange by AABs/AAB-forex corps under this Manual for settlement of foreign exchange transactions are subject to the submission by the purchaser of a duly accomplished Application To Purchase Foreign Exchange using the prescribed form (Annex A).

6. The seller/remitter of foreign exchange shall ensure that applicable Philippine taxes related to the foreign exchange transactions [including those applicable to the following: (a) sale of foreign exchange; (b) remittance of foreign exchange; and (c) the underlying foreign exchange transaction] have been paid and the remittance is net of such taxes. For this purpose, the seller/remitter of foreign exchange shall require submission by the purchaser of foreign exchange of receipt(s)/evidence of payment of taxes, where applicable.
7. The terms used herein are as defined in the "Glossary of Terms" hereof unless otherwise indicated in specific sections of this Manual.

Chapter II

RESIDENT TO RESIDENT TRANSACTIONS

1. AABs/AAB-forex corps may sell foreign exchange (regardless of amount) to non-bank residents for their foreign exchange transactions¹ with other residents subject to the submission to the foreign exchange selling institution of a duly accomplished Application To Purchase Foreign Exchange (Annex A) and supported by documents listed under Appendix 1.
2. All foreign exchange purchases shall either be:
 - a. remitted directly to the intended resident beneficiary's account (including payment/treasury centers/hubs of a group of companies) on the date of purchase; or
 - b. credited to the resident purchaser's FCDU account (with the same or another AAB) for eventual remittance by the depository AAB to the intended beneficiary for the declared purpose: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.
3. Foreign currency loans obtained from banks operating in the Philippines shall also be governed by the provisions of Part Three, Chapter I of this Manual."

¹ Trade and non-trade transactions (including loans and investments) requiring settlement in foreign currency

"PART TWO. CURRENT ACCOUNT TRANSACTIONS

Chapter I

NON-TRADE FOREIGN EXCHANGE RECEIPTS AND DISBURSEMENTS, CROSS-BORDER TRANSFER OF LOCAL AND FOREIGN CURRENCIES, AND GOLD TRANSACTIONS

X X X

Section 2. Sale of Foreign Exchange to Residents by AABs and AAB-Forex Corps for Non-Trade Current Account Transactions with Non-Residents.

AABs and AAB-forex corps may sell foreign exchange to residents to cover payments to non-resident beneficiaries for non-trade current account purposes (e.g., education, medical and travel expenses, salaries of foreign expatriates), other than those relating to foreign/foreign currency loans and investments, without need for prior BSP approval, subject to the submission of the following to the foreign exchange selling institution:

1. For sale not exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day
 - Duly accomplished Application To Purchase Foreign Exchange (Annex A);
2. For sale exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day
 - Duly accomplished Application To Purchase Foreign Exchange (Annex A) and documents listed under Appendix 1.

All foreign exchange purchases for non-trade current account transactions shall either be:

- a. remitted directly to the intended non-resident beneficiary's account (including payment/treasury centers/hubs of a group of companies) on the date of purchase; or
- b. credited to the resident purchaser's FCDU account (with the same or another AAB) for eventual remittance by the depository AAB to the non-resident beneficiary (including payment/treasury centers/hubs of a group of companies) for the declared purpose: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange sold to the depository bank of the

purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.

Foreign exchange purchased for travel and medical expenses abroad not yet incurred, and sales proceeds of emigrant's domestic assets where the emigrant is still in the country, may be held in cash, or directly remitted to the intended non-resident beneficiary or credited to the resident purchaser's FCDU account in accordance with items (a) and (b) above. "

"Section 3. Peso Accounts of, and Sale of Foreign Exchange to, Non-Residents

1. Peso Accounts of Non-residents. x x x

a. inward remittances of convertible foreign exchange²;

x x x

f. peso proceeds from the onshore sale by non-resident issuers of their PSE-listed equity securities³.

2. Sale of Foreign Exchange to Non-Residents

x x x

Peso deposits funded by Item no. 1(a) must have been used onshore to fund foreign direct investment/s and/or investments in eligible portfolio instruments, which are registered with the BSP or custodian banks, subject to the provisions of Part Three, Chapter II (Foreign Investments) hereof and applicable appendices/annexes, to allow full conversion of peso funds to foreign exchange; otherwise, prior BSP approval shall be required.

a. Non-resident issuers of PSE-listed equity securities. Depository AABs may sell the equivalent foreign exchange to non-resident issuers or their authorized representative up to the amount deposited in the peso account that are funded by Item no. 1(f) upon presentation to the AAB of the original BSP letter-authority to purchase foreign exchange and submission of a duly accomplished Application To Purchase Foreign Exchange (Annex A).

x x x"

² Refer to convertible currencies indicated in the BSP reference exchange rate bulletin

³ Refer to equity securities of non-residents primarily listed at the PSE

“Chapter II

FOREIGN MERCHANDISE TRADE TRANSACTIONS

A. IMPORT TRADE TRANSACTIONS

Section 6. General Policy. As a general rule, all kinds of merchandise imports are allowed. However, the importation of certain commodities are regulated or prohibited for reasons of public health and safety, national security, international commitments, and development/rationalization of local industry.

AABs and AAB-forex corps may sell foreign exchange to residents for payment of importations, subject to submission of the following to the foreign exchange selling institution:

- a. For sale not exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day
 - Duly accomplished Application To Purchase Foreign Exchange (Annex A)
- b. For sale exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities) or its equivalent in other foreign currency per client per day
 - Duly accomplished Application To Purchase Foreign Exchange (Annex A) and documents listed under Appendices 4 and 7
- c. For sale of foreign exchange (regardless of amount) to settle net payables under intercompany netting arrangement [Open Account (O/A)] among non-bank related parties
 - Duly accomplished Application To Purchase Foreign Exchange (Annex A) and documents listed under Appendix 6.1

Foreign exchange purchased from AABs/AAB-forex corps for payment of importations shall either be:

- a. remitted directly to the intended non-resident beneficiary's account (including payment/treasury centers/hubs of a group of companies) on the date of purchase; or
- b. credited to the resident importer's FCDU (with the same or another AAB) for eventual remittance by the depository AAB to the intended non-resident beneficiary (including payment/treasury centers/hubs of a group of companies) for settlement of import obligation: *Provided*, that if the depository bank is different from the foreign

exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.”

“Section 9. Letter of Credit (L/C)

1. x x x

2. Deferred L/Cs shall be governed by the pertinent provisions of Part Three, Chapter 1 (Loans and Guarantees) hereof. For this purpose, deferred L/Cs shall refer to those with payment terms of more than one year reckoned from initial shipment date.”

“PART THREE. CAPITAL ACCOUNT TRANSACTIONS”

Chapter I

LOANS AND GUARANTEES

“Section 22. The BSP shall regulate foreign/foreign currency loans to ensure that principal and interest thereon can be serviced in an orderly manner and with due regard to the economy’s overall debt servicing capacity. Loans from offshore sources, OBUs as well as foreign currency loans from banks operating in the Philippines shall be submitted to the BSP for prior approval and/or registration if these will ultimately be serviced with foreign exchange to be purchased from AABs/AAB-forex corps (including those covered by derivatives transactions), unless otherwise indicated herein.

1. x x x

2. Resident companies/entities intending to obtain medium- and long-term loans and/or issue debt instruments (whether onshore or offshore) that are denominated/requiring settlement in foreign currency shall submit to the BSP-IOD their annual borrowings plan using the prescribed form (Annex D.3):

- a. Public sector entities, including the National Government – every end-September for borrowings for the following year, regardless of amount; and
- b. Private sector entities, with planned aggregate annual borrowings of at least USD10 million, or its equivalent – every end-September for borrowings for the following year.

Any changes to the submitted plan shall be communicated to the BSP-IOD within two (2) weeks upon availability of information for monitoring and programming purposes.

3. x x x

4. For statistical purposes, all foreign borrowings of private sector entities (including those in the form of bonds/notes/other debt instruments issued), whether or not these are BSP-approved/registered, shall be regularly reported to the BSP-IOD, using the prescribed forms (Annexes E.1, E.2, E.3 and E.4) within the required deadline until the obligations are fully extinguished.

5. x x x

6. Foreign borrowings (including those in the form of bonds/notes/other debt instruments) of banks shall be subject to items 2 and 4 of this Section, the MORB, and other applicable laws, rules and regulations.

Foreign/foreign currency loans/borrowings including those in the form of bonds/notes/other debt instruments of non-bank financial institutions with quasi-banking functions that are not publicly-guaranteed shall comply with items 2 and 4 of this Section, Section 29 and Appendix 1 of this Manual, the MORNBF, and other applicable laws, rules and regulations.

7. Private sector non-banks who incur loans that are subject to prior BSP approval and/or registration shall maintain a long-term debt-to-equity ratio of 75/25 or better during the entire duration of the loans, except as may be explicitly allowed by the BSP.”

“Section 23. Loans Requiring Prior BSP Approval. Prior BSP approval shall be required for the following loans:

1. All foreign/foreign currency loans of the following public sector entities, except short-term foreign currency loans from banks operating in the Philippines that are covered by Section 24.4:

x x x

2. All foreign/foreign currency loans of the private sector if guaranteed by government corporations and/or government financial institutions.

3. Loans from offshore sources and OBUs with maturities exceeding one (1) year to be obtained by private non-bank financial institutions (except those to be incurred by non-bank financial institutions with quasi-banking functions) intended for relending to public or private sector enterprises.

4. Other loans intended to be serviced using foreign exchange purchased by the borrower/creditor/guarantor from AABs or AAB-forex corps and not covered by Section 24.

x x x”

“Section 24. Loans Not Requiring Prior BSP Approval. The following loans may be obtained without prior BSP approval:

1. a. Loans of resident private sector borrowers from offshore sources that will be serviced using foreign exchange to be purchased from entities that are neither AABs nor AAB-forex corps.

b. Foreign currency loans of resident private sector borrowers from banks operating in the Philippines: *Provided*, that these: (i) are not publicly-guaranteed; (ii) are reported by the creditor bank to the BSP using the prescribed forms (IOS-Form 4 and Consolidated Report on Foreign Currency Loans Granted by Regular Banking Units, as may be applicable).

c. Foreign currency loans of non-residents from banks operating in the Philippines: *Provided*, that the loans shall not be serviced using foreign exchange to be purchased from AABs/AAB-forex corps.

x x x

4. Short-term foreign currency loans of the following public sector borrowers from banks operating in the Philippines:

x x x

5. Short-term loans of private exporters/importers from OBUs and offshore foreign banks with branches in the Philippines: *Provided*, that:

a. The loans are not covered by a guarantee from a government financial institution/corporation;

b. The loans shall be exclusively used to finance specific trade transactions, i.e., to liquidate/pay for import obligations and/or in the case of export financing transactions, to fund the borrower’s pre-export financing requirements;

c. Loan proceeds intended to pay for foreign exchange requirements may be paid directly to the intended beneficiary, while amounts intended to fund pre-export peso costs shall be inwardly remitted and may either be paid directly to the intended beneficiary or sold for pesos to AABs;

x x x

9. Loans of resident private sector borrowers from offshore sources that are not guaranteed by public sector entities to finance the Government's Public-Private Partnership (PPP) projects. These loans may be obtained without prior BSP approval until 28 December 2016. However, if financing for the PPP projects will be in the form of offshore issuances of peso-denominated instruments, the provisions of Section 31.2 shall apply.

The loans listed under this Section shall, however, be registered with the BSP pursuant to Section 28, if to be serviced by the borrower/creditor/guarantor using foreign exchange from AABs/AAB-forex corps, including loans that are covered by derivatives contracts which shall also be subject to the provisions of Sections 88 to 94 and Appendix 18⁴ of the Manual. Said registration requirement does not apply to loans under items 1(a)-(c) and 2 hereof, while loans covered by items 4 and 5 shall be subject to the provisions of Section 28.3."

"Section 27. Drawdown/Availment on Loans. Loans intended to be serviced using foreign exchange purchased from AABs or AAB-forex corps shall comply with the following:

1. x x x

2. Loan proceeds intended to fund local costs (i.e., those payable to residents) shall be inwardly remitted and may either be paid directly to the intended beneficiary or sold for pesos to AABs.

x x x."

"Section 28. Registration of Loans

x x x

3. Loans granted under Sections 24.4 and 24.5 that are duly reported to the BSP using the prescribed forms (IOS Form 4, Consolidated Report on Foreign Currency Loans Granted by Regular Banking Units and Schedule 4A (Part I) & 4B (Part II) of the Consolidated Report on Loans Granted by OBUs to Residents) are deemed registered.

x x x"

"Section 29. Servicing of Loans⁵

1. All foreign exchange purchases from AABs/AAB-forex corps for servicing of foreign/foreign currency loans shall either be:

⁴ Covers loans that will be serviced/funded using foreign exchange sourced by the borrower/creditor/guarantor from AABs/AAB-forex corps through foreign exchange forwards or swaps under Part Five, Chapter I hereof in relation to Appendix 18.

⁵ x x x

- a. remitted directly to the intended beneficiary's account on the date of purchase; or
- b. credited to the FCDU account of the resident borrower/guarantor (with the same or another AAB) for eventual remittance by the depository AAB to the intended beneficiary for the declared purpose: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.

2. Foreign exchange requirements for payment of principal, interest, fees and related charges on loans duly registered with the BSP may be fully purchased from AABs/AAB-forex corps and remitted through AABs as these fall due without prior BSP approval, provided such interest, fees and charges are indicated in the BSP registration document, and documents listed under Appendix 1 hereof are submitted to the foreign exchange selling institution.

3. x x x

4. AABs and AAB-forex corps may sell foreign exchange without prior BSP approval for prepayments (i.e., payments before original due dates) of BSP-registered private sector loans (including bonds and notes) that are not publicly-guaranteed, subject to the following conditions:

x x x

- d. Advance foreign exchange purchases shall be deposited in the borrower's FCDU account or in the borrower's offshore account pending remittance of the full amount by the depository bank to the creditor at the target prepayment date.

x x x

5. AABs and AAB-forex corps may sell foreign exchange without prior BSP approval for prepayment (i.e., payments before original due dates) of the following loans that are not publicly-guaranteed: (i) foreign/foreign currency loans of non-bank financial institutions with quasi-banking functions; and (ii) foreign currency loans of the private sector, subject to documentary requirements listed under Appendix 1 hereof.

6. To purchase foreign exchange for loan-related payments, the duly accomplished Application To Purchase Foreign Exchange (Annex A) shall be submitted to the foreign exchange selling AAB/AAB-forex corp with the documents listed under Appendix 1 hereof.

7. x x x"

“Section 30. Approval/Registration and Servicing of Guarantees

1. x x x

2. The following guarantees, including risk take-over and similar arrangements, for account of the private sector shall not require prior BSP approval and registration but shall be reported to the BSP by AABs as issuer/beneficiary using the prescribed form (Annex G if AAB is issuer or Annex H if AAB is beneficiary) to be eligible for servicing using foreign exchange purchased from AABs/AAB-forex corps in the event of default by the principal obligor:

a. x x x

b. Guarantees to be issued by foreign banks and financial institutions as well as other foreign entities to secure peso loans/ foreign currency loans from banks operating in the Philippines that are authorized under Sections 24.1(b) and 24.4. Proceeds of guarantees where the beneficiary is a resident shall be inwardly remitted and may either be paid directly to the resident beneficiary or sold for pesos to AABs.

x x x”

“Chapter II

FOREIGN INVESTMENTS

x x x

Section 36. Registration with the BSP. x x x

All applications⁶ for registration of foreign direct investments (Annex W) under Section 34 shall be filed with the BSP, through the International Operations Department, within one (1) year to be reckoned from the following dates:

x x x.”

“Section 40. Repatriation and Remittance Privileges

1. x x x

⁶ Applications for registration of foreign direct investments, which have not yet been filed with the BSP-IOD after the expiration of the prescriptive period for filing of such applications, may be filed with the BSP-IOD from 1 September 2016 up to 1 September 2017, subject to compliance with the registration requirements under this Manual and payment of a fixed processing fee of PHP10,000.00 per Bangko Sentral Registration Document to be issued.

2. Foreign exchange may be purchased from AABs/AAB-forex corps in an amount equivalent to the peso sales/divestments proceeds (including dividends, profits or earnings thereon) of BSP-registered foreign investments in accordance with the procedures outlined in Appendix 11 and supported by the documents listed under Appendix 1 hereof.

3. Registering banks for foreign investments may sell the equivalent foreign exchange of: (a) excess pesos funded with inward remittance of foreign exchange computed as follows: peso proceeds of foreign exchange inwardly remitted less the peso amount actually used for BSP-registered investment/s; plus (b) interest earned on the excess pesos, if any, subject to the following conditions:

- a. the investor shall comply with the documents listed under Appendix 1 hereof;

x x x

4. x x x

5. The foreign exchange purchases may be made by the resident agent/authorized representative on behalf of the non-resident investor for direct remittance to the non-resident beneficiary on the date of purchase.”

“Section 44. Investments by Philippine Residents

1. General policy –

- a. Residents may invest in instruments enumerated in items 2 hereof, without prior BSP approval funded by:

- (i) their foreign currency deposit account/s (whether offshore or onshore); and/or

- (ii) FX purchased from AABs/AAB-forex corps of up to USD60 million or its equivalent in other foreign currency per investor per year, or per fund per year for qualified investors (QIs).

x x x

- f. All foreign exchange purchases for investments by residents shall be:

- i. remitted directly to the account of the intended beneficiary (e.g., non-resident investee firm, fund manager, broker/dealer, and/or non-resident parent company/subsidiary); or

- ii. credited to the resident investor's FCDU account (with the same or another AAB) for eventual remittance by the depository AAB to the intended beneficiary for funding of investment: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.
 - g. AABs and AAB-forex corps shall submit a monthly report (Annex V) to the BSP-IOD on the sale of foreign exchange for investments enumerated in this Section as well as investments by residents falling under resident to resident transactions under Part I, Chapter II hereof, within the required deadline.
 - h. All foreign exchange purchases by residents for investments enumerated under this Section shall require the submission of a duly accomplished Application to Purchase Foreign Exchange (Annex A) and documents listed under Appendix 1. Foreign exchange purchases shall be consolidated for purposes of determining compliance with the allowable limit prescribed in Item 1.a.ii.
 - i. Other investments by residents⁷ which will require settlement in foreign currency in favor of another resident shall be governed by the rules on resident to resident transactions under Part I, Chapter II hereof.
2. Outward investments by residents –

x x x

- e. Foreign currency-denominated investment instruments issued onshore by non-residents”

“PART FOUR. OFFSHORE BANKING UNITS, REPRESENTATIVE OFFICES AND FOREIGN CURRENCY DEPOSIT UNITS”

“Section 73. Foreign Currency Cover Requirements. x x x

- 1. x x x

⁷ Such as (a) bonds/notes by the Republic of the Philippines or other Philippine and/or residents; (b) Instruments held for sale/trading by banks operating in the Philippines: (i) bond/notes issued offshore by the Republic of the Philippines or other Philippine resident entities; and (ii) debt securities issued by non-residents that are payable in foreign currency, provided the required license/approval/clearance/other requirements of the Securities and Exchange Commission and other government agencies have been obtained/complied with; and (c) equity securities issued by residents and listed abroad

x x x

- g. Foreign currency loans and receivables maturing within one (1) year authorized by the BSP, booked under the following:

x x x

Loans and receivables authorized by the BSP shall refer to those granted pursuant to this Manual and shall include the following: (a) loans with specific approval by the BSP under Section 23 (Loans Requiring Prior BSP Approval); (b) short-term loans of resident private and public sector borrowers which are not subject to prior BSP approval under Section 24 (Loans Not Requiring Prior BSP Approval); and (c) loans of resident private sector borrowers under Section 24.1.a not to be serviced using foreign exchange purchased from AABs/AAB-forex corps: *Provided*, that all applicable banking rules and regulations are complied with, including the single borrower's limit as provided in the MORB;

x x x

2. For banks authorized to operate an EFCDU – The foregoing accounts, regardless of maturity, and in the case of investment in foreign currency denominated debt instruments (including debt instruments booked under Unquoted Debt Securities Classified as Loans and investments in structured products), regardless of maturity and marketability, shall all be considered as eligible asset cover. Loans to resident private and public sector borrowers which under Section 24 are not subject to prior BSP approval shall have short-term maturities.

x x x"

"PART FIVE. FOREIGN EXCHANGE FORWARDS AND SWAPS AND OPEN FOREIGN EXCHANGE POSITION OF BANKS"

"Section 91. Tenor/Maturity and Settlement

x x x

- d. Remittance of foreign exchange proceeds of deliverable forward and swap contracts

Foreign exchange proceeds of deliverable forward and swap contracts shall either be:

- i. delivered by the AAB counterparty directly to the beneficiaries concerned, except for foreign investments where said FX proceeds are reconverted to Philippine pesos and re-invested in eligible peso instruments such as those listed in Appendix 18. For this purpose,

beneficiaries shall refer to the FCDU/EFCDU of a bank, a non-resident entity (e.g., creditor, supplier, investor), or a resident (for resident to resident transactions) to whom the customer is committed to pay/remit foreign exchange; or

- ii. credited to the FCDU account of the customer (with the same or another AAB) for eventual use⁸/remittance by the depository AAB to the intended beneficiary (including payment/treasury centers/hubs of a group of companies, as may be applicable): *Provided*, that if the depository bank is different from the AAB counterparty: (i) the AAB counterparty shall directly transfer the foreign exchange proceeds to the depository bank of the customer; and (ii) the depository bank shall also be the foreign exchange remitting AAB.

“PART SIX. GENERAL PROVISIONS

Chapter I

REPORTS AND POST VERIFICATION

“Section 101. Reportorial Requirements. The following reports are required to be submitted to the BSP by AABs, OBUs, and AAB-forex corps, where applicable:

	Title of Report	Submission Frequency/Deadline	Submission Procedure
Category	A. Consolidated Report on Foreign Exchange Assets and Liabilities		
x x x	x x x	x x x	x x x
	C. Foreign Currency Loans and Related Transactions		
x x x	x x x	x x x	x x x
B	Report on Foreign Exchange Swaps with Customers where the First Leg is a Purchase of Foreign Exchange Against Pesos (Annex M)	-do-	-do-
A2	Consolidated Report on Foreign Currency Loans Granted by Regular Banking Units	Monthly, not later than 15 banking days from end of reference month	Email to IOD at REP_RBU_FXLOAN@bsp.gov.ph
x x x	x x x	x x x	x x x”

“Glossary of Terms

FOR PURPOSES OF THIS MANUAL, the following definitions are adopted:

x x x

⁸ In case of peso funding requirements covered by foreign exchange swaps

Foreign Currency Loans refer to loans owed to banks operating in the Philippines that are denominated in currencies other than the Philippine peso.

x x x

Non-trade current account transactions refer to all non-trade transactions (also referred to as invisibles) with non-residents not included in the definition of trade transactions, but excluding those related to foreign/foreign currency loans, foreign investments and other investments by both residents and non-residents.

Non-trade transactions refer to all other foreign exchange transactions not included in the definition of trade transactions. These shall include foreign loans, foreign investments, and other investments by both residents and non-residents. (See "Trade Transactions")

x x x"

The following Appendices/Annexes/Form to the FX Manual have been revised/added:

- A. Revised –
 - 1. Appendix 1: Minimum Documentary Requirements for the Sale of Foreign Exchange by Authorized Agent Banks (AABs)/AAB-Forex Corps (Attachment 1)
 - 2. Appendix 4: Guidelines Covering the Sale of Foreign Exchange by AABs and AAB-forex corps for Trade Transactions (Attachment 2)
 - 3. Appendix 6: Guidelines for Reporting, Payments and Extensions of Importations Under D/A or O/A Arrangements (Attachment 3)
 - 4. Appendix 6.1: Guidelines for Reporting of Importations under D/A-O/A Arrangements (Attachment 4)
 - 5. Appendix 7: Guidelines for the Sale of Foreign Exchange (FX) to Importers by AABs and AAB-forex corps for Advance Payment of Imports (Attachment 5)
 - 6. Appendix 18: Guidelines and Minimum Documentary Requirements for Foreign Exchange Forward and Swap Transactions (Attachment 6)
 - 7. Appendix 20: Processing Fees on Foreign Exchange Transactions Payable to the Bangko Sentral ng Pilipinas (Attachment 7)
 - 8. Annex A: Application To Purchase Foreign Exchange (Attachment 8)
 - 9. Annex D.2: Application Form for Approval or Registration of Foreign Loans of Private Sector Entities (Attachment 9)
 - 10. Annex D.3: Foreign Borrowings Plan (Attachment 10)
 - 11. Annex H: Report on Foreign Guarantees Issued by Local Banks and Financial Institutions in Favor of Non-Residents (Attachment 11)

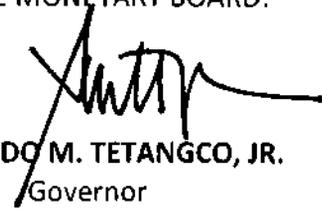
12. Annex V: Monthly Report on Foreign Exchange Sales by Authorized Agent Banks for Investments Enumerated under Section 44 (Attachment 12)

B. Added –

13. Consolidated Report on Foreign Currency Loans Granted by Regular Banking Units (Attachment 13)

Effectivity. This Circular shall take effect on 15 September 2016.

FOR THE MONETARY BOARD:

A handwritten signature in black ink, appearing to read 'Amto', written over a diagonal line that crosses through the text below.

AMANDO M. TETANGCO, JR.
Governor

13 September 2016

(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and amended by Circular No. 698 dated 05 November 2010, Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013, Circular No. 815 dated 18 October 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

Minimum Documentary Requirements¹ for the Sale of Foreign Exchange² by Authorized Agent Banks (AABs)/AAB-Forex Corps

I. For Resident to Resident Foreign Exchange Transactions under Chapter II of Part One of the Manual, requiring settlement in foreign currency

Purpose	Documents Required (ALL ORIGINALS EXCEPT AS INDICATED) ³
1. Obligations/payables to residents	a. Copy of the contract/agreement or equivalent document evidencing the obligation/payable to resident, including those covering transactions between residents; and
2. Resident investments in instruments (including time deposit with at least 90-day maturity but excluding other bank deposits such as savings and demand) that are: a. issued by other residents; or b. held for sale/trading by banks operating in the Philippines, regardless of issuer.	b. Billing statement/invoice/proof of amount due or any equivalent document showing amount required/due.
3. Transactions related to trading of foreign currency-denominated investment instruments (e.g., funding of cash collateral accounts, settlement of cash fails)	
4. Foreign currency loans from banks operating in the Philippines that are not publicly-guaranteed (both regular amortizations/payments and prepayments) falling under Section	a. Promissory Note (PN) certified as true copy by the Head of the lending bank's Loans Department or equivalent unit; b. Certification from the lending bank on:

- ¹ a) All purchases of foreign exchange must be accompanied by duly accomplished Application To Purchase Foreign Exchange (Annex A).
- b) Original documents shall be presented; in cases where only copies of documents are required, such copies shall be submitted to the foreign exchange selling institution.
- c) It is understood that when a bank certification regarding its client's deposit account is required, the owner of the account should have executed a notarized waiver of secrecy of its deposit.

- ² All foreign exchange purchases shall either be:
 - a) remitted directly to the intended beneficiary's account (including payment/treasury centers/hubs of a group of companies) on the date of purchase; or
 - b) credited to the FCDU account of the resident purchaser/resident borrower/guarantor (as may be applicable, with the same or another AAB) for eventual remittance by the depository AAB to the intended beneficiary for the declared purpose: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange sold to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.

Foreign exchange purchased for travel and medical expenses abroad not yet incurred, and sales proceeds of emigrant's domestic assets where the emigrant is still in the country may be held in cash, or directly remitted to the intended non-resident beneficiary or credited to the resident purchaser's FCDU account in accordance with items (a) or (b) above.

- ³ For foreign exchange purchases intended for remittance to payment/treasury centers/hubs, residents shall present to the FX selling AAB and/or AAB-forex corps an agreement or similar document, certified as true copy by the client's authorized officer, showing that payments intended for the ultimate resident beneficiaries should be made to the specific payment/treasury centers/hubs.

(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and amended by Circular No. 698 dated 05 November 2010, Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013, Circular No. 815 dated 18 October 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

<p>22.6 (Loans of non-bank financial institutions with quasi-banking functions) and Section 24 (Loans Not Requiring Prior BSP Approval):</p>	<p>i. The principal amount still outstanding; and</p> <p>ii. The date when the loan account was reported to the appropriate BSP department/office under the prescribed form. (This may be dispensed with for new loans which may not have been reported yet to BSP as of date of Application To Purchase Foreign Exchange. However, subsequent foreign exchange sales for such accounts should comply with this requirement.)</p> <p>c. Copy of billing statement from creditor.</p> <p>Amounts that may be purchased shall be limited to amounts/rates indicated in the bank certification or PN, whichever is lower.</p>
<p>5. Foreign currency loans of public sector entities from banks operating in the Philippines falling under Section 23 (Loans Requiring Prior BSP Approval)</p>	<p>a. BSP approval or letter-authority;</p> <p>b. Certification from the lending bank on the amount outstanding; and</p> <p>c. Copy of billing statement from creditor.</p> <p>Amounts that may be purchased shall be limited to: (a) amounts/rates indicated in the BSP approval or letter-authority; or (b) the outstanding balance of the loan indicated in the bank certification, whichever is lower.</p>

II. For Resident to Non-Resident Non-Trade Transactions

<p>A. Sale of Foreign Exchange for Non-trade Current Account Purposes⁴ Payable to Non-Residents under Section 2 of the Manual</p>	
<p>Purpose</p>	<p>Documents Required (ALL ORIGINALS EXCEPT AS INDICATED)</p>
<p>1. Foreign travel funds</p>	<p>Applicant's passport and ticket</p>
<p>2. Educational expenses/student maintenance abroad</p>	<p>Photocopy of proof of enrolment with, or billing statement from, school abroad</p>
<p>3. Correspondence studies</p>	<p>Photocopy of proof of enrolment with, or billing statement from, school abroad</p>

⁴ a) These include foreign exchange purchases for downpayments and progress billings for non-trade services rendered/to be rendered by non-residents.

b) For foreign exchange purchases exceeding the thresholds indicated under Section 2 of the Manual for remittance to payment/treasury centers/hubs, residents shall present to the FX selling AAB and/or AAB-forex corps an agreement or similar document, certified as true copy by the client's authorized officer, showing that payments intended for the ultimate non-resident beneficiaries should be made to the specific payment/treasury centers/hubs. For settlement of services to payment/treasury centers/hubs under netting arrangements, a certified true copy each of the netting statement and netting agreement shall also be presented. The document shall be retained by the foreign exchange selling institution for future transactions under the same agreement.

(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and amended by Circular No. 698 dated 05 November 2010, Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013, Circular No. 815 dated 18 October 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

4. Medical expenses	Photocopy of billing statement (for services rendered/expenses incurred abroad) or certification issued by doctor/hospital abroad indicating cost estimate (for the treatment/service to be administered/rendered)
5. Emigrants' assets (including inheritance, legacies, and income from properties)	<p>a. Photocopies of:</p> <ul style="list-style-type: none"> i. Emigrant's visa or proof of residence abroad; ii. Notarized Deed of Sale of assets in the Philippines (e.g., real estate, vehicles, machineries/equipment, etc.); and iii. Proof of income received from properties in the Philippines <p>b. In the absence of the emigrant, a notarized Special Power of Attorney (SPA) for emigrant's representative/agent. If SPA was executed abroad, original of SPA authenticated by Philippine consulate abroad.</p>
6. Salary/bonus/dividend/other benefits of foreign nationals (including peso savings)	<p>a. Employment contract/Certification of employer showing amount of compensation paid to the foreign national during the validity of the contract, stating whether same had been paid in foreign exchange or in pesos; if in foreign exchange, proof that the foreign exchange was previously sold for pesos to AABs;</p> <p>b. ACR I-Card and DOLE Alien Employment Permit of the foreign national;</p> <p>c. Applicant's notarized certification that the foreign exchange remitted is net of local expenses incurred and/or previous transfers abroad; and</p> <p>d. If amount to be remitted comes from sources other than salaries/compensation, information regarding the sources supported by appropriate documents should be submitted.</p>
7. Foreign nationals' income taxes due to foreign governments	<p>a. ACR-I Card and DOLE Alien Employment Permit; and</p> <p>b. Photocopy of income tax return covering the income tax payment sought to be remitted.</p>
8. Sales proceeds of foreign nationals' domestic assets	<p>a. ACR I-Card; and</p> <p>b. Photocopy of proof of sale of asset/s indicating currency of payment.</p>
9. Producers' share in movie revenue/TV film rentals	<p>a. Statement of remittable share rental or rental; and</p> <p>b. Photocopy of contract/agreement.</p>
10. Export commissions due to foreign agents	<p>a. Billing statement from non-resident agent; and</p> <p>b. Photocopy of contract/agreement.</p>
11. Freight charges on exports/imports	<p>a. Billing statement; and</p> <p>b. Photocopy of contract/agreement.</p>
12. Charters and leases of vessels/aircrafts	<p>a. Billing statement from non-resident lessor/owner of vessel/aircraft; and</p> <p>b. Photocopy of contract/agreement.</p>
13. Leases of equipment and other capital goods owned and/or leased by non-resident entities to residents	<p>a. Billing statement from non-resident lessor and/or owner of the equipment and other capital goods;</p> <p>b. Photocopy of contract/agreement; and</p>

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(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and amended by Circular No. 698 dated 05 November 2010, Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013, Circular No. 815 dated 18 October 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

	c. Shipping documents.
14. Port disbursements abroad for aircraft and vessels of Philippine registry or chartered by domestic operators and salvage fees	a. Billing statement; and b. Photocopy of contract/agreement.
15. Satellite and other Telecommunication services	a. Billing statement; and b. Photocopy of contract/agreement.
16. Other services provided by non-residents (such as advertising, underwriting including brokers' fees for initial public offering involving Philippine shares, consultancy, information technology, etc.)	a. Billing statement; and b. Photocopy of contract/agreement. <u>For underwriting fees/commissions/related expenses:</u> a. Copy of the international underwriting agreement or similar agreement/contract which shows the fees/commissions and related expenses and offer price; b. Detailed computation of the amount subject for remittance certified by the authorized officer of the issuer; and c. Proof of listing of the IPO shares in the PSE. <u>For Foreign Broker's Commission</u> a. Certified true copy of the covering purchase invoice or sales invoice, as the case may be, reflecting the commission due the foreign broker/dealer client; and b. Detailed computation/allocation of the commission due the foreign broker/dealer client for each purchase transaction.
17. Share in Head Office Expenses (including reimbursements)	a. BSRD for the assigned capital in the branch; b. Audited schedule/s of allocation of expenses for the period/s covered; c. Certification from the Head Office that the share in Head Office expenses remains unpaid and outstanding; and d. Audited financial statements of the Philippine branch.
18. Insurance/reinsurance premium due to foreign insurance companies	Billings/invoices of insurance companies/ brokers abroad
19. Claims against domestic insurance companies by brokers abroad	Billings/invoices from foreign insurer/ reinsurer
20. Net Peso revenues of foreign airlines/shipping companies	a. Statement of Net Peso Revenues (Peso revenues less expenses) certified by authorized officer of airline/shipping company; and b. Photocopy of contract/agreement.
21. Royalty / copyright / franchise / patent/ licensing fees	a. Statement/computation of the royalty/copyright/franchise/patent/licensing fee; and b. Photocopy of contract/agreement.
22. Net Peso Revenues of embassies/consulates of foreign countries	Statement of net peso revenues (Peso revenues less expenses) certified by the Embassy's/Consulate's authorized officer

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23. Foreign exchange obligations of Philippine credit card companies to international credit card companies/non-resident merchants	Summary billings
24. Foreign exchange obligations/payables of residents to non-resident investors relative to foreign exchange denominated equity securities issued by the former (not partaking the nature of a foreign loan under the Manual)	Proof of foreign exchange obligations/payables indicating, among others, amount to be paid by resident issuers
25. Refund of unused foreign grant by/aid from non-residents funded by inward remittance of foreign exchange that was converted to Pesos through AABs	<ul style="list-style-type: none"> a. Copy of the contract/agreement covering the foreign grant/aid; b. Request from grantor for the refund of the unused amount of grant/aid; and c. Bank certification on: <ul style="list-style-type: none"> i. Inward remittance of the foreign grant/aid and its conversion to Philippine pesos; and ii. Balance of the PHP account from which the Philippine peso to be converted shall be debited.
26. Refund of unused foreign loan proceeds that were funded by inward remittance of foreign exchange that was converted to Pesos through AABs	<ul style="list-style-type: none"> a. Copy of the contract/agreement covering the foreign loan; b. Request from creditor for the refund of the unused foreign loan proceeds; and c. Bank certification on inward remittance of the foreign exchange loan proceeds and conversion to Philippine pesos.
27. Settlement by Philippine Deposit Insurance Corporation (PDIC) of FCDU deposit claims ⁵	Certification by PDIC on the amount of deposit liabilities to be paid to non-resident depositors

B. Sale of Foreign Exchange for Servicing Foreign/Foreign Currency Loans including Prepayments by the Private Sector covered by Sections 22 to 31 of the Manual

Purpose	Documents Required (ALL ORIGINALS EXCEPT AS INDICATED)
<p>Loan Payments</p> <ul style="list-style-type: none"> 1. Medium/Long-term (MLT) foreign loans (with original maturities of over 1 year) <ul style="list-style-type: none"> a. Regular amortization/payment 	<ul style="list-style-type: none"> 1.a. BSP registration letter and accompanying Schedule RA-2 (Part I: Schedule of Payments on BSP-Registered Foreign Loans and Part II- Details of FX/Hedging Transactions for BSP-Registered Foreign Loans); and 1.b. Copy of billing statement from creditor.

⁵ For the settlement by PDIC of FCDU deposit claims, supporting documents must be presented regardless of amount.

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	<p>Amounts that may be purchased shall be limited to maturing amounts on scheduled due dates indicated in the registration letter.</p> <p>or:</p> <p>2.a. BSP letter-authority for the borrower to purchase foreign exchange to service specific loan account/s and where applicable, the "Schedule of Foreign Exchange Purchases from the Banking System"; and</p> <p>2.b. Copy of billing statement from creditor.</p> <p>Amounts that may be purchased shall be limited to the unutilized balance of the letter authority.</p>
<p>b. Prepayments of BSP-registered foreign loans of the private sector that are not publicly-guaranteed</p>	<p>1.a. BSP registration letter and accompanying Schedule RA-2 (Part I: Schedule of Payments on BSP-Registered Foreign Loans and Part II- Details of FX/Hedging Transactions for BSP-Registered Foreign Loans); and</p> <p>1.b. Original BSP letter acknowledging receipt of the borrower's notice of prepayment.</p>
<p>2. Short-term (ST) foreign loans (with original maturity of up to 1 year)</p> <p>a. Loans from offshore creditors (banks and non-banks)</p>	<p>1.a. BSP approval or registration letter showing loan terms and borrower's receiving copy of its report on short-term loans as submitted to BSP's International Operations Department (IOD); and</p> <p>1.b. Copy of billing statement from creditor.</p> <p>Amounts that may be purchased shall be limited to: (a) amounts/rates indicated in the BSP approval or registration letter; or (b) the outstanding balance of the loan indicated in the report, whichever is lower.</p>
<p>b. Loans from OBUs</p>	<p>For loans requiring BSP approval/registration:</p> <p>1.a. BSP approval or registration letter showing loan terms;</p> <p>1.b. Certification from the lending bank on the amount outstanding; and</p> <p>1.c. Copy of billing statement from creditor.</p> <p>Amounts that may be purchased shall be limited to: (a) amounts/rates indicated in the BSP approval or registration letter; or (b) the outstanding balance of the loan indicated in the bank certification, whichever is lower. Purchase and remittance of foreign exchange shall coincide with the due dates of the obligations to be serviced, unless otherwise explicitly allowed by the BSP.</p>

(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and amended by Circular No. 698 dated 05 November 2010, Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013, Circular No. 815 dated 18 October 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

	<p>For loans not requiring BSP approval/individual registration⁷</p> <p>2.a. Promissory Note (PN) certified as true copy by the Head of the lending bank's Loans Department:</p> <p>2.b. Certification from the lending bank:</p> <ul style="list-style-type: none"> i. On the principal amount still outstanding; ii. That the loan is eligible for servicing with foreign exchange to be purchased from the AABs/AAB-forex corps in line with existing regulations; iii. That the loan was used to finance trade transactions of the borrower; and iv. On the date when the loan account was reported to the appropriate BSP department/office under the prescribed forms. (This may be dispensed with for new loans which may not have been reported yet to BSP as of date of application to purchase foreign exchange.) <p>2.c. Copy of billing statement from creditor.</p> <p>Amounts that may be purchased shall be limited to amounts/rates indicated in the bank certification or PN, whichever is lower.</p>
<p>c. Prepayment of BSP-registered ST loans (including those covered by Section 24.5 of the Manual) that are not publicly-guaranteed</p>	<p>For loans requiring BSP approval/individual registrations, the BSP registration letter</p> <p>For loans not requiring BSP approval/individual registration⁸ –</p> <p>1.a PN certified as true copy by the Head of the lending bank's Loans Department; and</p> <p>1.b Certification from the lending bank:</p> <ul style="list-style-type: none"> i. On the principal amount still outstanding; ii. That the loan is eligible for servicing with foreign exchange to be purchased from the AABs/AAB-forex corps in line with existing regulations; iii. That the loan was used to finance trade transactions of the borrower and/or pre-export peso costs; and iv. On the date when the loan account was reported to the appropriate BSP department/office under the prescribed forms, if applicable.
<p>3. Payments related to foreign loans of non-bank financial institutions with quasi-banking functions that are not</p>	<p>a. Copy of the loan contract/agreement or equivalent document evidencing the foreign obligations/payables to non-resident creditors; and</p>

⁷ Individual registration means a BSP registration document is required.

⁸ Refers to cases where reporting to BSP is considered as BSP registration of the loan.

(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and amended by Circular No. 698 dated 05 November 2010, Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013, Circular No. 815 dated 18 October 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

publicly-guaranteed	b. Copy of billing statement from non-resident creditor.
4. Payments related to Guarantees and Similar arrangements (including Risk Take Over arrangements)	
a. Payments by resident guarantor under the guarantee	a. For guarantees requiring BSP approval under Sections 30.1 and 30.3: (i) BSP approval of the guarantee or of the guaranteed foreign obligation; and (ii) creditor's call on the guarantee. b. For guarantees not requiring BSP approval and registration under Section 30.2(a): (i) copy of the required report stamped as received by the BSP; and (ii) creditor's call on the guarantee.
b. Payments by the original resident obligor to the foreign guarantor arising from the call on the guarantee	a. BSP approval of the resulting foreign obligation; and b. Billing statement from the foreign guarantor.
c. For foreign exchange liabilities arising from guarantees and similar arrangements [including Risk Take Over Arrangements (RTO)] that do not involve foreign/FCDU loans	a. BSP approval of the resulting foreign obligation; b. Copies of: i. Agreements/contracts covered by the guarantee/similar arrangement; ii. Standby Letter of Credit (SLC) or guarantee contract/agreement for the guarantee; c. Proof/notice of original obligor's default and creditor's call on the guarantee; and d. Billing statement from the non-resident or local bank guarantor.
d. Regular fees related to Build-Operate-Transfer (BOT) and similar financing schemes with transfer provisions	a. BSP Registration Document; b. Copy of the covering agreements/contracts; and c. Billing statement from the private sector project company/proponent.
C. Sale of Foreign Exchange for Servicing of Foreign Investments, Investments by Residents, and Related Transactions covered by Sections 32 to 44 of the FX Manual	
Purpose	Documents Required (ALL ORIGINALS EXCEPT AS INDICATED) ⁹
Foreign Investments	
1. Capital Repatriation for:	
a. Portfolio Investments in:	

⁹ All original documents shall be stamped "FX-SOLD", indicating the date and amount of foreign exchange sold, and whether on spot or forward basis and signed by the seller's authorized signatory.

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<p>i. PSE-listed securities issued by both residents and non-residents¹⁰</p>	<p>BSRD or BSRD Letter-Advice from the registering custodian bank and any of the following:</p> <ul style="list-style-type: none"> a. Photocopy of the original broker's invoice; or b. Electronically-generated copy of the broker's invoice; or c. Systems-generated copy of the broker's invoice. <p>Documents under items a to c shall contain the settlement amount, number of shares, investment identity, and settlement date for the transactions covered.</p>
<p>ii. Peso- Government Securities</p>	<p>BSRD or BSRD Letter-Advice from the registering custodian bank and photocopy of Confirmation of Purchase for Peso Government Securities</p>
<p>iii. 90-day time deposits</p>	<p>BSRD or BSRD Letter-Advice from the registering custodian bank and photocopy of Matured Certificate of Deposits for 90-day time deposits</p>
<p>iv. Other peso-denominated debt securities issued onshore by private resident firms</p>	<p>BSRD and photocopy of matured security, or proof of sale, or equivalent document covering the debt securities</p>
<p>b. Foreign Direct Equity Investments</p>	<ul style="list-style-type: none"> a. BSRD; b. Photocopy of Proof of Sale or relevant documents showing the amount to be repatriated; in case of dissolution/capital reduction, proof of distribution of funds/assets such as statement of net assets in liquidation; c. Photocopy of Clearance from appropriate department of the BSP-Supervision and Examination Sector (for banks), or from the Insurance Commission (for insurance companies), from the Department of Energy or from the National Power Corporation (for oil/gas/geothermal energy exploration companies); d. Detailed computation of the amount applied for in the attached format (Annex N) prepared by the selling stockholder's representative; e. Photocopy of pertinent audited financial statements; and f. SEC clearance in case of dissolution, if applicable.
<p>2. Remittance of Dividends/ Profits/ Earnings/Interests</p>	<ul style="list-style-type: none"> a. BSRD or BSRD Letter-Advice; b. Photocopy of PSE-cash dividends notice and Phil. Central Depository (PCD) printout of cash dividend payment or computation of interest earned issued by MMI issuer or bank; c. Photocopy of secretary's sworn statement on the Board Resolution covering the dividend declaration; d. Photocopy of latest audited financial statements or interim financial statements of the investee firm covering the dividend declaration period (for direct foreign equity investments);

¹⁰ For securities issued by non-residents, these refer only to equity securities, whether primarily listed at, or uplifted from international exchanges to, the PSE.

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	<ul style="list-style-type: none"> e. For direct foreign equity investments, photocopy of clearance pertaining to the investee firm from BSP-Supervision and Examination Sector (for non-PSE listed banks), Insurance Commission (for insurance companies), Department of Energy or from the National Power Corporation (for oil/gas/geothermal energy exploration companies); and f. Detailed computation of the amount applied for using the prescribed format (Annex N).
<p>3. Outward remittance in equivalent foreign exchange of: (a) excess pesos funded with inward remittance of foreign exchange computed as follows: peso proceeds of foreign exchange inwardly remitted less the peso amount actually used for BSP-registered investment/s; plus (b) interest earned on the excess pesos, if any</p>	<ul style="list-style-type: none"> a. Certified true copy of certificate of inward remittance of foreign exchange and conversion to pesos; b. Original BSRD showing utilization not less than 50 percent of total peso proceeds, net of charges, if any. In case of investments registered by custodian banks, an original bank certification indicating details of the registered investment may substitute for the BSRD; c. Swift message/letter request from non-resident investor for return of excess funds; and d. For remittance of interest earned from the peso cash account, certification from the depository/custodian bank on the amount of interest pertaining to the excess peso funds for outward remittance.
<p>4. Outward investments by Philippine residents under Section 44.2 of the Manual</p> <ul style="list-style-type: none"> a. Debt and equity securities issued offshore by non-residents, including depository receipts b. Offshore foreign currency-denominated Mutual Funds and Unit Investment Trust Funds (UITFs) c. Foreign currency-denominated intercompany loans to offshore parent companies/ subsidiaries of residents with an original tenor of at least one (1) year d. Investments in real property abroad, including condominium units e. Foreign currency-denominated investment instruments issued onshore by non-residents 	<ul style="list-style-type: none"> a. A certification by the resident investor on the cumulative foreign exchange purchases from AABs and AAB-forex corps within the calendar year for all investments under Section 44 of the Manual; b. Original BSP letter-approval for the purchase of foreign exchange from AABs and AAB-forex corps for all investments under Section 44 of the Manual, in excess of the USD60 million limit; c. Photocopy of clearance from the Insurance Commission (IC) for investments of insurance companies; d. Photocopy of swift payment order instruction from the counterparty/broker/trader indicating the name of payee and type/kind of investment authenticated by the broker/trader (for instruments purchased offshore); or Proof of purchase of the debt securities by the resident client, namely: copy of the deal ticket, bank's confirmation of sale, client's letter of instructions indicating intent to purchase the securities and other details of the transaction; and e. Photocopy of any of the following as applicable: (i) investment proposal or agreement/subscription agreement/Deed of Sale or Assignment of the Investments/bond or stock offering/signed loan agreement or equivalent signed document, with an original tenor of at least one (1) year/Contract to Sell covering a sale of real property abroad; or photocopy of investor's order/letter to broker/trader/bank to purchase instruments (such as investments in debt and equity securities, as well as depository receipts, Mutual Funds and UITFs).

**Guidelines Covering the Sale of Foreign Exchange
by AABs and AAB-Forex Corps for Import Transactions**

A. For sale of foreign exchange not exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities)

1. All foreign exchange purchases by residents for settlement of import obligations are subject to submission to the foreign exchange selling institutions of a duly accomplished Application To Purchase Foreign Exchange (Annex A of the Manual).

2. Such foreign exchange purchases shall either be:

a. remitted directly to the intended non-resident beneficiary's account (including payment/treasury centers/hubs of a group of companies) on the date of purchase; or

b. credited to the resident importer's FCDU account (with the same or another AAB) for eventual remittance by the depository AAB to the intended non-resident beneficiary (including payment/treasury centers/hubs of a group of companies) for settlement of import obligation: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.

3. In case of direct remittance of foreign exchange purchases under Item 2.a above covering importations under Direct Remittance (D/R) and Open Account (O/A) Arrangement, AABs/OBUs or AAB-forex corps may sell foreign exchange to importer-client provided the imports are duly reported pursuant to Appendix 6.

B. For sale of foreign exchange exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities)

The guidelines under Items 1 and 2 of Part A above shall also apply together with the following:

I. Importations under Letter of Credit (L/C), Documents against Payment (D/P) and Documents against Acceptance (D/A):

a. All import L/Cs to be opened shall include under the L/C terms and conditions, among others, the clause:

"L/C number shall be indicated on all copies of shipping documents"

(As amended by Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

- b. All original shipping documents [Bill of Lading (BL) or Airway Bill (AWB) and Invoice] shall be stamped by the issuing/booking/reporting AAB/OBU with the AAB's/OBU's name and mode of importation (i.e. L/C, D/P, or D/A), whether foreign exchange has been sold or not. AAB's/OBU's authorized officers shall accomplish a certification that original documents were presented and duly stamped. This certification shall be maintained by the stamping AAB/OBU together with the photocopied shipping documents and be made available for BSP verification.

In case the intended beneficiary is a payment/treasury center/hub of a group of companies (whether onshore or offshore), the importer-client shall also present to the issuing/booking/reporting AAB/OBU for stamping, an agreement or similar document, certified as true copy by the client's authorized officer, showing that payments intended for non-resident beneficiaries should be made to the specific payment/treasury center/hub. A copy of the document shall be retained by the issuing/booking/reporting AAB/OBU for future transactions under the same agreement.

- c. AABs/OBUs, other than the issuing/booking/reporting AAB/OBU, as well as AAB-forex corps, may sell foreign exchange to importer clients: *Provided*, that:
 1. The sale is supported by the following documents:
 - 1.1 Copy/photocopy of the original shipping documents and covering agreement/similar document for cases where the beneficiary is a payment/treasury center/hub, duly stamped as in Item I.b above;
 - 1.2. Certification from the issuing/booking/reporting AAB/OBU signed by the AAB's/OBU's authorized signatory (addressed to individual foreign exchange selling AABs or OBUs or AAB-forex corps) indicating the following:
 - i. Amount of the outstanding foreign exchange trade obligations;
 - ii. Amount of FX intended to be purchased; and
 - iii. Bank Reference Number (BRN) for D/A.
 2. The foreign exchange selling AAB/OBU or AAB-forex corp shall either:
 - a. remit directly the proceeds of foreign exchange sale to the issuing/booking/reporting AAB/OBU, indicating in the remittance instructions pertinent information such as the L/C No., BSP Registration No., BL No., Invoice No., etc.; or

(As amended by Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

- b. credit to the resident importer's FCDU account (with the same or another AAB) for eventual remittance by the depository AAB to the intended non-resident beneficiary (including payment/treasury centers/hubs of a group of companies) for settlement of import obligation: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.
3. The booking/issuing/reporting AAB/OBU shall, upon receipt of foreign exchange, stamp "FX SOLD" on the original shipping documents at hand and indicate thereon the amount of foreign exchange and name of the foreign exchange selling AAB(s) or OBU(s) or AAB-forex corp(s). The stamped information shall be duly signed by the booking/issuing/reporting AAB's/OBU's authorized signatory.
- II. Importations under Direct Remittance (DR) or Open Account (O/A) Arrangement
- a. For importations under O/A, the importer-client shall present to his reporting AAB/OBU original copies of the shipping documents, including one original BL or one of the original/carbon copies of AWBs, for stamping of bank's name, BRN and O/A as mode of importation. The authorized officer of the AAB/OBU shall affix his signature on the duly stamped original shipping documents certifying that original documents have been presented and that no foreign exchange has been sold. For importations under DR, the importer-client shall directly present to the selling AAB or AAB-forex corp the same original shipping documents for stamping of "FX SOLD" upon purchase of foreign exchange.

In case the intended beneficiary is a payment/treasury center/hub of a group of companies (whether onshore or offshore), the importer-client shall also present to the reporting/selling AAB/OBU an agreement or similar document, certified as true copy by the client's authorized officer, showing that payments intended for non-resident beneficiaries should be made to the specific payment/treasury center/hub. The document shall be retained by the FX selling institution for future transactions under the same agreement.
 - b. AABs/OBUs or AAB-forex corps may sell foreign exchange for duly reported O/A imports to importer-client subject to the following conditions:
 1. In case the selling/remitting AAB/OBU is also the reporting AAB/OBU, the importer-client shall present the original shipping documents and covering

(As amended by Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

agreement/similar document for cases where the beneficiary is a payment/treasury center/hub, duly stamped as in Item II.a above.

2. In case the selling/remitting AAB/OBU is not the reporting AAB/OBU:
 - 2.1. The importer-client shall present the duly stamped original shipping documents and covering agreement/similar document for cases where the beneficiary is a payment/treasury center/hub as in Item II.a above; and
 - 2.2. The selling/remitting AAB/OBU shall stamp "FX SOLD" and signed by the selling/remitting AAB's/OBU's authorized signatory on the duly stamped original shipping documents and covering agreement/similar document for cases where the beneficiary is a payment/treasury center/hub, indicating thereon the amount of foreign exchange sold.
3. In case the selling foreign exchange AAB/OBU or AAB-forex corp (for direct remittance to the intended non-resident beneficiary) is not the remitting AAB/OBU:
 - 3.1. The importer-client shall present the duly stamped original shipping documents and covering agreement/similar document for cases where the beneficiary is a payment/treasury center/hub as in Item II.a above;
 - 3.2. The selling AAB/OBU or AAB-forex corp shall stamp "FX SOLD" signed by the selling AAB's/OBU's or AAB-forex corp's authorized signatory on the duly stamped original shipping documents and covering agreement/similar document for cases where the beneficiary is a payment/treasury center/hub, indicating thereon the amount of foreign exchange sold;
 - 3.3. The selling AAB/OBU or AAB-forex corp shall transmit the duly stamped "FX SOLD" original shipping documents and covering agreement/similar document for cases, where the beneficiary is a payment/treasury center/hub, indicating thereon the amount of foreign exchange sold to the importer-client and simultaneously transfer the foreign exchange proceeds to the remitting AAB/OBU for immediate remittance to the foreign supplier; and
 - 3.4. The remitting AAB/OBU shall report such payment under Schedule 11 of FX Form 1.

4. In case of an importation under O/A arrangement where the foreign exchange selling/remitting AAB is not the reporting institution for the avallment, the FX selling/remitting institution shall require, prior to sale of foreign exchange, the submission by the importer of the following:
 - 4.1. Documents required under Item II.a; and
 - 4.2. Duly signed certification from the reporting AAB/OBU on the remaining unpaid balance of the importation, and that the importation has been duly reported to the BSP, indicating the pertinent BRN. For this purpose, the importer shall present to the reporting AAB/OBU pertinent documents to evidence the outstanding balance of the obligation.
 - c. In all cases, the selling AAB/OBU or AAB-forex corp shall not sell foreign exchange to an importer-client beyond the maturity of the O/A importation without being duly extended by the foreign supplier (as evidenced by an extension letter from the foreign supplier submitted to the selling bank) which extension should have been reported under Schedule 10 of FX Form 1. AABs/OBUs or AAB-forex corps may sell foreign exchange for servicing of O/A importations whose maturities were extended beyond 360 days from date of BL/AWB.
 - d. If the FX remitting AAB is not the reporting AAB, the former shall give to the latter a written advice on said remittance within two (2) banking days after remittance date.
- III. Photocopies of the original shipping documents (released to client) shall be marked "ORIGINAL DOCUMENT PRESENTED AS REQUIRED" and duly signed by the AAB's/OBUs authorized signatory. These should be retained in the AAB's/OBU's file for BSP examination purposes.

Guidelines for Reporting, Payments and Extensions of Maturity of Importations Under D/A or O/A Arrangements¹

1. **Reporting.** Authorized Agent Banks (AABs) and offshore banking units (OBUs) shall report all importations under D/A or O/A arrangements as availments under Schedule 10 [Import Letters of Credits (L/Cs) Opened and D/A-O/A Import Availments and Extensions) of FX Form 1 (Consolidated Report on Foreign Exchange Assets and Liabilities)] upon receipt of the documents specified in 2.a herein and payments on said importations under Schedule 11 (Import Payments) of FX Form 1. Frequency and schedule of submission of said Schedules to BSP with the corresponding fines and penalties for late or erroneous submission shall be in accordance with Sections 101 and 103, respectively, of the Manual. Any extension of the maturity date thereof shall likewise be reported under said Schedule 10.

2. **Mechanics of Reporting.**

- a. For importations not exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities) – importers shall provide an AAB/OBU pertinent information and/or documents (e.g., copies of commercial invoice and BL/AWB) necessary to allow reporting by the AAB/OBU of the transaction under Schedule 10).

For importations exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities) - importers shall submit to an AAB/OBU copies of: (i) the pertinent commercial invoice, (ii) BL/AWB, and (iii) if applicable, import permit on the basis of which the AAB shall report to the BSP the same as DA/OA availment under said Schedule 10.

b. Such reporting of availments shall be made not later than ten (10) calendar days before the maturity date of the said D/A-O/A importation. If reported later than the applicable period (i.e., less than 10 calendar days before maturity), the importer shall be required to pay to the BSP the peso equivalent of 1/100 of one (1) percent of the unpaid balance of the importation but not less than USD50.00 or more than USD1,000.00.

c. Within five (5) banking days after the end of the reference week, the hard copy of the following shall be submitted to the BSP-International Operations Department (IOD):

- i. Schedule 10 of FX Form 1 for DA/OA Imports; and
- ii. Schedule 11 for partial payment of D/A-O/A imports, identifying the payments with an asterisk (*) and indicating the amount in original currency and USD equivalent in a footnote.

¹ These guidelines shall apply to all importations under Documents Against Acceptance (D/A) or Open Account (O/A) arrangement.

AABs/OBUs shall keep the documents supporting the importations and make these available upon request by the BSP.

d. Each D/A-O/A importation shall be assigned a unique Bank Reference Number (BRN) by the reporting AAB/OBU which shall include the bank code. The D/A-O/A import transactions shall be considered reported only if the same has been assigned a BRN by the reporting AAB/OBU and duly reported by the same AAB/OBU under said Schedule 10. Such BRN should also be used by the remitting AAB/OBU in reporting payment for the importation.

e. The AAB/OBU reporting the D/A-O/A avilment shall verify with/obtain from the BSP-IOD the code of a new importer for purposes of reporting under FX Form 1 and its Schedules.

f. AABs, OBUs or AAB-forex corps shall not service the foreign exchange requirements upon maturity of any D/A-O/A importation not duly reported under said Schedule 10 as prescribed herein.

g. Extensions of maturity date shall be reported by AABs under Schedule 10;

h. AABs, OBUs or AAB-forex corps selling foreign exchange for duly reported O/A imports shall stamp "FX SOLD" on the following:

- i. copy of the Application to Purchase Foreign Exchange [for importations not exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities)]; or
- ii. original shipping/supporting documents [for importations exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities)]

and indicate thereon the amount of foreign exchange sold and name of the foreign exchange selling institution. The stamped information shall be duly signed by the foreign exchange selling institution's authorized signatory. Thereafter, the importer shall present the stamped applicable documents to the remitting AAB/OBU and the transactions shall be reported by the remitting AAB/OBU under Schedule 11 of FX Form 1.

i. Documentary requirements for the purchase of foreign exchange from AABs, OBUs or AAB-forex corps to pay D/A-O/A imports exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities) shall apply.

j. If the currency of the obligation is not USD, the USD equivalent to be reported under Schedule 10 shall be computed at the exchange rate quoted in the daily BSP Reference Exchange Rate Bulletin issued by the BSP Treasury Department on transaction date;

k. The penalty provisions under Section 106 of the Manual shall apply to AABs that sell foreign exchange for servicing D/A-O/A importations that were not previously reported to the BSP under the prescribed forms or were reported less than ten (10) calendar days before due date without payment of required BSP processing fee.

3. Payments. Payments using foreign exchange sourced from AABs, OBUs or AAB-forex corps shall be effected only for D/A-O/A imports reported by an AAB/OBU under said Schedule 10 of FX Form 1. Payments prior to maturity date may be allowed without BSP approval, provided the payments are for duly reported D/A-O/A imports.

Payments for D/A-O/A importations reported later than the required period as provided in Item 2(b) shall not use foreign exchange purchased from AABs, OBUs or AAB-forex corps unless BSP official receipt is presented that the prescribed processing fee has been paid to the BSP.

4. Extensions. Payments after the original maturity date for duly reported DA/OA imports may be allowed without prior BSP approval, regardless of frequency of extension, provided that the extensions and subsequently, the payments are duly reported under the applicable schedules of FX Form 1.

Guidelines for Reporting of Foreign Exchange Obligations and Sale and Remittance of Foreign Exchange under Intercompany Netting Arrangements¹

1. **Reporting.** Authorized Agent Banks (AABs) shall report all transactions under Intercompany Netting Arrangements (imports and exports of goods and services related thereto) using Annex Z.² Frequency and schedule of submission of said report to BSP with the corresponding fines and penalties for late or erroneous submission shall be in accordance with Sections 101 and 103, respectively of the Manual.

The foreign exchange selling AAB shall also be the remitting and reporting bank.

2. **Sale of Foreign Exchange**

a. All foreign exchange purchases by residents for settlement of foreign exchange obligations under Intercompany Netting Arrangements are subject to submission to the foreign exchange selling institutions of a duly accomplished Application To Purchase Foreign Exchange (Annex A of the Manual).

b. Such foreign exchange purchases shall either be:

- i. remitted directly to the intended non-resident beneficiary's account (including payment/treasury centers/hubs of a group of companies) on the date of purchase; or
- ii. credited to the resident purchaser's FCDU account (with the same or another AAB) for eventual remittance by the same AAB to the intended non-resident beneficiary (including payment/treasury centers/hubs of a group of companies) for settlement of import obligation: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.

c. The foreign exchange selling AAB shall require the following from the importer-client prior to sale of foreign exchange:

- i. A notarized statement of:

¹ These guidelines shall apply for all foreign exchange obligations under Intercompany Netting Arrangement.

² Transactions reported under Intercompany Netting Arrangement using the prescribed forms shall no longer be reported in Schedules 6, 10 and 11 of the FX Form 1.

- a. intercompany receivables and payables³ certified true and correct by the net importer's authorized officer indicating:
 1. the settlement period/due date; and
 2. the net amount payable, for which foreign exchange shall be purchased; and

- b. undertaking by the net importer:
 1. to make available the supporting documents upon request by the BSP, through the reporting AAB;
 2. that there will be no double purchase of foreign exchange for the transactions covered by the statement; and
 3. transactions covered by the intercompany netting arrangement do not include payments related to foreign loans⁴ and investments

- ii. Copy of the pertinent intercompany netting agreement between non-bank related parties, certified as true copy by the importer-client's authorized officer. The document shall be retained by the foreign exchange selling institution for future transactions under the same agreement.

- d. The FX selling AAB shall stamp the following on the documents under item 2.a:
 - i. AAB's name;
 - ii. a unique Bank Reference Number (BRN) assigned by the AAB which shall include the bank code. Such BRN should be used by the AAB in reporting the transaction;
 - iii. intercompany netting as mode of payment for the importation (to be stamped on the submitted Statement of Receivables and Payables); and
 - iv. "FX SOLD" indicating thereon the amount of foreign exchange sold and date of foreign exchange sale.

The authorized officer of the AAB shall affix his signature on the duly stamped documents and indicate the date thereon.

³ Prescribed format for the Statement of Receivables and Payables is in Annex Z.1.

⁴ Foreign loans are those owed by Philippine residents to non-residents, regardless of currency denomination, including intercompany loans as well as advances from non-resident parent/subsidiary companies.

e. The documentary requirements for the purchase of foreign exchange from AABs to pay obligations under intercompany netting arrangements shall be strictly complied with.

f. Foreign exchange that may be sold for settlement of net payables under intercompany netting arrangements shall not exceed US\$50 million per transaction per client per day. Amounts in excess of the limit must be coordinated by the foreign exchange selling bank with the BSP-Treasury Department prior to foreign exchange sale.

g. If the original currency of payment is not USD, the USD equivalent to be reported under Annex Z shall be based on the actual rate for the sale of foreign exchange.

3. Remittance. Foreign exchange purchased may be directly remitted to the netting counterparty/treasury center/hub on the date of purchase. Payments prior to due date may be made without BSP approval, provided the documents under item 2.a are presented upon sale of foreign exchange. For this purpose, foreign exchange purchases may be deposited in the importer client's FCDU account (with the same or another AAB) for eventual remittance by the depository AAB to the intended non-resident beneficiary: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.

The AAB shall report the payment under Annex Z.

4. Extensions. Payments after the original due date for intercompany netting obligations may be allowed without prior BSP approval, regardless of frequency of extension in maturity.

**Guidelines for the Sale of Foreign Exchange to Importers by
AABs and AAB-Forex Corps for Advance Payment of Imports**

Sale of foreign exchange for advance payment of imports may be done without prior BSP approval subject to the following guidelines:

1. All foreign exchange purchases by residents for settlement of import obligations are subject to submission to the foreign exchange selling institutions of a duly accomplished Application To Purchase Foreign Exchange (Annex A of the Manual).
2. Such foreign exchange purchases shall either be:
 - a. remitted directly to the intended non-resident beneficiary's account (including payment/treasury centers/hubs of a group of companies) on the date of purchase; or
 - b. credited to the resident importer's FCDU account (with the same or another AAB) for eventual remittance by the same AAB to the intended non-resident beneficiary (including payment/treasury centers/hubs of a group of companies) for settlement of import obligation: *Provided*, that if the depository bank is different from the foreign exchange selling institution: (i) the foreign exchange selling institution shall directly transfer the foreign exchange purchases to the depository bank of the purchaser; and (ii) the depository bank shall also be the foreign exchange remitting AAB.
3. For the sale of foreign exchange exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities) for advance payment of imports:
 - a. AABs or AAB-forex corps shall require presentation of the original/submission of copies of the following documents prior to the sale of foreign exchange for advance payment of imports:
 - i. purchase order (PO);
 - ii. sales contract (SC) or proforma invoice (PI) signed by the resident importer and foreign supplier requiring payment of the importation in advance and indicating the intended delivery period of the imported goods; and
 - iii. notarized Letter of Undertaking (LOU) to the effect that if the importation is cancelled, the importer shall inwardly remit the foreign exchange refunded by the foreign supplier and sell same for

pesos to the foreign exchange selling/remitting AAB on the same date.

- b. The importer shall present to the foreign exchange selling/remitting AAB the original shipping documents [import invoice and bill of lading (B/L) or air waybill (AWB)] where the date and amount of foreign exchange sold/remitted shall be stamped and duly signed by the AAB's authorized signatory, and the Bureau of Customs Import Release Documents, within three (3) banking days after receipt thereof.
4. For foreign exchange purchased and directly remitted to the intended non-resident beneficiary in accordance with item 2(a) above: If the seller of foreign exchange is an AAB, the foreign exchange sale and remittance shall be transacted on the same date and shall involve only one AAB. The foreign exchange remittance shall be made directly to the foreign supplier and serviced at the exchange rate prevailing at the time of remittance, subject to the applicable tax provisions of the National Internal Revenue Code, as amended. If the selling entity is an AAB-forex corp, the foreign exchange proceeds shall be remitted to the foreign supplier through the parent AAB. The remitting AAB shall see to it that sales of foreign exchange by its AAB-forex corp subject for remittance are made in accordance with existing rules.
 5. Submission by the foreign exchange selling and remitting AAB to the BSP-IOD of the following reports:
 - a. Monthly Report on Sale/Remittance of FX for Advance Payment of Importations (Annex B) - within the first five (5) banking days of the month succeeding the date of FX sale/remittance; and
 - b. Monthly Report on Purchase of FX from Refund of Advance Payment of Importations (Annex C) - within the first five (5) banking days of the month succeeding the receipt of the refund.
 6. The foreign exchange selling/remitting AAB shall report to the BSP under FX Form 1 (Consolidated Report on Foreign Exchange Assets and Liabilities) the following transactions:
 - a. The remittance of foreign exchange by the AAB for advance payment of imports as "Import Advances/Down Payments" (Code No. 040) under Schedule 4 (FX Disposition for Loans);
 - b. The purchase of foreign exchange by the AAB from the importer arising from a refund of advance payment on cancelled imports as "Refund of Import Advances/Down Payments" (Code No. 040) under Schedule 3 (FX Acquisition from Loans); and

- c. In case of importations with partial advance payment whose balance is payable through letters of credit (L/Cs), documents against acceptance (DA), open account (OA), documents against payment (DP), or direct remittance (DR), such balance shall be reported under the following Schedules:
 - 1) Schedule 10 [Import Letters of Credit (L/Cs) Opened and DA-OA Import Availments and Extensions] for L/C (upon opening) and for DA-OA (upon availment); and
 - 2) Schedule 11 (Import Payments) upon payment.
- 7. The foregoing rules on advance payments shall apply to importations under all modes of payment.

(As amended by Circular No. 794 dated 18 April 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

Guidelines and Minimum Documentary Requirements for Foreign Exchange Forward and Swap Transactions

The following are the guidelines and minimum documentary requirements for foreign exchange (FX) forward and swap transactions:

1. Unless otherwise indicated, original documents shall be presented on or before deal date to banks.
2. The documentation shall apply only to FX transactions with amounts (per underlying transactions) exceeding USD500,000 (for individuals) and USD1,000,000 (for corporates/other entities). For trade transactions pertaining to net payables under the intercompany netting arrangement, foreign loans and foreign investments, and resident to resident transactions, documents shall be presented regardless of amounts involved.

A. FORWARD SALE OF FOREIGN EXCHANGE TO COVER FX OBLIGATIONS – DELIVERABLE AND NON-DELIVERABLE

1. FORWARD SALE OF FOREIGN EXCHANGE – TRADE

1.1 Trade Transactions

1.1.1 Under Letters of Credit (LC)

- a. Copy of LC opened; and
- b. Accepted draft or Copy of Commercial invoice/Bill of Lading

1.1.2 Under Documents against Acceptances (DA)/Open Account (OA) Arrangements

- a. Certification of reporting bank on details of the DA/OA transaction under Schedule 10 (Import Letters of Credits Opened and D/A-O/A Import Availments and Extensions) of FX Form 1 (Consolidated Report on Foreign Exchange Assets and Liabilities);
- b. Copy of commercial invoice.

1.1.3 For intercompany netting:

- a. Statement of intercompany receivables and payables certified as true and correct by the customer's¹ authorized officer; and

¹ For settlement under intercompany netting arrangements wherein the net amount payable is already final/determined on or before deal date, the final statement of intercompany receivables and payables shall be presented to the foreign exchange selling institution which shall retain same.

(As amended by Circular No. 794 dated 18 April 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

- b. Copy of the pertinent intercompany netting arrangement between related parties certified as true copy by the importer's authorized officer.

In addition to the above requirements, the bank shall require the customer to submit a Letter of Undertaking that:

- i. Before or at maturity date of the forward contract, it (the importer) shall comply with the documentation requirements on sale of foreign exchange for trade transactions under Appendices 4 and 6.1 of the Manual; and
- ii. No double hedging has been obtained by the customer for the covered transactions.

1.1.4 Direct Remittance

Original shipping documents indicated in item II.a of Appendix 4 of the Manual, as amended.

2. *NON-TRADE TRANSACTIONS*

Only non-trade transactions with specific due dates shall be eligible for forward contracts, and shall be subject to the same documentation requirements under Appendix 1 of the Manual, with the following additional guidelines for foreign/foreign currency loans and investments.

2.1 Foreign Loans (owed to non-residents) –

2.1.1 Deliverable Forwards

The maturing portion of the outstanding eligible obligation, i.e., those that are allowed to be serviced using FX to be purchased from AABs/AAB-forex corps may be covered by a deliverable forward subject to the documentary requirements under Appendix 1 of the Manual. A copy of the creditor's billing statement may be submitted on or before the maturity date of the contract.

2.1.2 NDFs

The outstanding eligible obligation, i.e., those that are allowed to be serviced using FX to be purchased from AABs/AAB-forex corps may be covered by a NDF, subject to the documentary requirements under Appendix 1 of the Manual, except for the creditor's billing statement which need not be submitted.

(As amended by Circular No. 794 dated 18 April 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

The amount of the forward contract shall not exceed the outstanding amount of the underlying obligation during the term of the contract.

2.2 Inward Investments – Deliverable

The unremitted amount of sales/maturity proceeds due for repatriation to non-resident investors pertaining to BSP-registered investments in the following instruments:

- a. securities listed at the Philippine Stock Exchange (PSE) issued by both residents and non-residents;
- b. peso-denominated securities issued onshore by the National Government and other public sector entities;
- c. peso time deposits with an AAB with minimum tenor of 90 days; and
- d. other peso-denominated debt instruments issued onshore by private resident firms and not covered by Section 23 of the Manual

may be covered by foreign exchange forward contracts subject to the presentation of the original Bangko Sentral Registration Documents (BSRD) on or before deal date. However, for Item 2.2.a above, original BSRD or BSRD Letter-Advice, together with the broker's sales invoice, shall be presented on or before maturity date of the foreign exchange forward contract, which date coincides with the intended date of remittance.

Sales proceeds of BSP-registered investments in shares of stock that are not listed in the PSE may be covered by a deliverable foreign exchange forward contract only if determined to be outstanding as of deal date for the contract and payable on a specific future date as indicated in the Contract To Sell/Deed of Absolute Sale and subject to the same documentary requirements under Item C of Appendix 1 of the Manual.

3. *RESIDENT TO RESIDENT TRANSACTIONS*

Only resident to resident foreign exchange transactions with specific due dates shall be eligible to be covered by forward contracts, and shall be subject to the same documentary requirements under Appendix 1 of the Manual. For foreign currency loans from banks operating in the Philippines, requirements under item 2.1 above shall also apply.

(As amended by Circular No. 794 dated 18 April 2013, Circular No. 818 dated 06 November 2013, Circular No. 874 dated 8 April 2015, and Circular No. 925 dated 13 September 2016)

B. FORWARD SALE OF FOREIGN EXCHANGE TO COVER EXPOSURES – DELIVERABLE AND NON-DELIVERABLE**1. TRADE (DELIVERABLE AND NON-DELIVERABLE)****1.1 Under LC**

- a. Copy of LC opened; and
- b. Proforma Invoice, or Sales Contract / Purchase Order

1.2 Under DA/OA, Documents Against Payment (DP) or Direct Remittance (DR)

Any of the following where delivery or shipment shall be made not later than one (1) year from deal date:

- a. Sales Contract
- b. Confirmed Purchase Order
- c. Accepted Proforma Invoice
- d. Shipment/Import Advice of the Supplier

In addition to the above requirements, the bank shall require the customer to submit a Letter of Undertaking that:

- i. At maturity of the forward contract, it shall comply with the documentation requirements on the sale of foreign exchange for trade transactions under Appendix 4 of the Manual; and
- ii. No double hedging has been obtained by the customer for the covered transactions.

2. NON-TRADE (NON-DELIVERABLE)

The outstanding balance of BSP-registered foreign investments without specific repatriation date, appearing in the covering BSRD may only be covered by an NDF contract, based on its market/book value on deal date, subject to presentation of the covering BSRD and the proof that the investment still exists (e.g., original stock certificate, or certification for the lodgment of shares with the Philippine Depository and Trust Corporation or broker's buy invoice, or confirmation of sale, or original certificate of investment in other peso-denominated debt instruments, or certificate of peso time deposits as may be applicable). Hedging of permanently assigned capital of Philippine branches of foreign banks/firms is not allowed.

C. FORWARD PURCHASE OF FOREIGN EXCHANGE

Such foreign exchange forward contracts shall be subject to the bank's "Know Your Customer" policy and existing regulations on anti-money laundering. In addition, counterparties must be limited to those that are manifestly eligible to

engage in foreign exchange forwards as part of the normal course of their operations, and which satisfy the bank's suitability and eligibility rules for such transactions.

D. FOREIGN EXCHANGE SWAPS

1. FOREIGN EXCHANGE SALE (first leg)/FORWARD FOREIGN EXCHANGE PURCHASE (second leg) –

The same minimum documentary requirements for sale of foreign exchange under Appendix 1 of the Manual for non-trade transactions and resident to resident foreign exchange transactions, and Appendix 4 of the Manual for trade transactions, shall be presented on or before deal date.

2. FOREIGN EXCHANGE PURCHASE (first leg)/FORWARD FOREIGN EXCHANGE SALE (second leg) -

The first leg of the swap will be subject to the bank's "Know Your Customer" policy and existing regulations on anti-money laundering. The second leg of the swap will be subject to the swap contract between the counterparties. However, for swaps covering foreign/foreign currency loans and inward investments, and transactions between residents, the minimum documentary requirements for sale of foreign exchange under Appendix 1 of the Manual shall also be presented to the bank counterparty prior to delivery of foreign exchange by the bank to its client at any time under the forward leg of the swap.

Swap contracts of this type intended to fund peso loans to be extended by non-residents in favor of residents shall require prior BSP approval. For borrowings not subject to prior BSP approval/registration, the AAB counterparty for the swap contract shall report to the BSP, through the International Operations Department, details of the swap and the loans to be funded showing, among others, the borrowers' names, amounts of the loans.

For this purpose, the swap contract covering foreign loans and inward investments² must include a statement that: "There shall be no delivery of foreign exchange at any time under the swap contract unless the foreign-loans/inward investments are duly registered with the BSP."

The rules under Item D hereof shall also apply to cross currency swaps³.

² For this purpose, foreign loans and inward investments refer only to those requiring prior BSP approval and/or registration, as may be applicable.

³ Cross currency swap is defined as an arrangement in which two parties exchange a series of cash flows in one (1) currency for a series of cash flows in another currency, at specified exchange and/or interest rates and at agreed intervals over an agreed period.

Processing Fees on Foreign Exchange Transactions Payable to the Bangko Sentral ng Pilipinas (BSP)

Type of Transaction	Amount of Fee	Payment Mode	Other details
BSP Approval of Foreign Loans/Guarantees	0.02 percent of the loan/guarantee amount applied for, with a minimum of US\$400 and maximum of US\$100,000. Applications requested to be treated on a rush basis shall be charged twice the foregoing rate	Payments shall be made through the participating authorized agent banks (AABs) under Foreign Loan Approval and Registration System (FLAREs).	The fees shall be paid through the participating AABs in the peso equivalent using BSP reference rate one (1) banking day preceding the date of order of payment generated through FLAREs
BSP Registration ¹ of Foreign Loans	0.02 percent of the loan amount applied for registration, with a minimum of US\$400 and maximum of US\$100,000		
BSP Approval/Registration of Foreign Loans not included in the Foreign Borrowings Plan ²	An additional fee equivalent to ten (10) percent of the applicable processing fee.	Payments shall be made through the participating AABs under FLAREs.	-
Review and clearance by the Inter-Agency Committee for Review of Foreign Loan Documents of foreign loan documents/agreements of Government Owned and Controlled Corporations	Regular processing fee of PHP20,000.00 Applications requested to be treated on a rush basis shall be charged twice the foregoing rate.	Payments shall be made to the BSP-Cash Department in Manager's Check or Cashier's Check payable to the BSP accompanied by a Payment Order from the BSP-IOD.	-
Replacement of Lost Bangko Sentral Registration Letters for foreign loans	PHP4,000.00 for every replacement requested for lost BSP registration letters for loans and/or their accompanying schedules: Schedule RA-2 (Part I: Schedule of Payments on BSP-Registered Foreign/FCDU Loans and Part II- Details of FX/Hedging Transactions for BSP-Registered Foreign/FCDU Loans)	Payments shall be made to the BSP-Cash Department in Manager's Check or Cashier's Check payable to the BSP accompanied by a Payment Order from the BSP-IOD.	-
Purchase of Bangko Sentral Registration Document (BSRD) for foreign portfolio investment by the registering custodian banks	PHP50.00/set of the BSRD form printed by the BSP to be used in the registration of foreign portfolio investments	Payments shall be made to the BSP-Cash Department in cash or Manager's Check or Cashier's Check payable to the BSP or through debit of the bank's regular demand deposit with the BSP.	-
Replacement of lost BSRD for foreign investments registered by the BSP	PHP2,000 shall be charged to applicants for the replacement of a lost BSRD	Payments shall be made to the BSP-Cash Department in cash or Manager's Check or Cashier's Check payable to the BSP, or through debit of the bank's regular demand deposit with the BSP.	Release of the replacement BSRD shall be made only upon receipt by the BSP of the payment from the foreign investors or their duly authorized representative.

¹ Pertains only to loans which do not require BSP approval prior to registration.

² Private sector loans that are submitted to the BSP for approval or registration that were not included under a foreign borrowings plan submitted to BSP as required in Section 22 of the FX Manual

(As amended by Circular No. 698 dated 05 November 2010, Circular No. 794 dated 18 April 2013, and Circular No. 925 dated 13 September 2016)

APPLICATION TO PURCHASE FOREIGN EXCHANGE*

Reference No. _____

TO: _____
(Name of AAB/AAB-forex corp)_____
(Address)

I/We hereby apply to purchase foreign exchange with the following details:

APPLICANT:

Name : _____

Address : _____

Tel. No./Fax No./Email Address: _____

Tax Identification No. : _____

SSS/GSIS/Voter's ID No./Driver's License No. : _____

(For individuals; please underline the appropriate ID used) : _____

Residency (please check appropriate box) : Resident Non-resident

AMOUNT (in words) APPLIED FOR (Indicate foreign currency) : _____

AMOUNT (in figures) : _____

PURPOSE: (please check appropriate box)

<input type="checkbox"/> Trade (payment for importations) <input type="checkbox"/> Inward Foreign Investments by Non-Residents ¹ <input type="checkbox"/> Repatriation of Capital <input type="checkbox"/> Remittance of Profits/Dividends/Earnings <input type="checkbox"/> Remittance in foreign exchange equivalent of peso funds (funded by foreign exchange remittance) in excess of investments made in the Philippines <input type="checkbox"/> Outward Investments by Residents: <input type="checkbox"/> Direct Investment (Equity Capital) <input type="checkbox"/> Debt Securities <input type="checkbox"/> Equity Securities <input type="checkbox"/> Mutual Funds (MFs)/Unit Investment Trust Funds (UITFs) <input type="checkbox"/> Intercompany Loans ² <input type="checkbox"/> Purchase of real property abroad, including condominium units <input type="checkbox"/> Foreign currency-denominated investment instruments issued onshore by non-residents <input type="checkbox"/> Resident to resident transactions: <input type="checkbox"/> Obligations payable to residents <input type="checkbox"/> Resident investments in instruments (including time deposits with at least 90-day maturity but excluding other bank deposits such as savings and demand): <input type="checkbox"/> Issued by other residents <i>Please specify:</i> _____ <input type="checkbox"/> Held for sale/trading by banks operating in the Philippines, regardless of issuer <input type="checkbox"/> Others (Please specify) _____	<input type="checkbox"/> Foreign/foreign currency loans ¹ <input type="checkbox"/> Owed to Non-residents <input type="checkbox"/> Owed to Offshore Banking Units <input type="checkbox"/> Owed to residents (FCDUs/EFCDUs) <input type="checkbox"/> Prepayment <input type="checkbox"/> Regular Payment Debt Account No.: _____ <input type="checkbox"/> Principal _____ <input type="checkbox"/> Interest _____ <input type="checkbox"/> Fees _____ <input type="checkbox"/> Others <input type="checkbox"/> Services <input type="checkbox"/> Others (Please specify) _____ ³ <input type="checkbox"/> Non-merchandise Insurance <input type="checkbox"/> Premiums <input type="checkbox"/> Claims/payables <input type="checkbox"/> Passenger Tickets <input type="checkbox"/> Travel Expenses <input type="checkbox"/> Commissions <input type="checkbox"/> Professional/Management Fees <input type="checkbox"/> Royalties <input type="checkbox"/> Income Payment ⁴ <input type="checkbox"/> Transfers (e.g., grants, donations) <input type="checkbox"/> Conversion to foreign exchange of peso deposit accounts of non-residents
--	--

FOREIGN EXCHANGE DISPOSITION: (please check appropriate box)

<input type="checkbox"/> FOR DIRECT REMITTANCE <input type="checkbox"/> Full Amount: _____ <input type="checkbox"/> Partial Amount: _____	<input type="checkbox"/> FOR CREDIT TO FCDU ACCOUNT Account No.: _____ <input type="checkbox"/> Full Amount: _____ <input type="checkbox"/> Partial Amount: _____
---	--

BENEFICIARY: (Except for travel purpose, medical expenses not yet incurred and sales proceeds of emigrant's domestic assets if emigrant is still in the country)

Name : _____

Address : _____

I hereby certify that no foreign exchange has been purchased either on spot or deliverables forward basis and/or no swap contract/s has/have been entered into covering the same underlying transaction and that the foregoing information are true and correct.

Date of Application_____
Signature Over Printed Name

* To be accomplished for each purpose to which FX shall be purchased from AABs/AAB-forex corps

¹ For BSP-registered loans/investments² Loans of residents to offshore parent companies/subsidiaries of residents with an original tenor of at least one (1) year³ Such as Communication, Manufacturing, Maintenance and Repairs, Postal and Courier, Computer and Information, Research and Development, Advertising, Market Research, Technical, and Other Business Services⁴ Other than those related to loans and investments


BANGKO SENTRAL NG PILIPINAS
 International Operations Department
Application for¹

Approval



Registration of Foreign Loan

of Private Sector Entities

PART A. COMPANY PROFILES**1. BORROWER**

Name :

Nature of Business :

Postal Address :

Website :

Tax Identification Number (TIN) :

Name of Authorized Representative/s
and Designation :

Department/Unit (if other than the
borrower, indicate also company name) :

Telephone Number/s :

Fax Number/s :

Email Address :

PROFILE (Annex A)**2. LEAD CREDITOR/ARRANGER**

Name :

Nature of Business :

Postal Address :

Website :

Name of Authorized Representative/s
and Designation :

Department/Unit (if other than the
borrower, indicate also company name) :

Telephone Number/s :

Fax Number/s :

Email Address :

Relationship to Borrower (if any) :

- Parent Company
- Stockholder

- None
- Others (specify) _____

PROFILE (Annex A.1)¹ Same form to be used for loans from FCDUs of banks

PART A. COMPANY PROFILES (continued)

3. GUARANTOR/S

Local

Name :

Nature of Business :

Postal Address :

Website :

Name of Authorized Representative/s
and Designation :

Department/Unit :

Telephone Number/s :

Fax Number/s :

Email Address :

Relationship to Borrower (if any) :

- Parent Company
 Stockholder

- None
 Others (Specify) _____

Foreign

Name :

Nature of Business :

Postal Address :

Website :

Name of Authorized Representative/s
and Designation :

Department/Unit :

Telephone Number/s :

Fax Number/s :

Email Address :

Relationship to Borrower (if any) :

- Parent Company
 Stockholder

- None
 Others (Specify) _____

PROFILE (Annex A.2 whether local or foreign guarantor)

PART B. LOAN AND PURPOSE/PROJECT PROFILES

1. Summary of Loan Terms and Conditions (Annex B)

2. Details of the Loan Purpose/Project (Annex C)

3. Date Borrowings Plan submitted (as required under Sec. 22 of the Manual of Regulations on Foreign Exchange Transactions, as amended) : _____

PART C. SUPPORTING DOCUMENTS/INFORMATION

1. Documents Required for ALL Applications

- Copy of Articles of Partnership/Incorporation including amendments, if any
- Copy of government registrations/authorities/franchise (SEC, BOI, DTI, NTC, etc.) with attachments
- Latest General Information Sheet submitted to SEC
- Original certification from the Corporate Secretary of Philippine Export Import Credit Agency (PhilEXIM) also known as Trade and Investment Development Corporation of the Philippines (TIDCORP) or other government entities on the continuing validity of an approved guarantee for the proposed loan, including terms and conditions of the guarantee and indicating the Board Resolution number and date, if applicable
- Diagram showing ownership structure of the borrower and relationship, if any, to the creditor, guarantor or other parties to the financing/project, showing percentages of ownership and country of residence of each party
- Loan disbursement and amortization schedules (**Annex B.1**)
- Past three years' audited financial statements (complete with notes) and latest interim statements of the borrower on solo basis (that is, unconsolidated with other related companies)
- Financial projections (balance sheet, income statement and cash flows) for the duration of the loan/s showing in separate lines transactions on the proposed loan (disbursements, principal and interest payments including other fees/charges) and outstanding balance; cash balances after debt servicing; and assumptions (including exchange rates)
- Indicative terms, conditions and mechanics of hedging transactions, if any
- Foreign exchange earnings and sources thereof, if any, for the past three (3) years and for the duration of the loan/s
- Diagram of cash waterfall (loan proceeds, equity, revenues and other cash receipts), if any
- Related agreements/contracts such as joint venture agreement, shareholder support agreement, if available

PART C. SUPPORTING DOCUMENTS (continued)

2. Additional Documents Required for Applications for Approval

For project financing or acquisition of government assets being privatized*:

- Details of Loan Purpose/Project (**Format C**)
- Required clearances for the project from concerned government agencies such as DENR
- If loan will finance a component/phase of an existing or related project/program, provide status of the other project components/phases
- Copy of signed Asset Sale and Purchase Agreement and Notice of Bid Award, if applicable
- Copy of the supply contract/s or other related agreements

For acquisition of non-performing assets (NPAs) from banks/government financial institutions*:

- Copy of the signed Asset Sale and Purchase Agreement with list of assets to be acquired showing book values
- Copy of the signed Deed of Assignment/Absolute Sale and related agreements
- Certificate/s of Eligibility issued by the BSP for the assets, if any
- Copy of the Notice of Bid Award

For refinancing/restructuring:

- List of outstanding obligations to be refinanced/restructured including reason/justification for refinancing/restructuring (e.g., financial savings, net present value, etc.) (**Annex C.1**)
- Certification from creditors on current outstanding balances of the loans to be refinanced/restructured or substitute documents

3. Additional Documents Required for Applications for Registration

- Copy of signed loan/credit agreement and other related documents (guarantee/surety agreement, fee letters, final offering circular, underwriting and paying agency agreement, subscription agreement, promissory notes, etc.) (**NOTE: Loan agreement must not be notarized.**)
- Summary of Loan Disbursement and Utilization (**Annex D and related schedules**)
- Proofs of loan disbursements and utilization [such as Certificate of Inward Remittance (CIR) of foreign exchange using the prescribed form under Appendix 10.1 and conversion to pesos (for payment of local costs), bank debit and credit advices, official receipts and shipping documents]
- Information Sheet on Loan Applied for BSP Registration (for fully availed loans) – **Annex E**

* These documents are also required for applications for registration of loans which are not subject to prior BSP approval under existing policy.

(continued)

I hereby certify that (i) all representations made and documents/information submitted herein are true and correct and (ii) all copies of documents submitted (other than originals) are certified true copies of the original.

Certified True and Correct:

(Signature of authorized official over printed name)

(Designation)

BORROWER PROFILE			
1. GOVERNMENT REGISTRATION(S)/AUTHORITY(IES)/FRANCHISE (Indicate original and amendments)			
<u>Government Agency/Authority</u>	<u>Reg. No.</u>	<u>Date</u>	<u>Validity Period</u>
Securities and Exchange Commission			
Board of Investments (Cite only registration for loan purpose/project)			
Others (Specify)			
2. CURRENT CAPITALIZATION			
	As of (ddmmyy)		
	<u>No. of Shares</u>	<u>Par Value</u>	<u>Total Amount</u>
Authorized			
Common			
Preferred			
Subscribed			
Common			
Preferred			
Paid - up			
Common			
Preferred			
CURRENT OWNERSHIP STRUCTURE			
	As of (ddmmyy)		
<u>Name and Nationality*</u>	<u>No. of Shares</u>	<u>Peso Value</u>	<u>Percent Share</u>
Filipino			
Sub-total	_____	_____	_____
Foreign	_____	_____	_____
Sub-total	_____	_____	_____
Grand Total	=====	=====	=====
* If more than 10, indicate major stockholders only and aggregate the rest by nationality Note: Indicate N/A if not applicable			

BORROWER PROFILE

3. CURRENT PRINCIPAL OFFICERS/BOARD OF DIRECTORS (Indicate with an asterisk) AS OF (ddmmyy):

<u>Name</u>	<u>Position</u>	<u>Nationality</u>
-------------	-----------------	--------------------

4. FINANCIAL POSITION (In 000 functional currency)

Functional Currency : _____

	<u>Latest Audited</u>	<u>Latest Unaudited</u>
	As of (ddmmyy) _____	As of (ddmmyy) _____

Current Ratio

:

Current Assets

:

Current Liabilities

:

Long-term Debt to Equity Ratio

:

Before loan availment:

Long-term Debt (all loans: peso and FX)

:

Stockholders' Equity

:

After loan availment:

Long-term Debt (all loans: peso and FX)

:

Stockholders' Equity

:

OUTSTANDING FOREIGN/FOREIGN CURRENCY LOANS AS OF (ddmmyy):

With BSP Approval/Registration**In Original Currency****Currency****Amount****USD Equivalent***Short-term*

Offshore sources

Banks operating in the Philippines

Medium/Long-term

Offshore sources

Banks operating in the Philippines

Total

BORROWER PROFILE			
4. FINANCIAL POSITION (in 000 functional currency) continued			
Without BSP Approval/ Registration	In Original Currency		
	Currency	Amount	USD Equivalent
<i>Short-term</i>			
Offshore sources			
Banks operating in the Philippines*			
<i>Medium/Long-term</i>			
Offshore sources			
Banks operating in the Philippines*			
Total			
<i>Exchange rate assumption:</i>			
5. OTHER INFORMATION (such as disclosure of planned or actual changes in/status of capitalization, etc.)			
<p>Short-term - those with original maturity of up to 1 year from initial disbursement date</p> <p>Medium/Long term - those with original maturity of more than 1 year from initial disbursement date</p> <p>* Including those loans obtained from 15 September 2016 onwards for which no prior BSP approval/registration is required</p>			

SUMMARY OF LOAN TERMS AND CONDITIONS*

Borrower :

Amount (original currency) :

Type of credit facility** :

Currency of denomination
repayment :

Lead Creditor Arranger :

Participants to Syndication (if the loan is syndicated)

<u>Name of Creditor</u>	<u>Country of Residence</u>	<u>Percent Share</u>	<u>Amount</u>
TOTAL		_____	_____

* If used for Application for Registration of loans not subject to prior BSP approval, indicate specific sections of the covering agreement for each loan term/condition.

** Possible entries: supplier's credit, revolving credit, bond/note issue, subordinated loan, etc.

Note: Indicate N/A if not applicable

SUMMARY OF LOAN TERMS AND CONDITIONS*

Project/Purpose (Annex C):

Project Implementation Period (mmyy): From: _____ To: _____

Loan Availability Period (mmyy): From: _____ To: _____

Maturity (inclusive of grace period) in yrs and fraction thereof: _____ **Grace Period :** _____

Interest Rate (in % p.a.)

Fixed : *Basis/Description:* _____ *Rate:* _____

Variable : *Spread:* _____ *Base Rate: Type* _____
Indicative Rate (In %) _____

Other conditions (such as capitalization of interest, reduction or step-up in interest rate upon occurrence of certain events, interest subsidy):

Repayment (Details in Annex B.1)

Principal First: _____ Last: _____

Frequency (annual, semi-annual, etc.): _____
 No. of Installments: _____

Interest First: _____ Last: _____

Frequency (annual, semi-annual, etc.): _____

Other Conditions (such as roll-over, put and call options, conversion to equity, etc.):

Fees

	Frequency of Payment		Rate (In %) or Amount	Basis for Computation
	One-time (Flat)	Periodic*		
Front-end Fee	<input type="checkbox"/>			
Commitment Fee	<input type="checkbox"/>			
Guarantee Fee	<input type="checkbox"/>			
Insurance Premium	<input type="checkbox"/>			
Agency Fee	<input type="checkbox"/>			
Penalty/Default Rate	<input type="checkbox"/>			
Prepayment Premium	<input type="checkbox"/>			
Others (specify)	<input type="checkbox"/>			

* Indicate whether annually, semi-annually, quarterly or monthly

SUMMARY OF LOAN TERMS AND CONDITIONS*

Guarantor/Insurer:

<u>Name</u>	<u>Foreign</u>	<u>Percent Share</u>	<u>Local</u>
-------------	----------------	----------------------	--------------

TOTAL

Guarantee/Security/Collateral Terms, Conditions and Mechanics:

Other Financial Loan Terms and Conditions (such as additional costs and fees, taxation, minimum financial ratios, cash waterfall, use of special accounts):

DETAILS OF LOAN PURPOSE/PROJECT

a) Brief Description (please indicate also project status and timeline):

(If for refinancing/restructuring of existing obligations, indicate details using Annex C.1; If for relending, indicate beneficiary company(ies)/sector/s, relending terms including currency of relending and repayment)

b) Location (For project financing):

c) Project Cost (In US\$ 000 and original currency, if applicable)

<u>Description</u>	<u>Local Costs*</u>		<u>Foreign Costs**</u>		<u>Total</u>	
	<u>Orig. Currency</u>	<u>USD Equiv.</u>	<u>Orig. Currency</u>	<u>USD Equiv.</u>	<u>Orig. Currency</u>	<u>USD Equiv.</u>
TOTALS	_____	_____	_____	_____	_____	_____
	=====	=====	=====	=====	=====	=====

* Those payable to Philippine residents other than banks operating in the Philippines

** Those payable to non-residents

DETAILS OF LOAN PURPOSE/PROJECT

d) Sources of funds (In US\$ 000 and original currency, if applicable; specify names of investor/creditor, if available)

		<u>Local*</u>		<u>Costs to be Financed</u>		<u>Total</u>	
		<u>Orig. Currency</u>	<u>USD Equiv.</u>	<u>Foreign**</u>		<u>Orig. Currency</u>	<u>USD Equiv.</u>
Equity							
Local investors	:						
Foreign Investors	:						
Sub-total	:	_____	_____	_____	_____	_____	_____
Borrowings							
Peso Borrowings	:						
FX Borrowings	:						
Sub-total	:	_____	_____	_____	_____	_____	_____
Internally Generated Funds	:						
Others (please specify)	:						
Sub-total	:	_____	_____	_____	_____	_____	_____
Grand total	:	=====	=====	=====	=====	=====	=====
Exchange Rate Assumptions	:						

* Those payable to Philippine residents other than banks operating in the Philippines
 ** Those payable to non-residents

DETAILS OF LOAN PURPOSE/PROJECT

e) Benefits/Justifications (economic, financial, social, etc.) for the project/purpose and the financing scheme chosen:

**LIST OF OUTSTANDING OBLIGATIONS TO BE REFINANCED/RESTRUCTURED
AS OF (ddmmyy)**

Date of BSP Approval/Reg. No.	BSP-DAN	Creditor	Date Granted	Loan Amount		Currency	Loan Purpose	Interest Rate	Orig. Repayment Schedule/Due Date
				Original	Outstanding				

LOAN DISBURSEMENT AND UTILIZATION

PART 1. SUMMARY OF LOAN UTILIZATION (In Original Currency)

Disbursements*		U T I L I Z A T I O N					
		Local Costs**			Foreign Costs***		
Date	Amount	Item/Description	Currency	Amount	Item/Description	Currency	Amount
TOTALS							
TOTALS (In USD Equiv.)							

* Please indicate dates of actual transactions

** Those payable to Philippine residents other than banks operating in the Philippines (details in Part 2)

*** Those payable to non-residents (details in Part 3)

(If more space is needed, use a separate sheet of paper following the same format)

Deadline of Submission:

On or before end-September of each year

<Name of Borrower>
MEDIUM AND LONG-TERM^{a/} FOREIGN/FOREIGN CURRENCY BORROWINGS PLAN
 For the period _____

Part I – Loan Particulars

PROSPECTIVE CREDITOR		ORIG. CURR**	INDICATIVE LOAN AMOUNT***	INDICATIVE		ESTIMATED INTEREST RATE (% P.A.) ^{c/}	PROJECT/PURPOSE	PROJECTED SCHEDULE OF LOAN NEGOTIATION (MM-YYYY)
NAME	TYPE*			MATURITY (IN YEARS) ^{b/}	GRACE PERIOD (IN YEARS)			

a/ Those with original maturity of more than one (1) year

b/ Inclusive of grace period

c/ For floating interest rate, please indicate interest base and spread

* Please indicate the letter corresponding to the type of creditor

A- Multilateral/International Financial Institutions

B- Bilateral Institutions

C- Foreign Banks and Other Financial Institutions

D- Bond/Noteholders

E- Suppliers/Exporters

F- Foreign Parent/Subsidiary/Affiliate/Shareholders

G- Others

** e.g., USD, JPY, PHP, GBP, EUR, CHF, AUD, CNY

*** in millions with three (3) decimal places

CERTIFIED CORRECT:

 Name and Signature of Authorized Official

Designation: _____

Tel. No. _____ Fax No. _____

Email address: _____

<Name of Borrower>
MEDIUM AND LONG-TERM FOREIGN/FOREIGN CURRENCY LOAN REQUIREMENTS
 For the period _____

Part II – Estimated Drawdowns (In Original Currency)*

PROSPECTIVE CREDITOR	TOTAL	20__		20__		20__		20__		BEYOND 20__
		2 ND SEM	1 ST SEM	2 ND SEM	1 ST SEM	2 ND SEM	1 ST SEM	2 ND SEM		

*In millions with three (3) decimal places

CERTIFIED CORRECT:

 Name and Signature of Authorized Official

Designation: _____

Tel. No.: _____ Fax No. _____

Email address: _____

<Name of Borrower>
MEDIUM AND LONG-TERM FOREIGN/FOREIGN CURRENCY LOAN REQUIREMENTS
 For the period _____

Part III –Projects/Costs to be Financed

PROJECT	COST					DETAILS ^{a/}
	FOREIGN COST*		LOCAL COST**		TOTAL (IN ORIGINAL CURRENCY OF THE LOAN)	
	(IN ORIGINAL CURRENCY)	(IN ORIGINAL CURRENCY OF THE LOAN)	(IN PHILIPPINE PESOS)	(IN ORIGINAL CURRENCY OF THE LOAN)		

a/ Indicate, where possible, cost categories to be financed such as:

- a) Importation/procurement of capital equipment/machinery, technology, etc.
- b) Civil works/construction of plant, building, facilities, etc.
- c) Services such as consultancy/management services
- d) Refinancing of existing/maturing obligations (please indicate if peso or foreign currency denominated)
- e) Others (please specify)

* Costs payable to non-residents and banks operating in the Philippines

** Costs payable to Philippine residents excluding banks operating in the Philippines

CERTIFIED CORRECT:

 Name and Signature of Authorized Official

Designation: _____

Tel. No.: _____ Fax No. _____

Email address: _____

**REPORT ON FOREIGN GUARANTEES SECURING LOANS OF
RESIDENTS FROM LOCAL BANKS AND FINANCIAL INSTITUTIONS**
During the Quarter Ending _____

Name of Local Beneficiary Bank/Financial Institution _____

BSP-ID Reg. No. ^{1/}	Domestic Borrower	Foreign Issuing Institution/ Foreign Accountee	Covering Guarantee/SLC				Loan Covered by Guarantee			Drawings Against the Guarantee/SLC		Remittance Made			
			Guarantee/ SLC No./	Amount	Outstanding	Expiry	Type ^{3/}	Committed Amount ^{2/}	Outstanding Balance ^{2/}	Date	Amount ^{2/}	Date	Rate ^{4/}	Amount ^{1/}	Purpose ^{5/}
			Date Issued	Registered ^{2/}	Amount ^{2/}	Date									

- 1/ Registration number assigned by the International Department
- 2/ In original currency
- 3/ Indicate type of loan granted: Foreign currency loan, regular peso loan, etc.
- 4/ Indicate actual rate per year or per month of fees remitted
- 5/ Indicate nature of fees, e.g., guarantee fee, commission, etc.

I hereby certify that the information indicated herein are correct and complete

Signature over Printed Name of Authorized Officer

Position/Designation

Date

MONTHLY REPORT ON FOREIGN EXCHANGE SALES BY AUTHORIZED AGENT BANKS (AABs) FOR INVESTMENTS BY RESIDENTS

Name of Reporting Bank: _____
 Address: _____
 Month/Year: _____

For submission to:
 International Operations Department
 Room 301, 5-Storey Building
 Bangko Sentral ng Pilipinas Complex
 Malate, Manila
 Deadline:
 Five (5) banking days after end of
 reference month

PART I. FOREIGN EXCHANGE SALES FOR DEBT AND EQUITY SECURITIES, MUTUAL FUNDS, UNIT INVESTMENT TRUST FUNDS, FOREIGN CURRENCY-DENOMINATED INSTRUMENTS AND OTHER INVESTMENTS¹

Investor		Investee/Seller			Type of Investment ³	No. of Shares Purchased ⁴	Amount of Foreign Currency (FC) Sold			Date of FC Sale and Remittance (MM/DD/YY)
Name	Address & Contact No.	Company Name	Type ²	Country of Investee			Currency	In Orig. Currency ⁵	In US\$ Equivalent	

PART II. FOREIGN EXCHANGE SALES FOR INTERCOMPANY LOANS

Creditor		Borrower			Amount of Loan	Amount of FC Sold			Date of FC Sale and Remittance (MM/DD/YY)	Loan Maturity (in Years)
Name	Address & Contact No.	Company Name	Relation to Borrower	Country of Borrower		Currency	In Orig. Currency ⁵	In US\$ Equivalent		

PART III. FX SALES FOR SALE OF REAL PROPERTY, INCLUDING CONDOMINIUM UNITS

Buyer		Seller			Description of Real Property ⁶	Amount of FC Sold			Date of FC Sale and Remittance (MM/DD/YY)
Name	Address & Contact No.	Name	Type ²	Country of Seller		Currency	In Orig. Currency ⁵	In US\$ Equivalent	

¹ Other investments by residents include investments in instruments (including time deposit with at least 90-day maturity but excluding other bank deposits such as savings and demand): (a) issued by other residents; (b) bonds/notes of the Republic of the Philippines or other Philippine resident entities issued offshore; (c) instruments held for sale/trading by banks operating in the Philippines, regardless of issuer; and (d) equity securities issued by residents and listed abroad.

² Please indicate if investee/seller is an individual, bank (BNK), other financial institution (OFI), non-financial corporation (CPN), foreign branch (BR) or other form of business organization (which shall be specified).

³ Please use the following:

NR-DBT - Debt securities issued offshore by non-residents
 NR-EQY - Equity securities issued offshore by non-residents
 NRDR - Depositary Receipts issued by non-residents
 MF - Offshore foreign currency-denominated mutual funds
 UITF - Offshore foreign currency-denominated Unit Investment Trust Funds
 RP-B/N - Foreign currency-denominated bonds/notes of the Republic of the Philippines (RP) issued offshore
 RP-GPN - Peso-denominated bonds/notes of RP issued offshore requiring settlement in foreign currency
 B/N - Foreign currency-denominated bonds/notes of other Philippine resident entities issued offshore
 GPN - Peso-denominated bonds/notes of other Philippine resident entities issued offshore requiring settlement in foreign currency
 DBT-BNK - Instruments held for sale/trading by banks operating in the Philippines
 EQY-ABD - Equity securities issued by residents that are listed abroad
 ON-FCY - Foreign currency-denominated investment instruments issued onshore
 OTHERS - Please specify

⁴ If investment is in shares of stock

⁵ E.g., JPYS00,100

⁶ E.g., land and building, condominium units, residential lot

Certified Correct: _____
 (Signature over Printed Name)

Department in Bank: _____

Date: _____

Phone No/s: _____

Fax No/s: _____

E-Mail Address: _____

1. LOAN INFORMATION

Bank Reference No.	Original Bank Reference No.	Debtor	Debtor Code	Domicile of Debtor	Country	Industry Classification	Debtor Type	Debtor Type - Others	Sector	Borrowing Authority	Borrowing Authority - Others	Debt Account No.	Credit/Loan Agreement Data	Currency	Loan/Commitment Amount	Nature of Credit	of Credit - Others	Maturity Code	First Drawdown/Availability Date	Final Maturity Date	Principal Maturity Period	Principal Grace Period - Mos.	Principal Frequency of Payment	Interest - Frequency of Payment	Security for Loan	Security for Loan - Others	Product	Loan Purpose	Loan Purpose - Others	Interest Type	Interest - Base Rate	Interest - Max. Rate/Spread
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Grand Total USD _____

2. LOAN TRANSACTIONS AND STATUS

Bank Reference No.	Original Bank Reference No.	Debtor	Debtor Code	Currency	Transaction code	Transaction amount - original currency	Transaction Date	Due Date	Account Code	Nature of Adjustment Code	Nature of Adjustment - Others	Other Payments Code	Other Payments	Source of FX	Actual Interest Rate

Grand Total USD _____