

[BSP CIRCULAR NO. 741, S. 2011, November 17, 2011]

GUIDELINES ON TEMPORARY WINDOW FOR THE PURCHASE OF FOREIGN EXCHANGE (FX) TO SERVICE UNREGISTERED PRIVATE SECTOR FOREIGN LOANS^[1]

Adopted: 17 November 2011

Date Filed: 26 January 2012

Pursuant to Monetary Board Resolution No. 1681 dated 10 November 2011 approving the three (3)-month temporary window for the purchase of FX to service unregistered private sector foreign loans, the following guidelines are hereby issued:

I. Coverage

The temporary window shall be available for the three (3)-month period from December 2011 to February 2012 and shall cover the following foreign loans of the private sector that are outstanding as of 30 June 2011 with payments (principal, interest and other related fees) falling due within said period:

- a. Loans not yet registered but already approved by the BSP;
- b. Loans without BSP approval/registration, but being reported to the BSP; and
- c. Loans without BSP approval/registration, and not being reported to the BSP

Prepayments and arrears may also be considered subject to conditions indicated herein.

A limit on the maximum amount of FX that may be purchased shall be determined by the BSP based on prevailing conditions.

II. Procedures

Private sector borrowers with foreign loans covered by the above categories may purchase FX from authorized agent banks (AABs) and/or their subsidiary/affiliate foreign exchange corporations (AAB-forex corps) to service regular/scheduled loan payments (principal, interest and related fees), including arrears and prepayments within the three (3)-month period upon compliance with the following:

1. Private sector borrowers shall submit to the BSP, through the International Operations department (IOd), the duly accomplished "Application for Authority to Purchase FX " (Annex A), together with documentary requirements specified therein and applicable processing fee, not later than 5 december 2011. For