

**[ BSP CIRCULAR NO. 124, S. 1997, March 15, 1997 ]**

**AMENDING CIRCULAR NO. 1389, AS AMENDED**

Pursuant to Monetary Board Resolution No. 378 dated April 17, 1996, the pertinent provisions of Circular No. 1389 dated April 13, 1993 (Consolidated Foreign Exchange Rules and Regulations) are hereby further amended as follows:

1. Section 24.1 is hereby amended to read as follows:

"Section 24. Loans Not Requiring Prior Bangko Sentral Approval. — The following loans may be granted without prior approval of the Bangko Sentral:

"1.a. Loans of resident private sector borrowers from FCDUs/offshore sources, irrespective of maturity, to be serviced using foreign exchange purchased from outside of the banking system;

b. Loans of non-resident from EFCDUs, irrespective of maturity, provided that —

1) the loan shall be serviced using foreign exchange purchased from outside the banking system; and

2) all applicable banking rules and regulations are complied with including Single Borrower's Limit which shall be defined to include lendings and guarantees issued to companies, their subsidiaries, affiliates and major stockholders all over the world."

2. Section 73.2a is hereby amended to read as follows:

"Bangko Sentral authorized foreign currency loans maturing beyond one (1) year except those classified by the Bangko Sentral as bad or uncollectible debts (Bangko Sentral — authorized foreign currency loans shall include those with specific approval by the Bangko Sentral as well as those granted pursuant to Section 24.1.a and b of this Circular)."

3. Section 81 is hereby amended to read as follows:

"Section 81 Eligibility as Collateral

"Deposits under the Foreign Currency Deposit system are eligible as collateral for peso loans or for foreign currency loans to residents and non-residents."