

[BSP CIRCULAR NO. 1393, s. 1993, June 23, 1993]

AMENDMENT TO CHAPTER I OF CIRCULAR 1389 DATED APRIL 13, 1993 (CONSOLIDATED FOREIGN EXCHANGE RULES AND REGULATIONS)

Pursuant to MB Res. No. 518, dated June 18, 1993, Part Two, Chapter I of Circular 1389 dated April 13, 1993 (Consolidated Foreign Exchange Rules and Regulations) is hereby amended as follows:

1. To delete Section 23.4 thereof and renumber Section 23.5 accordingly.
2. To amend Section 24.5 to read as follows:

"5. Short term loans of private exporters/importers from Offshore Banking Units (OBUs) and other offshore sources/creditors, 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. Proceeds of loans intended to pay for foreign exchange requirements shall be paid directly to the supplier/creditor while amounts intended to fund pre-export peso costs shall be inwardly-remitted and sold to the banking system;
 - d. The loans shall be granted against CB approved short-term relending programs of foreign creditors. Creditors shall submit to the Central Bank their short-term relending program for Philippine borrowers indicating their proposed credit limit together with a list of prospective borrowers/beneficiaries. These relending programs shall be valid for one year but shall be subject to semi-annual review if commitments and/or utilization for the semester shall be below 50% of total relending limit;
 - e. Drawdown and registration requirements under Sections 27 and 28 hereof shall be complied with;
 - f. Any assignment of the loan by the creditor concerned shall require prior Central Bank approval; and
 - g. The borrower shall submit to the Central Bank documents cited in Appendix 8 (see below), as amended, at least five (5) days after its credit line is approved by