

[BSP CIRCULAR LETTER, September 25, 1992]

U.S. TREASURY WARRANTS ('LIPSTICK' OR 'NON-LIPSTICK')

For your information and guidance, we are quoting herewith the dispositive portion of a Note Verbale sent by the Embassy of the United States of America dated August 17, 1992 to the Philippines' Department of Foreign Affairs (Communication No. 581) as follows:

"The Government of the United States would appreciate the assistance of the Government of the Republic of the Philippines in notifying all collecting banks that beginning October 1, 1992, banks presented with either 'lipstick' or non-'lipstick' TUS (Treasury of the United States) checks should use their United States correspondent collection process in the clearing and settlement of TUS checks. Citibank Manila will clear only those TUS checks presented by beneficiaries directly to Citibank."

In view of the above-quoted communication and consistent with Central Bank Circular No. 1353 dated August 24, 1992 which has fully liberalized foreign exchange regulations on trade and non-trade transactions, please be advised that effective October 1, 1992 US Treasury Warrants whether "lipsticked", i.e. bearing the legend: "Payable Only in Pesos through Authorized Agent Bank of the Central Bank of the Philippines and Postal Offices" or "unlipsticked" may either be deposited in a Foreign Currency Deposit Unit of any AAB, encashed in foreign exchange, and/or converted into pesos at the option of the payee, without need of prior authorization from the Central Bank. AABs shall use their own U.S. correspondent collection arrangements in the clearing and settlement of these checks beginning aforesaid date.

Kindly disseminate the contents of this Circular-Letter to all your branches and offices.

Adopted: 8 Sept. 1992

(SGD.) EDGARDO P. ZIALCITA
Deputy Governor and In-Charge of IOS



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