

**[ BSP CIRCULAR NO. 1313, October 17, 1991 ]**

**ADDITIONAL GUIDELINES COVERING PESO BLOCKING  
REQUIREMENTS ON FOREIGN LOANS SUBJECT TO PARIS CLUB  
REDISCOUNTING**

Pursuant to Monetary Board Resolution No. 1046 dated September 20, 1991 and further to Circular No. 1298 dated July 29, 1991, the following guidelines on maturing foreign loans subject to Paris Club rescheduling are hereby adopted consistent with the basic objective of containing liquidity, having asset cover for assumed liabilities and instilling consciousness on the part of borrowers in the payment of their outstanding loans:

1. Borrowers with loans assumed by the Central Bank under the first round of Paris Club rescheduling (PC-1) in line with the pertinent bilateral agreement for which no peso blocking has been made as prescribed under Circular No. 1045, shall effect payment to the Central Bank of the peso equivalent of 100% principal and 100% interest on maturity dates i.e., from 1991 to 1995. Non-payment of amounts due on PC-1 due dates shall be subject to interest based on applicable 90-day Treasury Bill rates approved by the Monetary Board to be charged on all CB advances, plus 5% penalty computed from maturity date or the date of issuance of this Circular, whichever is later, up to date corresponding payment is actually made.
2. Borrowers which have not deposited the peso equivalent of the 1991 maturities due on their loans covered by the third round of Paris Club rescheduling (PC-3) as required under Circular No. 1202, as well as of the maturities due on the fourth round of Paris Club rescheduling (PC-4) for current maturities and previously rescheduled debts under PC-1, PC-2, and PC-3 as required under Circular No. 1298, shall likewise deliver the amounts due to the Central Bank not later than 30 days from effectivity hereof. It is understood that those maturing thereafter shall be deposited with the Central Bank on original maturity dates pursuant to Circular No. 1298.
3. Non-compliance herewith as well as with the provisions of Circular No. 1298 shall be ground for withholding action on pending applications of the concerned borrowers with the Central Bank.
4. Any advances made by the Central Bank to creditors in accordance with the relative bilateral agreements shall be charged applicable 90-day Treasury Bill rate plus 5% penalty from date advance was made to receipt of payment.

This Circular shall take effect immediately.

Adopted: 17 Oct. 1991