

[ **BSP CIRCULAR NO. 387, May 19, 2003** ]

**REMITTANCE OF COLLECTIONS/REPAYMENTS/ARREARAGES ON  
REDISCOUNTED LOANS WITH BSP**

Pursuant to Monetary Board Resolution No. 573 dated April 24, 2003, Subsection X269.7.b and the opening paragraph of Subsection X269.10.a of the Manual of Regulations for Banks (MORB), as amended by Circular No. 354 dated October 4, 2002 are hereby amended to read as follows:

"§ X269.7. **Remittance of Collections/Repayments/Arrearages**

"a. . . .

"b. If the borrower's promissory note matures before the maturity date of the bank's rediscounting loans from the BSP, the loan value of the borrower's rediscounted promissory note, including the accrued interest thereon, shall be debited against the bank's demand deposit account with the BSP. For this purpose, banks are required to maintain sufficient balance in their demand deposit accounts with the BSP equivalent to maturing rediscounting obligations; otherwise, their rediscounting privilege will be suspended and all their existing loans with the BSP shall be immediately due and demandable.

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"§ X269.10. **Penalties/Sanctions**

xxx xxx xxx

"a. **Unremitted Collections/Delayed Remittances.** — Without prejudice to the criminal sanctions against the culpable persons provided under existing laws, a penalty of 1/10th of 1% per day of delay on unremitted collections/delayed remittance of collections commencing from the day following the deadline prescribed in Subsection X269.7.a. shall be imposed on the erring bank. Penalties imposed shall not, however, exceed P30,000.00 per day. In addition, the following non-monetary sanctions shall be imposed.

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This Circular shall take effect immediately.

Adopted: 19 May 2003

(SGD.) RAFAEL B. BUENAVENTURA  
*Governor*

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