

**[ BSP CIRCULAR LETTER, JUNE 3, 2002, June 03, 2002 ]**

**DERIVATIVES LICENSES OF BANKS/NBQBS AND THEIR  
SUBSIDIARIES/AFFILIATES**

The following guidelines shall be observed for the annual renewal of derivatives licenses of banks/NBQBs and their subsidiaries/affiliates as required under Section 3 of Circular No. 297 dated September 17, 2001:

1. For derivatives licenses granted before the issuance of Circular No. 297, the licenses are operative only until September 17, 2002. Hence, said licenses shall be renewed on or before said date. Subsequently, the licenses shall be renewed on or before September 17 of each year.
2. For derivatives licenses granted after the issuance of Circular No. 297, the licenses are operative for a period of one year reckoned from the date of approval. The licenses, therefore, shall be renewed on or before the end of the one-year period.
3. Banks/NBQBs shall submit a written request to renew their derivatives licenses at least forty-five (45) calendar days before the expiration of their existing licenses. The banks/NBQBs will be notified of the BSP action on their request. Until such notice is received, banks/NBQBs can continue to enter into new derivatives contracts as allowed under their previously approved licenses.

Banks/NBQBs which fail to submit their written request to renew their derivatives license at least forty-five (45) calendar days before the expiration of their existing licenses will be presumed to be not renewing their licenses.

This Circular Letter shall take effect immediately.

Adopted: 3 June 2002

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