

[BSP CIRCULAR NO. 264, October 27, 2000]

FOREX CORPORATIONS

The Monetary Board, in its Resolution No. 1870 dated 26 October 2000, approved the following guidelines on foreign exchange corporations/corporations engaged in foreign exchange trading activities that are subsidiaries or affiliates of banks, quasi-banks and non-bank financial intermediaries:

1. For sales of foreign exchange of \$10,000 or more to residents for trade and non-trade purposes, the Forex corporation shall require a written notarized application and supporting documents from the purchaser of the foreign exchange;
2. The Forex corporation shall see to it that this limit on the sale of foreign exchange for trade and non-trade purposes is not breached by the splitting of a foreign exchange purchase into smaller amounts so as to make it appear that the purchase does not violate the prescribed limit;
3. There is deemed to be a splitting of foreign exchange if the Forex corporation sells foreign exchange to any one purchaser, within a fifteen (15) banking day period, in such individual amounts which, when combined, amount to \$10,000 or more; and
4. Forex corporations shall be required to increase their paid-up capital to at least P50.0 million within a period of six (6) months from issuance date of this Circular.

This Circular shall take effect immediately.

Adopted: 27 Oct. 2000

(SGD.) RAFAEL B. BUENAVENTURA
Governor



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