

[BSP CIRCULAR NO. 123, February 06, 1997]

**IMPLEMENTING GUIDELINES FOR OFFSHORE ISSUANCE'S OF
PESO-DENOMINATED INSTRUMENTS**

Pursuant to Monetary Board Resolution No. 112 dated February 5, 1997, the following guidelines shall govern the issuance of Peso-denominated instruments in the international capital markets.

1. Prior approval by the Bangko Sentral shall required for all issuances of peso-denominated instruments in the international capital markets which shall involve:

a. Inward remittance of foreign exchange to the Philippines and sale thereof for pesos to the local banking system; or

b. A resident enterprise, or any of its offshore offices, branches, subsidiaries and affiliates, which will participate in such transactions as an issuer, guarantor or beneficiary, and where proceeds shall be on-lent to or invested in resident companies.

2. Prospective issuers or underwriters/strangers acting in behalf of specific prospective issuers, shall request for such Bangko Sentral approval. Applications for approval shall be filed with the Managaement of External Debt Department using the attached form. Transactions involving residents as cited in Section 1.b shall comply with existing rules on foreign borrowings. Accordingly, applications for BSP approval of such participation shall also be submitted by prospective resident participants using existing forms for foreign borrowings.

3. Approval of peso-denominated instruments shall be subject to the following conditions:

a. The transaction shall not involve import or export of Philippine currency whether physically or electronically;

b. Compliance with pertinent rules and regulations of Bangko Sentral (including reportorial requirements) and other regulatory/ government agencies/ entities including approval by the Department of Finance in the case of supranational issuers.

This Circular shall take effect immediately.

Adopted: 6 Feb. 1997