

**[ IC CIRCULAR LETTER NO. 9-97, September 24, 1997 ]**

**GUIDELINES FOR FOREIGN CURRENCY DENOMINATED INVESTMENTS AND INSURANCE POLICIES**

In view of the enactment of Republic Act No. 8183 repealing Republic Act No. 529, otherwise known as the Uniform Currency Act, the Insurance Commission, in coordination with the Investment Advisory Committee and the Joint Financial Committee, issues the following set of guidelines for foreign currency denominated investments and insurance policies:

**A**

**Foreign Currencies Allowed**

Only foreign currencies acceptable to the Bangko Sentral ng Pilipinas (BSP) as part of its international reserves shall be allowed.

**B**

**Investments**

1. The following foreign currency denominated investments may be allowed:
  - a. Issues of the Philippine government or Philippine government — owned or controlled corporations.
  - b. Issues of Philippine private corporations provided they shall have a credit rating of at least BB+ or its equivalent.
  - c. Issues of foreign governments provided these shall have a credit rating of BB+ or better as rated by an international credit rating agency acceptable to the Insurance Commission.
  - d. Issues of foreign corporations provided these shall have a credit rating of at least BBB as rated by an international credit rating agency acceptable to the Insurance Commission.
  - e. Loans against mortgages on real properties outside the Philippines which shall be considered surplus investments and which shall be made only if the laws of the country where the property is located allow the tender to own real estate property in the event of foreclosure.
  - f. Loans guaranteed by banks of foreign countries provided the guarantor bank has a credit rating of at least BBB as rated by an international credit rating agency