



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

CIRCULAR-LETTER

Series of 2001

TO: ALL BANKS WITH FOREIGN CURRENCY DEPOSIT UNITS (FCDUs)

Subject: BSP US\$400 million 9% Fixed Rate Notes (FRNs) due 2005

The Monetary Board under its Resolution No. 1702 dated October 29, 2001, as amended by MB Res. No. 1784 dated November 9, 2001, confirmed the following:

1. The investments in the BSP US\$400 million 9% Fixed Rate Notes (FRNs) due 2005 (the "Notes") shall qualify as "readily marketable foreign currency-denominated debt instruments" under Circular Letter dated June 6, 1997, provided that these shall be booked in the banks' "Investment in Bonds and Other Debt Instruments" or "Trading Account Securities" account. Said Circular Letter enumerates the forms of liquid assets that qualify for the 30% liquidity cover requirement for foreign currency liabilities in the Foreign Currency Deposit Unit.
2. The exemption granted under MB Res. No. 1500 dated September 1, 2000, which states that "the Board approved the exemption of thrift banks from granting foreign currency deposit unit loans and/or investing in foreign currency denominated securities of the Republic of the Philippines (ROP) and Bangko Sentral ng Pilipinas (BSP), with maturities in excess of one year, without prior BSP approval, to be able to participate in the proposed US\$400 million syndicated term loan facility of the ROP, as well as for any other future borrowings/issues by ROP and/or BSP," shall be applicable to the investments of thrift banks in the 9% BSP FRNs due 2005.

Please be guided accordingly.


ALBERTO V. REYES
Officer-in-Charge

28 November, 2001



MAG-IMPOK SA BANGKO