



Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

MEMORANDUM NO. M - 2007 - 013

To : **ALL BANKS AND OTHER BSP SUPERVISED FINANCIAL INSTITUTIONS**

Subject : **Applications for Certificates of Eligibility Under R.A. No. 9182, also known as the "Special Purpose Vehicle Act", as amended by R.A. No. 9343.**

All banks and other BSP supervised financial institutions are hereby enjoined to submit their applications for Certificates of Eligibility (COEs) under the 2nd phase implementation of the "Special Purpose Vehicle (SPV) Act" which is set to expire on **14 May 2008**. The early submission will avoid concentration of applications near the lapse of the availment period for tax exemptions and fee privileges under said Law.

The following are the significant time lines relative to the implementation of R.A. No. 9182, as amended by R.A. No. 9343:

A. Filing of Applications with the SEC for Establishing an SPV

Under Section 6 of R.A. No. 9182, as amended by R.A. No. 9343, applications for the establishment and registration of an SPV shall be filed with the SEC within eighteen (18) months from the effectivity of the amendatory Act (i.e., up to **14 November 2007**).

B. Sale/Transfer of Non-Performing Assets (NPAs) Entitled to Tax Exemptions and Fee Privileges

The following transactions enumerated as items 1 to 6 of Section 15 of the Implementing Rules and Regulations of the SPV Law are entitled to the tax exemptions and fee privileges under same Section only if such transactions occur within two (2) years from the effectivity of the amendatory Act or from **14 May 2006 to 14 May 2008**:

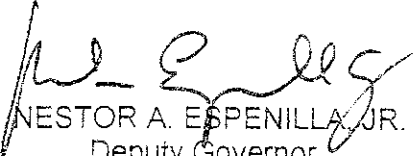
1. The transfer of the non-performing loans (NPL) by the financial institution (FI) to an SPV;
2. The transfer of the real and other properties acquired (ROPA) by the FI to an SPV;

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3. The dacion in payment (dacion en pago) of the NPL by the borrower to the FI;
4. The dacion in payment (dacion en pago) of the NPL by a third party, on behalf of the borrower, to the FI;
5. The transfer of the NPL (secured by a real estate mortgage on a residential unit) by the FI to an individual; and
6. The transfer of the ROPA (single family residential unit) by the FI to an individual.

For the purpose of determining whether a transaction occurred within the two-year period or from **14 May 2006 to 14 May 2008**, relevant documents to support the application (e.g., Asset Sale and Purchase Agreement, Deed of Assignment, Deed of Dacion, etc.) should be notarized within the said two-year period.

For your guidance.


NESTOR A. ESPENILLA, JR.
Deputy Governor

5/11/2007