

[BOT MEMORANDUM CIRCULAR NO. 2-96, May 31, 1996]

PROCEDURE FOR PURCHASING TREASURY BILLS AND BONDS OVER-THE-COUNTER OF THE BUREAU OF TREASURY

1.0

Background

1.1 In pursuance to the mandate of Section 129 of R.A. No. 7653 to phase out the fiscal agency functions of Bangko Sentral ng Pilipinas (BSP), and transfer the same to the Department of Finance (DOF), the latter designated the Bureau of Treasury (BTr) to be the Fiscal Agent of the National Government. Consequently, the conduct of Auction of Government Securities was transferred to BTr via a Memorandum of Agreement, dated 31 October 1995 by and between BSP and DOF.

1.2 Other fiscal agency functions such as Over-the-Counter (OTC) sale of government securities and book-entry of the same were also transferred to BTr.

1.3 Henceforth the GOCC, TEI and LGU investments in government securities shall be transacted with BTr.

2.0

Procedures

2.1 GOCC/TEIs/LGUs may phone in their investment or via fax to BTr on or before 11 o'clock a.m., Monday through Friday, subject to settlement on the day of placement. Two (2) copies of written confirmation of placement must be received by BTr before 4:00 p.m.

2.2. Attached is a pro-forma "Confirmation of Placement" for use by GOCCs/TEIs/LGUs. The lower portion of the placement instruction shall be accomplished by BTr to acknowledge placements by GOCCs/TEIs/LGUs. A copy of which shall then be returned to investing GOCCs/TEIs/LGUs as confirmation of government securities issued.

2.3 Upon placement/maturity of the government securities, BTr shall credit/debit GOCCs/TEIs/LGUs Securities Account in the BTr-Book Entry System (BTr-BES), simultaneously, the settlement bank shall correspondingly debit/credit GOCCs/TEIs/LGUs Cash Accounts and credit/debit TOP Account.

2.4 GOCCs may sell their government securities prior to maturity only to other GOCCs which are members of BTr-BES.