

[BSP CIRCULAR NO. 1387 s. 1993, March 17, 1993]

AMENDMENTS TO THE PROVISIONS OF BOOKS I-III OF THE MANUAL OF REGULATIONS FOR BANKS AND OTHER FINANCIAL INTERMEDIARIES

The Monetary Board, in its Resolution No. 208 dated March 15, 1993 approved the following amendments to the provisions of Books I-III of the Manual of Regulations for Banks and Other Financial Intermediaries governing the rediscounting of eligible papers under the rediscount window:

SECTION 1. Subsection 1271.1 (Book I), 2271.1 (Book II) and 32271.1 (Book III) of the Manual of Regulations are hereby amended to read as follows:

"Loan Value, Rediscount and Lending Rates - The loan value and rediscount rate for the rediscount facility of the Central Bank shall be as follows:

Eligible Papers	Loan Value Rediscount Rate (In % p.a.)
Agricultural Production, Cottage and Small Industries, Credits, General Purpose Working Capital Financing and Other Short-Term Credits	80%

Provided that the loan value for export credits shall be 100 percent.

The lending rates that the banks may charge on their rediscounted papers shall not be subject to any ceiling. However, the spreads made by banks shall be subject to closer monitoring by the Central Bank to ensure that these are consistent with the prevailing market rates."

Provisions of existing Circulars inconsistent with the above are deemed superseded.

This Circular shall take effect immediately.

Adopted: 17 Mar. 1993

(Sgd.) JOSE L. CUISIA, JR.
Governor

