

[BSP CIRCULAR NO. 1, s. 1993, July 30, 1993]

**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**

The Monetary Board, in its Resolution No. 28 dated July 26, 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	Rediscount Rate	
	Loan Value	(in % p.a.)
Agricultural Production, Cottage and Small Industries, Credits, General Purpose	80%	9.4

Working Capital Financing and Other Short-Term Credits

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

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Provisions of existing Circulars inconsistent with the above are deemed superseded.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: 30 July 1993

(Sgd.) GABRIEL C. SINGSON
Governor
