

[**BSP CIRCULAR LETTER, s. 1993, November 08,
1993**]

**CLARIFICATION OF SECTION 2, CIRCULAR NO. 1389 DATED
APRIL 13, 1993**

Please be advised that the Monetary Board, under its Resolution No. 431 dated November 6, 1993 decided to clarify that the term "non-trade" as used in Section 2 of Circular No. 1389 dated April 13, 1993 which reads:

"Section 2. *Sales of Foreign Exchange by AABs* — AABs may sell foreign exchange to residents (including the Government, its political subdivisions and instrumentalities and government-owned and controlled corporations), upon the latter's written application for any non-trade purpose without need of prior Central Bank approval. . . ." (Underscoring supplied)

is used in its technical meaning, as understood in various previous Central Bank circulars. The same, therefore, refers to invisibles, in contradistinction to trade transactions such as exports and imports; consequently, the sale of foreign exchange for "non-trade purposes" under said Section 2 of Circular No. 1389 should still be within reasonable limits and the authority to purchase foreign exchange for **non-trade** purposes does not include purchases of foreign exchange for deposit in a foreign currency deposit unit account.

Please be guided accordingly.

Adopted: 8 Nov. 1993

(Sgd.) GABRIEL C. SINGSON
Governor

