

[BSP CIRCULAR NO. 1284, April 25, 1991]

REGISTRATION OF FOREIGN INVESTMENTS IN CB-APPROVED SECURITIES

Pursuant to Monetary Board Resolution No. 438 dated April 19, 1991 the following provisions of Circular No. 1028, as amended, are hereby further amended effective June 1, 1991:

1. Section 27 to read as follows:

"a. x x x x

"b. x x x x

"c. x x x x

"Applications for registration of foreign investments in CB-approved securities shall be filed by Authorized Securities Dealers/Brokers, within seven (7) banking days from receipt of the inwardly remitted foreign exchange and conversion thereof to Philippine pesos through AABs, with the investor's designated Custodian Bank which shall issue on behalf of the Central Bank the STD Registration Documents: Provided, That, in case the investor does not designate a local Custodian Bank, the Authorized Securities Dealers/Brokers shall directly apply with the Central Bank for an STD Registration Document submitting thereby copies of the requisite supporting documents: Provided, further, that STD Registration Documents issued by Custodian Banks together with the complete supporting documents shall be subject to post audit by the Central Bank for compliance with the documentary requirements. Otherwise, non-compliance therewith shall invalidate the registration issued by the Custodian Bank."

2. Section 29 to read as follows:

"Sec. 29. Responsibilities of Authorized Securities Dealers/Brokers, Authorized Agent Banks including Custodian Banks and Transfer Agents.

I. Authorized Securities Dealers/Brokers

a. Ensure that the foreign exchange investments of a non-resident is immediately remitted and sold for pesos to AABs; if funded by a foreign currency deposit account of the purchaser, ensure the sale for pesos with AABs and obtain official receipts for the purpose.

b. Execute the purchase or sale of CB-approved Philippine securities in accordance with the instructions of non-resident investors.

c. Ensure that the purchase or sale price is at the fair market value of the

securities at the time of the transaction/s.

d. Cause the registration of foreign cash investments with the Central Bank directly or through the investor's designated Custodian Bank in accordance with the procedures outlined in Section 27 hereof. Securities acquired under options are not eligible for registration.

II. Custodian Bank/s

a. Issue STD Registration Documents to foreign investments in its custody and give two (2) copies to the Authorized Securities Dealers/Brokers, one of which will be delivered to the Transfer Agent.

b. Deliver copies of the STD Registration Document/s to the Central Bank together with all the supporting documents within 2 days upon issuance of the STD Registration Document/s.

c. File with the Central Bank applications for repatriation of sales proceeds together with complete supporting documents for foreign investments in its custody.

d. Upon receipt of CB approval, remit the funds in foreign currency to the foreign investor/s and report the remittance to the Central Bank in the prescribed form.

e. Issue new STD Registration/Document/s for stock dividends and stock splits for foreign investment in its custody. In the case of reverse stock splits or splits involving cancellation of stock certificates, cancel the old STD Registration Document/s, issue new ones and deliver copies of said documents to the Central Bank within two (2) banking days after issuance thereof.

f. Ensure that the stock certificates are received and safely secured in its vaults.

g. Apply to the Central Bank for approval of the foreign exchange portion of cash dividends declared on shares with STD Registration Documents in their custody only when the shares involved are not included in the application previously filed by the Transfer Agent and, after approval thereof, effect foreign currency payments and report to the Central Bank within fifteen (15) days after remittance.

III. Transfer Agents

a. Ensure that the investor's and principals, interests are adequately protected through expeditious processing of transfers of shares of stock.

b. Apply with the Central Bank for the issuance of special authority and/or the registration of foreign dividend portions of cash and stock dividends, stock splits and reverse stock splits covering shares with STD Registration/Document/s together with supporting documents.