

[BSP CIRCULAR NO. 1298, July 29, 1991]

RESCHEDULING/CONSOLIDATION OF DEBTS OF THE PHILIPPINES

In line with the Agreement reached by the Philippine Government on June 20, 1991 with representatives of creditor countries participating in the Paris Club on the rescheduling/consolidation of debts of the Philippines, the following guidelines are hereby adopted:

1. Debts covered by the rescheduling/consolidation agreement are principal and interest (excluding late interest) due from June 1, 1991 up to August 31, 1992 inclusive, on the following:

- a. loans from Governments or appropriate institutions of the Participating Creditor Countries (Annex A), having an original maturity of more than one year, and which were extended to the Government of the Philippines or to one of its agencies, organizations or institutions, pursuant to a contract or other financial arrangement concluded before April 1, 1984 — [Current Official Development Assistance (ODA) loans];
- b. commercial credits guaranteed or insured by the Governments of the Participating Creditor Countries or their appropriate institutions, having an original maturity of more than one year, and which were extended to the Government of the Philippines or to one of its agencies, organizations or institutions, or covered by the guarantee of payment of the Government of the Philippines or one of its agencies, organizations or institutions, pursuant to a contract or other financial arrangement concluded before April 1, 1984 — (current non-ODA loans);
- c. repayments of principal and interest due as a result of the consolidation agreements concluded according to the Agreed Minutes dated December 20, 1984 (Paris Club 1), January 22, 1987 (Paris Club 2) and May 26, 1989 (Paris Club 3), whether ODA or non-ODA — (Previously Rescheduled Debt (PRD));

2. The rescheduling/consolidation does not apply to the following:

- a. loans from creditor countries with principal and interest falling due from July 1, 1991 to August 31, 1992 aggregating less than SDR 1.0 million. Payments thereon should be made on original due dates and arrearages, if any, should be settled not later than September 30, 1991; and
- b. the remaining 15% interest due on Paris Club accounts covered by the third round of rescheduling originally falling due June 1, 1989 to June 30, 1991 and scheduled to be paid on June 30, 1992. Arrearages on the 10% interest due on June 30, 1991 should be settled immediately.