

[BSP CIRCULAR NO. 819, November 12, 2013]

AMENDMENTS TO CIRCULAR NO. 769 DATED 26 SEPTEMBER 2012 (GUIDELINES ON REQUESTS FOR MONETARY BOARD OPINION ON THE MONETARY AND BALANCE OF PAYMENTS IMPLICATIONS OF PROPOSED DOMESTIC BORROWINGS BY LGUS PURSUANT TO SECTION 123 OF REPUBLIC ACT NO. 7653)

The Monetary Board, in its Resolution No. 1796 dated 31 October 2013, approved the amendments to Circular No. 769 dated 26 September 2012, as follows:

Section 1. Item 1 of Section II is hereby amended to read as follows:

"1. The LGUs shall submit a written request to the BSP for Monetary Board (MB) opinion on the monetary and balance of payments (BOP) implications of its proposed borrowing prior to the loan release. The request shall include the required supporting documents/information listed in Annex 1."

Section 2. Item 3 of Section II is hereby amended to read as follows:

"3. Once the LGU has submitted the required documents/information, the matter shall be elevated to the Monetary Board for an opinion on the probable monetary and BOP implications of the proposed LGU loans."

Section 3. Item 4.c of Section II is hereby amended to read as follows:

"4. The MB opinion shall contain the following conditions: .

a. x x x.

b. x x x.

c. The MB opinion is valid only for six (6) months from the date of issue. The validity period refers to the time within which the proposed loan is to be released in part or in full. It commences on the date of the MB resolution pertaining to the proposed loan."

Section 4. Section III is hereby amended to include a new provision and shall read as follows:

"III. Post Borrowing Reports/Post-Loan Release Reports

The borrowing LGU shall submit to the BSP, through a letter addressed to the Director, Department of Economic Research or through electronic mail addressed to mbopinion_der@bsp.gov.ph, a post-borrowing report that will indicate the actual amount of the domestic borrowing as well as the final terms and conditions thereof within 30 calendar days from the date of the full release of loan proceeds.

The lending banks shall submit to the BSP, through a letter addressed to the Director, Department of Economic Research or through electronic mail addressed to mbopinion_der@bsp.gov.ph, a semestral post-loan release report on LGU loans