[BSP CIRCULAR NO. 375, March 13, 2003]

ALLOWABLE OPEN FX POSITION

Pursuant to Monetary Board Resolution No. 344 dated 13 March 2003, Item 2 of Circular No. 1327 dated 30 January 1992, as amended, is hereby further amended to read as follows:

> "2. Allowable open FX position - Banks' long FX position shall not go beyond 2.5 percent (2.5%) of their unimpaired capital or US$ 5 million whichever is lower.
>
> Any excess beyond the allowable limit shall be settled on a daily basis.
>
> Banks which are in excess of the overbought limit as of effectivity of this Circular shall have two (2) banking days within which to bring down their net overbought FX position to within the allowable limit".

This Circular amends BSP Circular No. 171 dated 29 August 1998 and shall take effect immediately.

Adopted: 13 March 2003

(SGD.) AMANDO M. TETANGCO, JR.
Officer-in-Charge
