

[BSP CIRCULAR LETTER, September 09, 1997]

**SMED COUNCIL RESOLUTION ON COMMITTED CREDIT LINES TO
BE GRANTED BY BAP MEMBER-BANKS TO BAP CREDIT
GUARANTY CORPORATION (BCGC) AS COMPLIANCE TO THE
MANDATORY ALLOCATION PROVISION OF R.A. 6977**

Attached for your information and guidance is a copy of SMED Council Resolution No. 5, Series of 1997, dated April 2, 1997, on the implementing guidelines on "Committed Credit Lines to be Granted by BAP Member-Banks to BAP Credit Guaranty Corporation (BCGC) as compliance to the mandatory allocation provision of R.A. No. 6977, otherwise known as the Magna Carta for Small Enterprises".

Adopted: 9 Sept. 1997

(SGD.) ALBERTO V. REYES
Deputy Governor

"Attachment"

**SMED COUNCIL Resolution No. 5
COMMITTED CREDIT LINES TO BE GRANTED BY BAP MEMBER-BANKS TO
BAP CREDIT GUARANTY CORPORATION (BCGC) AS COMPLIANCE TO THE
MANDATORY ALLOCATION PROVISION OF R.A. 6977**

WHEREAS, Republic Act 6977, otherwise known as "Magna Carta for Small Enterprises," mandates the Small and Medium Enterprises Development (SMED) Council to promulgate implementing guidelines, programs, and operating principles as may be deemed proper and necessary to spur the growth and development of small and medium enterprises proper and necessary to spur the growth and development of small and medium enterprises throughout the country;

WHEREAS, under Section 13 of the Magna Carta for Small Enterprises, all lending institutions are mandated to set aside a portion of their total loan portfolio and make it available for Small Enterprise (SEs) credit;

WHEREAS, under SMED Council Resolution No. 11 series of 1995, unavailed but committed credit lines shall be deemed compliance to the mandatory allocation provision of R.A. 6977.

WHEREAS, SMED Council Resolution No. 1 series of 1996 which amended the above resolution specifies under item a and a and b of the implementing guidelines on committed credit lines that a) a credit line must be granted in favor of an eligible Small Enterprise to be considered compliance under R.A. 6977 and that b) only the unavailed portion of the committed credit line shall be reported as compliance;