

[BSP CIRCULAR NO. 69, April 20, 1995]

**AMENDMENTS TO THE REGULATIONS AND PROCEDURES OF
GOVERNING THE REDISCOUNTING OF THE PESO-DENOMINATED
ELIGIBLE EXPORT PAPERS BY COMMERCIAL BANKS UNDER
CIRCULAR NO. 806, DATED JUNE 26, 1981**

Pursuant to Monetary Board Resolution No. 363, dated April 5, 1995, the regulations and procedures governing the rediscounting of peso-denominated eligible export papers by commercial banks under Circular No. 806, dated June 26, 1981, are hereby amended as follows:

1. Loans and advances against eligible export papers covering packing credits shall have a maturity period of not exceeding 90 days which may be rolled-over for another 90 days at the prevailing rediscount rates. It is understood that in no case shall the maturities of BSP loans and advances extend beyond the expiry date/validity period of the assigned LC/PO/SC.
2. Applications for loans and advances covering purchase orders (POs), sales contracts (SCs) should indicate the following:
 - a. PO/SC Number
 - b. Date of PO/SC
 - c. Validity of Period/Date
 - d. Mode of Payment (whether by L/C, D/A, D/P, O/A)

If payment is by way of letter of credit (L/C), such L/C should specifically state the particular PO/SC and a photocopy of such L/C should be submitted immediately but not later than 5 days from receipt thereof to the Department of Loans and Credit, Bangko Sentral ng Pilipinas (BSP) to replace the assigned PO/SC.

3. Similarly, applications covering export bills should be supported with a certification to the effect that the exporter-borrowers' packing credits rediscounted with the BSP had been liquidated by the exporters concerned and that the corresponding loan values had been fully settled with the BSP and/or, in case of partial negotiations of L/Cs, the corresponding amounts had been applied in partial payment of the exporters' packing credit advances and the proportionate loan values had been remitted to the BSP.

4. The proceeds of any rediscounting application shall be credited to the demand deposit account of the applicant commercial bank on the same date the said application is filed with the Department of Loans and Credit, BSP, provided such application is received at or before 12:00 noon and the supporting papers are complete.

This Circular which amends/supersedes Circular No. 806, dated June 26, 1981, shall take effect immediately.