

[BSP CIRCULAR NO. 1232, March 07, 1990]

**REVISED POLICY AND GUIDELINES ON FOREIGN BORROWINGS
PURSUANT TO REPUBLIC ACT NO. 6142, AS AMENDED**

Pursuant to Republic Act No. 6142, as amended, and as approved by the Monetary Board in its Resolution No. 176 dated February 16, 1990, the policy guidelines and implementing rules of the Central Bank governing foreign borrowings are hereby revised as follows:

I

Prescribed Prior Central Bank Approval

All foreign loans of the government including government-owned and -controlled corporations as well as private firms shall require prior approval of the Central Bank, thru the Management of External Debt Department (MEDD).

II

Projects Eligible for Foreign Financing

1. In line with the national socio-economic development plan, projects considered priority for foreign financing shall include the following:

- a. Export-oriented projects;
- b. Projects listed in the Annual Investment Priorities Plan (IPP);
- c. Projects listed in the Medium-Term Public Investment Program (MTPIP); and
- d. Other projects specifically authorized by Congress for financing through foreign loans.

2. Prior approval of the Investment Coordination Committee (ICC) shall be required for loans which shall finance the following:

- a. Major national projects, i.e., those costing at least P300 million and resulting in new capital formation in the economy irrespective of source of financing.
- b. Public sector projects requiring foreign borrowings, with a total cost of at least \$10 million. (Public Sector projects requiring foreign borrowings, with a total cost of less than \$10 million, shall require the National Economic and Development Authority (NEDA) Board approval).
- c. Projects of the private sector that are supportive of agricultural development, small and medium-scale industries, development of rural infrastructure, as well as large-scale industries seeking concessional Official Development Assistance