



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
Banking Services, Research and Treasury

**MEMORANDUM TO ALL UNIVERSAL AND COMMERCIAL
BANKS WITH FOREX CORPORATIONS AS AFFILIATES/
SUBSIDIARIES**

Relative to BSP Circular-Letter dated 27 June 2001 requiring submission of a weekly report on the foreign exchange (FX) transactions of FOREX Corporations that are affiliates/subsidiaries of banks, the following clarifications/additional guidelines shall be observed in accomplishing the report:

1. Transactions below US\$10,000.00 shall be reported in aggregate indicating the number of transactions and the word "various" under the name and address of the counterparty. However, the requirement of the Supervision and Examination Sector (SES) under Circular-Letter dated 20 June 2000 to report the name and address of the counterparty per transaction shall be followed for purposes of reporting to SES.
2. Transactions below US\$10,000.00 that are denominated in foreign currencies other than the US dollars and are reported in aggregate shall indicate an average exchange rate in the "exchange rate" column.
3. The clients' underlying transaction or purpose shall be indicated in the following transactions:
 - a. FX purchases of US\$250,000.00 and above
 - b. FX sales exceeding US\$10,000.00.



4. The following codes for currency source under purchases shall be applicable only to counterparty III-Clients:

Code 1 - From abroad
Code 2 - From other FCDU account
Code 3 - From other residents

5. The following codes for currency destination under sales, shall be applicable only to counterparty III-Clients.

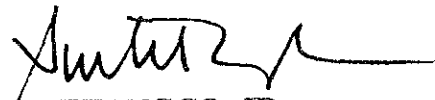
- a. Code 1-for outward remittance
b. Code 2-Others (specify)

6. FX purchases and FX sales other than US dollars shall be reported in original currency with the US dollar equivalent indicated in parenthesis under the original currency amount. The total US\$ equivalent of all FX purchases and sales under each category of counterparty shall be indicated.

7. To allow the FOREX Corporations more time to consolidate all transactions of their branches, the deadline for submission of reports (Annex 1) shall be moved as follows:

- a. July 31, 2001- Monthly reports for January to June
b. July 20, 2001-Reports for the first and second week of July; and
c. Succeeding reports to follow the weekly submission as prescribed.

Please be guided accordingly.


AMANDO M. TETANGCO, JR.
Deputy Governor

20 July 2001

Forexrep1

Deadline: Weekly within five (5) banking days after end of reference week
 Submission: Original- DER; Duplicate - DCB I & II

Name of Forex Corporation

Name of Parent/Affiliate Bank

Report Date

REPORT ON FOREIGN EXCHANGE TRANSACTIONS

DEAL DATE	VALUE DATE	COUNTERPARTY		CLIENTS' PURPOSE b/	EXCHANGE RATE	PURCHASES		SALES	
		NAME/TYPE a/	ADDRESS			Cy Source c/	AMOUNT Ccy	Cy Destination d/	AMOUNT Ccy
		I. Local Banks							
		1.							
		2.							
		Sub-Total - PHP							
		USD							
		Other FxCy (specify)							
		Sub-Total in USD Equivalent							
		II. Other Local Forex Corporations							
		1.							
		2.							
		Sub-Total - PHP							
		USD							
		Other FxCy (specify)							
		Sub-Total in USD Equivalent							
		III. Clients							
		A. Resident		(Codes)					
		1.							
		2.							
		Sub-Total PHP							
		USD							
		Other FxCy (specify)							
		Sub-Total in USD Equivalent							
		B. Non-Resident							
		1.							
		2.							
		Sub-Total PHP							
		USD							
		Other FxCy (specify)							
		Sub-Total in USD Equivalent							
		GRAND TOTAL							
		PHP							
		USD							
		Other FxCy (Specify)							
		IN USD EQUIVALENT							

f/ Direct borrowing from abroad (in Total US\$ equivalent)

US\$

Beginning Balance

Availment

Repayment of Principal

Closing Balance

Payment of Interest

Authorized Signatory

US\$

US\$

REPORTING INSTRUCTIONS

a/ For the purpose of this report, a non-resident is any individual, enterprise, or other organization domiciled in a country other than the Philippines. Local/Philippine branches and subsidiaries of non-resident companies are residents of the Philippines. Conversely, foreign branches and subsidiaries of Filipino companies are non-residents.

b/ All transactions above US\$10,000 must be reported with their purpose. Splitting transactions of a single client shall be considered a circumvention of the requirement to report a client's purpose, and is therefore not allowed. For purposes of this reporting format, all such transactions will be aggregated into a single transaction.

-Attached is a list of transactions that may facilitate reporter to describe the clients' purpose/underlying transactions. However, a reporter may use any description or add any type of transaction that could not be found in the attached list.

c/ Code 1 is to be used for purchase of foreign exchange from resident which is directly remitted from abroad or from the non-resident's account with a Philippine bank. Code 2 is to be used for purchases of foreign exchange from residents and non-residents withdrawn from their FCDU account. Code 3 is to be used for purchases of foreign exchange from other residents.

d/ Code 1 is to be used when foreign exchange is sold to a resident for payment of his foreign obligation, whether or not the foreign exchange would be directly remitted abroad or credited to the account of a non-resident creditor with a Philippine Bank. Code 2 is to be used when foreign exchange is sold to a resident for payment of his obligation other than those in Code 1.

e/ Sale of foreign exchange to non-residents by Forex Corporation is not allowed under existing regulation.

f/ Direct borrowings from abroad of Forex Corporations are to be reported on a gross basis in US\$ equivalent. Report all transactions in the relevant week broken down into total availment of loans, repayment of principal, and payment of interest. Direct borrowing from abroad is to be understood to refer to bilateral contracts between the Forex Corporation and its creditors, without the involvement of the Forex Corporation's affiliated bank.

**^{1/}PURPOSE CODES FOR SALES OF FOREIGN EXCHANGE
BY BANK AFFILIATED FOREX CORPORATIONS**

- A. Non-Trade (Invisibles)
 - A.1. Freight on Merchandise Import
 - A.2. Freight on Merchandise Export
 - A.3. Premiums on Merchandise Shipments
 - A.4. Claims on Merchandise Insurance
 - A.5. Passenger Fares
 - A.6. Charters of sea and air foreign carriers
 - A.7. Port disbursements
 - A.8. Operational Lease
 - A.9. Transportation commissions and fees
 - A.10. Other transportation and auxiliary services
 - A.11. Travel Funds
 - A.12. Educational Expenses/Maintenance of Higher Education
 - A.13. Payment of international credit cards
 - A.14. Medical Expenses
 - A.15. Support of Dependents Abroad
 - A.16. Premiums on non-merchandise insurance/reinsurance
 - A.17. Claims on non-merchandise insurance/reinsurance
 - A.18. Emigrant Assets
 - A.19. Royalties/Fees/Rentals
 - A.20. Producer's Share/TV Film Rental
 - A.21. Management/Consultancy Fees
 - A.22. Retainer's Fees
 - A.23. Advertising Cost
 - A.24. Subscriptions
 - A.25. Mail fees/International Settlement of Accounts for
Communication Facilities
- B. Foreign Currency Loans
 - B.1. FCDU Loans not eligible to be serviced using FX from the
banking system
 - B.2. FCDU loans eligible to be serviced using FX from the banking
system
- C. Foreign Currency Loans to Non-Residents
 - C.1. Foreign Currency Loans to Non-Resident Financial Institutions
(FI)
 - C.2. BSP Registered Foreign Currency Loans to Non-Residents
- D. Trade
 - D.1 Payment of Importation (Including unregistered DA/OA)