



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1091

Series of 2020

Subject: Exclusion of Debt Securities Held by Market Makers from the Single Borrowers Limit (SBL)

The Monetary Board, in its Resolution No. 899 dated 16 July 2020, approved the amendments to relevant provisions of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) to exclude the debt securities held by market makers from the credit exposure limit to a single borrower.

Section 1. Section 362/342-Q of the MORB/MORNBFI is hereby amended to read as follows:

362/342-Q CREDIT EXPOSURE LIMITS TO A SINGLE BORROWER

xxx

Exclusions from loan limit. xxx

a. xxx

xxx

k. /f. Debt securities acquired as a result of market making activities pursuant to the rules and guidelines of the Securities and Exchange Commission (SEC) and the market or exchange¹ where such securities are traded and/or enrolled, *Provided, That:*

- (1) The market-making positions shall be taken up in the trading book in accordance with Sec. 614/614-Q on investment activities of Bangko Sentral Supervised Financial Institution (BSFI);
- (2) The market-making positions shall be properly identified and segregated from the BSFI's proprietary positions; and
- (3) The BSFI shall periodically monitor the market value of the subject debt securities and the number of days the securities have been outstanding from date of acquisition.

Provided, further, That the subject debt securities shall be excluded from the SBL for a period not exceeding the number of calendar days, as indicated below, from date of acquisition:

Calendar Days	Date of Acquisition
90 days	1 August 2020 – 31 July 2021
60 days	1 August 2021 onwards

xxx

1/ It should be organized in accordance with the SEC rules and regulation

Section 2. Effectivity. This Circular shall take effect fifteen (15) calendar days after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


BENJAMIN E. DIOKNO
Governor

22 July 2020