



Circular No. 590
Series of 2007

Subject: Reforms on the Foreign Exchange Regulatory Framework

Pursuant to Monetary Board Resolution No. 1455 dated 20 December 2007, approving certain reforms to further liberalize foreign exchange rules and regulations, the following provisions of Circular No. 1389 dated 13 April 1993, as amended, Circular No. 388 dated 26 May 2003, Circular-Letter dated 9 August 2001, Circular-Letter dated 24 January 2002, as amended, and Circular-Letter dated 9 February 2004 are hereby further amended, as follows:

Section 1. Further Amendments to Circular No. 1389 dated 13 April 1993, as amended

A. Section 2 shall now read as follows:

"Section 2. Sales of Foreign Exchange by AABs, NBBSEs and their Subsidiary/Affiliate Forex Corporations for Non-Trade Transactions. AABs, Non-Bank Bangko Sentral ng Pilipinas-Supervised Entities (NBBSEs), and their subsidiary/affiliate forex corporations may sell foreign exchange to residents to cover payments to foreign beneficiaries for non-trade current account purposes (e.g., educational expenses, medical expenses, travel expenses and salaries of foreign expatriates) without need for prior Bangko Sentral ng Pilipinas approval, subject to the following documentary requirements and guidelines:

a. For sales not exceeding US\$30,000

-Application to purchase foreign exchange using the prescribed format;

b. For sales exceeding US\$30,000

-Application to purchase foreign exchange using the prescribed format and supported by documents specified under existing rules.

For sale of foreign exchange, regardless of amount, for payment of non-trade obligations that are foreign currency loan- or foreign investment-related, the documents prescribed under existing rules shall apply.

NBBSEs, including Forex Corporations, shall not sell foreign exchange to:

a. Non-residents; and

b. Residents for –

1) Investment purposes (whether domestic or abroad) including capital repatriation and remittance of profits and dividends thereon;

2) Payment of foreign exchange obligations to residents other than AABs;

3) Payment of unregistered foreign currency loans/obligations to non-resident financial institutions.

However, outstanding unregistered loans/obligations as of 27 October 2000 may continue to be serviced by forex corporations.

4) Payment of FCDU loans not eligible to be serviced with foreign exchange purchased from the banking system. However, FCDU loans outstanding as of 27 October 2000 may continue to be serviced by forex corporations.

AABs shall not sell foreign exchange to residents for payment of foreign exchange obligations to residents other than AABs.

B. Section 8 shall now read as follows:

"Section 8. Modes of Payment of Imports. AABs may sell foreign exchange to service payments for imports under any of the following arrangements without prior BSP approval subject to the provisions of Sections 9 to 13:

1. Letter of Credit (LC);
2. Documents Against Payment (DP);
3. Documents Against Acceptance (DA) Arrangement;
4. Open Account (OA) Arrangement;
5. Direct Remittance (DR); and
6. Advance Payment."

C. Items 3 and 4.a of Section 11 shall now read, respectively, as follows:

"3. Extensions. Payments after the original maturity date for duly reported DA/OA imports may be allowed without prior BSP approval, regardless of frequency of extension, provided that the cumulative length of extensions does not exceed 360 days from BL/AWB date."

"4. Mechanics of Reporting.

a. Importers shall submit through an AAB copies of the pertinent commercial invoice, BL/AWB, and if applicable, import permit on the basis of which the AAB shall report to the BSP the same as DA/OA avallment under said Schedule 10."

D. Section 12 shall now read as follows:

"Section 12. Direct Remittance. AABs may service within 29 calendar days after bill of lading date applications for direct remittance of import payments upon presentation of the complete original shipping documents, in accordance with existing rules, and if applicable, import clearance, for regulated items issued by concerned government agencies. If the 29th day falls on a non-banking day, the following banking day shall apply and the importation will still be considered DR."

E. Section 13 shall now read as follows:

"Section 13. Advance Payment. AABs may sell foreign exchange to importers up to US\$100,000 or its equivalent without prior BSP approval for partial or full advance payment of imports, subject to submission by importers to the selling bank of prescribed documents. Foreign exchange-selling banks are required to report these transactions to the BSP-International Department under the prescribed forms. All applications to purchase foreign exchange in excess of US\$100,000 or its equivalent to service advance payment of imports shall be filed directly with the BSP for approval."

F. Section 14 shall now read as follows:

"Section 14. Other Import Arrangements. Import arrangements not involving payments using foreign exchange purchased from the banking system are also allowed without prior BSP approval. These include:

1. Self-Funded/(No Dollar) Imports. These are imports funded from importer's own foreign currency deposit accounts or those sent by suppliers abroad for which no payment in foreign exchange will be made whether immediate or potential.

2. Importations on Consignment Basis. These are importations by export producers of raw materials and accessories/supplies from foreign suppliers/buyers abroad for the manufacture or processing of products destined for export to said foreign suppliers/buyers. These shall also include machinery/equipment and spare parts consigned to the local manufacturer/processor for eventual re-export to the consignor, provided that the equipment involved shall be used only in connection with the processing of products for export."

G. Section 27 shall now read as follows:

"Section 27. Drawdown/Availment on Loans. Loans intended to be serviced using foreign exchange purchased from the banking system shall comply with the following procedures/conditions for drawdown:

1. Loan proceeds intended to fund local costs shall be inwardly remitted and sold for pesos to the banking system or deposited in borrower's FCDU/Offshore accounts pending such sale for pesos and utilization of funds.

2. Amounts intended to finance foreign exchange costs may not be inwardly remitted but may either be paid directly to the non-resident supplier/beneficiary concerned or deposited in an offshore account pending utilization of funds."

H. Section 30.2 shall now read as follows:

"2. The following guarantees, including risk take-over and similar arrangements, for account of the private sector shall not require prior BSP approval and registration but shall be reported to the BSP by AABs as issuer/beneficiary using the prescribed form to be eligible for servicing using foreign exchange purchased from the banking system in the event of default by the principal obligor:

a. Guarantees to be issued by local banks and other financial institutions, including government financial institutions, in favor of non-residents such as:

1) Payment guarantees (e.g., bid bonds, performance bonds, advance payment bonds); and

2) Guarantees to secure foreign obligations of residents which do not partake the nature of a foreign loan.

b. Guarantees to be issued by foreign banks and financial institutions as well as other foreign entities to secure peso loans/FCDU loans authorized under Sec. 24.4. Proceeds of guarantees where the beneficiary is a resident shall be inwardly-remitted and sold to the banking system.

As a prerequisite to the issuance of guarantees under Item a, the following documents shall be submitted to the guarantor:

1. Registration papers of domestic accountee with the Securities and Exchange Commission (for corporation/partnership) or with the Bureau of Domestic Trade (for single proprietorship).
2. Contract and/or other documents which serve as basis for the issuance of the guarantee."

I. Section 44 shall no read as follows:

"Section 44. Outward Investments by Philippine Residents.
A resident may invest only if:

1. the investments are funded by withdrawals from the resident investor's FCDU account/s; or
2. the funds to be invested are not among those required to be sold to AABs for pesos; or
3. the funds to be invested are sourced from AABs but in amounts of less than US\$30 million per investor per year.

An application to purchase foreign exchange for outward investments, whether or not prior Bangko Sentral ng Pilipinas approval is required, shall be accompanied by the documents specified under existing rules.

For purposes of this section, investments in foreign currency denominated bonds/notes of the Republic of the Philippines (ROP) or other Philippine entities are considered outward investments.

Outward investments by residents (excluding banks) funded with foreign exchange purchased from AABs in amounts exceeding

US\$30 million per investor per year shall require prior approval and registration by the Bangko Sentral ng Pilipinas, Provided that the purchase of foreign exchange for outward investments by managed or trustee accounts (other than pooled funds) shall be considered as part of the foreign exchange purchases by the principal or trustor of such accounts for determining compliance with the limits.

Qualified Investors (QIs) may apply with the BSP for a higher annual outward investment limit. For purposes of this section, QIs shall be limited to the following: insurance and pre-need companies; collective/pooled funds, whether in a corporate or contractual structure, such as mutual funds, unit investment trust funds and variable insurance; public or private pension or retirement or provident funds and such other entities and funds as the BSP may determine as QIs on the basis of such factors as financial sophistication, size and regularity of financial transactions, net worth and size of assets being managed. The application of collective/pooled funds and pension, retirement and provident funds for a higher annual outward investment limit may be effected through its own governing board or through its trustee.

Foreign exchange acquired or received by residents as dividends/earnings or divestment proceeds from outward investments funded by foreign exchange purchased from AABs shall be inwardly-remitted within 15 banking days from date of receipt and sold for pesos through AABs within three (3) banking days from receipt in the Philippines.

AABs shall report to the BSP foreign exchange purchases for outward investments by residents on a monthly basis using the prescribed form."

J. Items b and e of Section 72.1 (Authorized Transactions of Thrift Banks' FCDUs) shall now read as follows:

"b. Deposit, regardless of maturity, with foreign banks abroad, OBUs and other FCDUs/EFCDUs;"

"e. Borrow, regardless of maturity, from EFCDUs, foreign banks abroad and OBUs, subject to existing rules on foreign/foreign currency borrowings; Borrow, on short-term maturity, from other FCDUs;"

Section 2. Amendments to Reporting Requirements and Documentation Requirements for the Sale of FX by Banks for Trade Transactions

A. Items 1 and 2.a of Circular-Letter dated 9 February 2004 shall now read as follows:

- "1. Authorized Agent Banks (AABs) upon receipt of their importer-clients' original shipping documents under documents against acceptance (DA) and open account (OA) shall report the same under Schedule 10 [Import Letters of Credit (LCs) Opened and DA/OA Import Availments and Extensions] and upon payment thereof under Schedule 11 (Import Payments), both Schedules of FX Form 1 (Consolidated Report on Foreign Exchange Assets and Liabilities);
2. Within five (5) banking days after the end of the reference week, the hard copy of the following shall be submitted to the BSP International Department (ID):
 - a. Schedule 10 of FX Form 1 together with a copy of the commercial invoice, bill of lading (BL) or airway bill (AWB) and/or other appropriate documents required under BSP Circular-Letter dated 24 January 2002, as amended, for DA/OA imports exceeding US\$50,000 or its equivalent, for post-audit and validation purposes. However, the BSP reserves the right to require submission of copies of shipping and other appropriate documents for DA/OA imports below US\$50,000 or its equivalent as may be warranted; and"

B. Item I.b of Circular-Letter dated 24 January 2002, as amended, shall now read as follows:

- "b. All original shipping documents [Bill of Lading (BL) or Airway Bill (AWB) and Invoice] shall be stamped by the issuing/booking/reporting bank with the bank's name and mode of importation (i.e. LC, DP, or DA), whether FX has been sold or not. Authorized bank officers shall accomplish a certification that original documents were presented and duly stamped. This certification shall be maintained by the stamping bank together with the photocopied shipping documents and be made available for BSP verification."

- C. Item I.c.1.2 of **Circular-Letter dated 24 January 2002, as amended**, shall now read as follows:

"1.2. Certification from the issuing/booking/reporting bank signed by the bank's authorized signatory (addressed to individual FX selling bank/s) indicating the following:

- i. Amount of the outstanding FX trade obligations;
- ii. Amount of FX intended to be purchased; and
- iii. Bank Reference Number (BRN) for DA."

- D. Item 1.c.1.3 of **Circular-Letter dated 24 January 2002, as amended**, is hereby deleted.

- E. Item II of **Circular-Letter dated 24 January 2002, as amended**, shall now read as follows:

"II. Importations under Direct Remittance (DR) or Open Account (OA) Arrangement

- a. For importations under OA, the importer-client shall present to his reporting bank original copies of the shipping documents, including one original BL or one of the original/carbon copies of AWBs, for stamping of bank's name, BRN and OA as mode of importation. The authorized bank officer shall affix his signature on the duly stamped original shipping documents certifying that original documents have been presented and that no FX has been sold. For importations under DR, the importer-client shall directly present to the selling bank the same original shipping documents for stamping of "FX SOLD" upon purchase of FX.
- b. Banks may sell FX for DR imports to importer-client subject to presentation by the importer-client of all original shipping documents cited in Item II.a above. The selling bank shall stamp "FX SOLD" on the original shipping documents upon sale of FX.
- c. Banks may sell FX for duly reported OA imports to importer-client subject to the following conditions:
 - 1. In case the selling/remitting bank is also the reporting bank, the importer-client shall present the original shipping documents duly stamped as in Item II.a above.
 - 2. In case the selling/remitting bank is not the reporting bank:

- 2.1. The importer-client shall present the duly stamped original shipping documents as in Item II.a above; and
- 2.2. The selling/remitting bank shall stamp "FX SOLD" signed by the selling/remitting bank's authorized signatory on the duly stamped original shipping documents and indicate thereon the amount of FX sold.

3. In case the selling bank is not the remitting bank:

- 3.1. The importer-client shall present the duly stamped original shipping documents as in Item II.a above;
- 3.2. The selling bank shall stamp "FX SOLD" signed by the selling bank's authorized signatory on the duly stamped original shipping documents and indicate thereon the amount of FX sold;
- 3.3. The selling bank shall transmit the duly stamped "FX SOLD" original shipping documents indicating thereon the amount of FX sold to the importer-client and simultaneously transfer the FX proceeds to the remitting bank for immediate remittance to foreign supplier; and
- 3.4. The remitting bank shall report such payment under Schedule 11 of FX Form 1.

- d. In all cases, the selling bank shall not sell FX to an importer-client beyond the maturity of the OA importation without being duly extended by the foreign supplier as evidenced by an extension letter from the foreign supplier submitted to the selling bank which should have been reported under Schedule 10 of FX Form 1. Banks may sell FX for servicing of OA importations extended beyond 360 days from date of BL/AWB upon presentation by the importer-client of a BSP letter of approval."

F. Items 1.e, 2.d, 3.d, 4.b, 5.b, and 6.a of Circular-Letter dated 9 August 2001 shall each read as follows:

"copy of original commercial invoice (electronic transmission may be allowed provided the details therein match with those in the original BL/AWB)"

Section 3. Amendments to Documentation Requirements for the Sale of FX by Authorized Agent Banks (AABs)/Non-Bank BSP-Supervised Entities (NBBSEs) and their Subsidiary/Affiliate Forex Corporations for Non-Trade Transactions

Annex B of Circular No. 388 dated 26 May 2003, as amended, shall now read as follows:

MINIMUM DOCUMENTATION REQUIREMENTS FOR THE SALE OF FX FOR NON-TRADE PURPOSES BY AUTHORIZED AGENT BANKS (AABs)/NON-BANK BSP-SUPERVISED ENTITIES (NBBSEs) AND THEIR SUBSIDIARY/AFFILIATE FOREX CORPORATIONS

A. Sale of Foreign Exchange for Non-trade purposes under Section 2 of Circular No. 1389 dated 13 April 1993, as amended	
Purposes	Documents Required (All originals except as indicated)
1. Foreign Travel Funds (Only for permanent residents of the Philippines in line with Section 45.5 of Circular No. 1389 dated 13 April 1993, as amended)	Applicant's passport and passenger ticket
2. Educational Expenses/Student Maintenance Abroad	Photocopy of proof of enrolment with, or billing statement from, school abroad
3. Correspondence Studies	Photocopy of proof of enrolment with, or billing statement from, school abroad
4. Medical Expenses	Photocopy of billing statement (for services rendered/expenses incurred abroad) or certification issued by doctor/hospital abroad indicating cost estimate (on the treatment to be administered)
5. Emigrants' assets (including inheritance, legacies, and income from properties)	a. Photocopies of: i. Emigrant's visa or proof of residence of emigrant abroad; ii. Notarized Deed of Sale covering assets (e.g., real estate, vehicles, machineries/equipment, etc.); and iii. Proof of income received from properties in the Philippines b. In the absence of the emigrant, a notarized Special Power of Attorney (SPA) for emigrant's representative/agent. If SPA was executed abroad, original of SPA authenticated by Philippine consulate abroad.

6. Salary/bonus/dividend/other benefits of foreign expatriates (including peso savings)	a. Employment contract/Certification of employer on the amount of compensation paid to the foreign national during the validity of the contract stating whether the same had been paid in foreign exchange or in pesos, and if in foreign exchange, proof that the foreign exchange was previously sold for pesos to AABs; b. ACR I-Card and DOLE Alien Employment Permit of the foreign national; c. Applicant's notarized certification that the FX remitted is net of local expenses incurred or net of previous transfers abroad; and d. If amount to be remitted comes from sources other than salaries, information regarding the sources supported by appropriate documents should be submitted.
7. Foreign nationals' income taxes due to foreign governments	a. ACR-I Card and DOLE Alien Employment Permit; and b. Photocopy of income tax return covering the income tax payment sought to be remitted.
8. Sales proceeds of domestic assets by foreign expatriates	a. ACR I-Card; and b. Photocopy of proof of sale of asset/s
9. Producers' Share in Movie Revenue/TV Film Rentals	a. Statement of remittable share rental or rental; and b. Photocopy of contract/agreement
10. Commissions on Exports due Foreign Agents	a. Billing statement from non-resident agent; and b. Photocopy of contract/agreement
11. Freight Charges on Exports/Imports	a. Billing statement; and b. Photocopy of contract/agreement
12. Charters and Leases of Vessels/Aircrafts	a. Billing statement from non-resident lessor/owner of vessel/aircraft; and b. Photocopy of contract/agreement
13. Port Disbursements abroad for aircraft and vessels of Philippine registry or chartered by domestic operators and salvage fees	a. Billing statement; and b. Photocopy of contract/agreement
14. Satellite and other telecommunication services	a. Billing statement; and b. Photocopy of contract/agreement
15. Other services such as advertising, consultancy, IT, fees for other professional services	a. Billing statement; and b. Photocopy of contract/agreement
16. Share in Head Office Expenses (including reimbursements)	a. BSRD for the assigned capital in the branch; b. Audited schedules of allocation of expenses for the periods covered; c. Certification from the head office that the share in head office expenses remain unpaid and outstanding; and

	d. Audited financial statements of the Philippine branch
17. Insurance/Reinsurance Premium due to foreign insurance companies	Billings/ Invoices of insurance companies/ brokers abroad
18. Claims against domestic insurance companies by brokers abroad	Billings/ Invoices from foreign insurer/ reinsurer
19. Net Peso Revenues of Foreign Airlines/Shipping Companies	a. Statement of Net Peso Revenues (Peso revenues less expenses) certified by authorized officer of airline/shipping company; and b. Photocopy of contract/agreement
20. Royalty / Copyright / Franchise / Patent/ Licensing Fees	a. Statement/Computation of the royalty/ copyright/franchise/patent/licensing fee; and b. Photocopy of contract/agreement.
21. Net Peso Revenues of embassies/consulates of foreign countries	Statement of net peso revenues (Peso revenues less expenses) certified by the Embassy's/Consulate's authorized officer
22. FX obligations of Philippine credit card companies to international credit card companies/non-resident merchants	Summary billings
Note: The following classifications were deleted from the list since the foreign exchange requirements for these items are considered small and may be accommodated within the limit of purchases without documentation: (a) Support for dependents abroad; (b) Subscriptions to foreign magazines or periodicals; (c) Membership dues and registration fees to associations abroad; and (e) Mail fees.	
B. Sale of FX for payment of foreign currency loans covered by Sections 22 to 31 of Circular 1389 dated 13 April 1993, as amended.	
Purposes	Documents Required (All originals except as indicated)
Foreign Currency Loan Payments	Banks shall indicate sales of FX, whether on spot or forward basis, on the prescribed documents.
1. Medium/ Long-term Foreign Currency Loans (with original maturities of over 1 year)	1.a. BSP registration letter and accompanying "Schedule of Principal and Interest Payments on BSP-registered Foreign Credits" (Schedule RA-2); and where applicable, "Schedule of Payments for Fees & Other Charges on BSP Registered Foreign Loan" (Schedule RA-2.1). The FX selling AAB/NBBSE/Forex Corporation shall duly fill up the originals of the appropriate schedules to record the FX sale; and

2. Short-term Foreign Currency Loans (with original maturity of up to 1 year) a. Loans from offshore creditors (banks and non-banks)	1.b. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to maturing amounts on scheduled due dates indicated in the registration letter. Remittance of FX purchased shall coincide with the due dates of the obligations to be serviced, unless otherwise approved by the BSP. or: 2.a. BSP letter-authority for the borrower to purchase FX to service specific loan account/s and where applicable, the "Schedule of Foreign Exchange Purchases from the Banking System". The FX selling AAB/NBBSE/Forex Corporation shall record the date/s and amount/s of FX sold on the original BSP letter-authority or where there is an accompanying schedule for FX purchases, on the original of such schedule; and 2.b. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to the unutilized balance of the letter authority. Remittance of FX purchased shall coincide with the due dates of the obligations to be serviced, unless otherwise approved by the BSP. 1.a. BSP approval or registration letter showing loan terms and borrower's receiving copy of its report on short-term loans submitted to BSP's International Department (ID). The FX selling AAB/NBBSE/Forex Corporation shall stamp "FX SOLD", the date/s of sale and the amount/s involved on the original BSP approval/registration letter; and 1.b. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to: (a) amounts/rates indicated in the BSP approval or registration letter; or (b) the outstanding balance of the loan indicated in the report, whichever is lower. Remittance of FX purchased shall coincide with the due
--	--

b. Loans from FCDUs/OBUs	dates of the obligations to be serviced, unless otherwise approved by the BSP. 1.a. BSP approval or registration letter showing loan terms or certification from the lending bank on the amount outstanding. The FX selling AAB/NBBSE/Forex Corporation shall stamp "FX SOLD", the date/s of sale and the amount/s involved on the original BSP approval/registration letter or bank certification; and 1.b. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to: (a) amounts/rates indicated in the BSP approval or registration letter; or (b) the outstanding balance of the loan indicated in the bank certification, whichever is lower. Remittance of FX purchased shall coincide with the due dates of the obligations to be serviced, unless otherwise approved by the BSP. Or: 2.a. For loans not requiring BSP approval/registration, Promissory Note (PN) certified as true copy by the Head of the lending bank's Loans Department and certification from the lending bank: i. on the principal amount still outstanding; ii. that the loan is eligible for servicing with FX purchased from the banking system in line with existing regulations; iii. That the loan was used to finance trade transactions (as well as pre-export costs in the case of FCDU loans of exporters) of the borrower; and iv. The date when the loan account has been reported to the appropriate BSP department/office under the prescribed forms. This may be dispensed for new loans which may not have been reported yet to BSP as of date of application to purchase FX. The FX selling AAB/NBBSE/Forex Corporation shall stamp "FX SOLD", the date of sale and the amount/s involved on the original certification from the lending bank; and
---------------------------------	---

Payments related to Guarantees and Similar Arrangements including Risk Take Over Arrangements Resulting FX liabilities arising from guarantees and similar arrangements including Risk Take Over Arrangements (RTO) not involving foreign/FCDU loans Payments related to Build-Operate-Transfer and Similar Financing Schemes with Transfer Arrangements Regular Fees	2.b. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to amounts/rates indicated in the bank certification or PN, whichever is lower. Remittance of FX purchased shall coincide with the due dates of the obligations to be serviced, unless otherwise approved by the BSP. Note: For unregistered foreign currency loans / obligations to non-resident financial institutions and FCDU loans not eligible to be serviced with FX purchased from the banking system outstanding as of 27 October 2000 but which may be serviced by Forex corporations, copies of the following documents shall be required: a. Loan agreement/promissory notes; and b. Billing statements from creditor. Copies of: a. Agreements/contracts covered by the guarantee/similar arrangement; b. Standby Letter of Credit (SLC) or guarantee contract/agreement; c. Proof/ notice of original obligor's default and creditor's call on the guarantee; and d. Billing statement from the non-resident or local bank guarantor Copies of: a. Covering agreements/contracts; b. BSP Registration Document; and c. Billing statement from the private sector project company/proponent
---	--

C. Sale of FX for capital repatriation/remittance of dividends/profits/earnings and outward investments under Sections 32 to 44 of Circular No. 1389 dated 13 April 1993, as amended	
Purposes	Documents Required (All originals except as indicated)
1. Capital Repatriation of: a. Portfolio Investments in: i. PSE-listed securities ii. Peso Government Securities iii. Money Market Instruments (MMI) iv. 90-day time deposits b. Direct Foreign Equity Investments	BSRD or BSRD Letter-Advice from the registering custodian bank and photocopy of broker's sales invoice BSRD and photocopy of Confirmation of Purchase for Peso Government Securities BSRD and photocopy of Matured Contract for MMI BSRD and photocopy of Matured Certificate of Deposits for 90-day time deposits a. BSRD; b. Photocopy of Proof of Sale or relevant documents showing the amount to be repatriated; in case of dissolution/capital reduction, proof of distribution of funds/assets such as statement of net assets for liquidation; c. Photocopy of Clearance from appropriate department of the BSP-Supervision and Examination Sector (for banks), or from the Insurance Commission (for insurance companies), from the Department of Energy or from the National Power Corporation (for oil/natural gas/geothermal companies); d. Detailed computation (Attachment 2) of the amount applied for in the attached format prepared by authorized officer of investee firm; and e. Photocopy of pertinent audited financial statements
2. Remittance of Dividends/ Profits/ Earnings/ Interests	a. BSRD or BSRD Letter-Advice; b. Photocopy of PSE-cash dividends notice and Phil. Central Depository (PCD) printout of cash dividend payment or computation of interest earned issued by MMI issuer or bank; c. Photocopy of Secretary Sworn Statement; d. Photocopy of Latest Audited Financial Statements and Interim Financial Statement covering the dividend declaration period (for

	direct foreign equity investments); e. For direct foreign equity investments, photocopy of clearance from BSP-SES (for non-PSE listed banks), Insurance Commission (for insurance companies), Department of Energy or from the National Power Corporation (for oil/natural gas/geothermal companies). f. Detailed computation of the amount applied for in the attached format (Attachment 2).
3. Outward Investment	a. Photocopy of investment proposal/subscription agreement, bond/stock offering circular and such other documents showing the nature and place of the investment; b. A certification that total annual outward investments have not breached the limits under existing regulations; c. A written undertaking to inwardly remit the dividends/earnings or divestment proceeds from outward investments within 15 banking days from date of receipt and sell the same for pesos through AABs within three (3) banking days from receipt in the Philippines the dividends/earnings or divestment proceeds from outward investments; d. Photocopy of BSP approval for outward investments funded with FX purchased from AABs exceeding the prescribed limit under existing regulations; and e. Photocopy of clearance from the Insurance Commission/Securities and Exchange Commission for investments by insurance companies/pre-need corporations, as may be required under existing rules

All foreign exchange purchases for non-trade transactions shall be directly remitted to the intended non-resident beneficiary or creditor bank, whose FCDU loans are eligible to be serviced with foreign exchange sourced from the banking system. Exceptions to this rule include travel funds, medical expenses abroad not yet incurred, and sales proceeds of emigrant's domestic assets if emigrant is still in the country.

Section 4. Reminder Clause. Notwithstanding the liberalization of foreign exchange rules and regulations, banks are reminded to adopt and adhere to safe and sound policies in undertaking their foreign exchange transactions.

Section 5. Compliance with Anti-Money Laundering Rules

All transactions under this Circular shall comply with existing regulations on anti-money laundering pursuant to the provisions of Republic Act No. 9160 (Anti-Money Laundering Act of 2001) dated 29 September 2001, as amended.

Section 6. Repealing Clause. All rules and regulations that are inconsistent with the foregoing provisions are hereby superseded.

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

FOR THE MONETARY BOARD



AMANDO M. TETANGCO, JR.
/ Governor

27 December 2007