



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2020- 056

To : All Concerned Banks

Subject : Extension of Temporary Measures Implemented in the Bangko Sentral ng Pilipinas' (BSP) Rediscount Facilities and Reduction of the Term Spread on Exporters' United States Dollar (USD) and Japanese Yen (JPY) Rediscounting Loans

The Monetary Board (MB), in its Resolution No. 854 dated 09 July 2020, approved the extension, for additional 75 calendar days or until 30 September 2020, of the temporary measures implemented in the BSP's rediscount facilities as contained in Memorandum No. M-2020-043 dated 18 May 2020, subject to further extension as may be approved by the MB.

Moreover, in the same Resolution, the MB approved the reduction of the spread on rediscounting loans under the BSP's Exporters' Dollar and Yen Rediscount Facility (EDYRF), thereby reducing the applicable USD and JPY rediscount rates to the 90-day London Interbank Offered Rate, or in its absence, an applicable benchmark rate, such as the Secured Overnight Financing Rate, plus 200 basis points, regardless of maturity (i.e. 1 – 360 days), until 30 September 2020, subject to further extension as may be approved by the MB.

As such, for the month of July 2020, the rates have been set at 2.30788 percent for USD rediscounting loans and 1.95617 percent for JPY rediscounting loans. These rates shall be updated every month considering the change in the reference rates. Accordingly, the BSP issues a press release on the applicable rediscount rates, both for Peso and EDYRF loans, every tenth of the month, or the next banking day if the tenth of the month falls on a non-banking day. With regard to the Peso rediscount rate, the BSP also issues a press release on applicable rate on the day following the change in the reference rate.

Finally, we enjoin all banks to follow the guidelines and procedures set forth under Memorandum Nos. M-2020-016 dated 31 March 2020 and M-2020-024 dated 08 April 2020. Nevertheless, for banks which intend to submit the required original documents pertaining to their rediscounting applications/availments, we inform that the BSP, through the Department of Loans and Credit, now accepts original documents at the BSP Head Office. In this regard, we enjoin banks to send an e-mail to DLCmail@bsp.gov.ph regarding such intention one day before the actual submission and to wrap the documents to be submitted in plastic cover which shall be removed and

disposed of after disinfection. The banks' representatives should also observe necessary precautions, such as wearing of face mask and physical distancing, and subject themselves to the BSP's health screening protocols upon submission of original documents in line with the new economy arrangement of the BSP.

For strict compliance.



BENJAMIN E. DIOKNO

Governor

16 July 2020