



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

Circular No. 689
Series of 2010

Subject : Interbank Loans

Pursuant to Monetary Board Resolution No. 766 dated 04 June 2010, the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBI) are hereby amended as follows:

Section 1. Sec. X343 of the MORB on interbank loans is hereby amended to read as follows:

"Sec. X343 - Interbank Loans.

Interbank loan transactions shall include, among other things, (a) interbank call loan (IBCL) transactions; (b) borrowings evidenced by deposit substitute instruments; and (c) purchases of receivables with recourse: *Provided, however,* That only IBCL transactions which are settled through the banks' respective DDAs with the BSP via PhilPaSS shall be subject to the reserve requirement prescribed for IBCL in Subsec. X253.1: *Provided, further,* That funds borrowed by banks from trust departments of banks or IIs shall be excluded from the herein definition of interbank loan transactions."

Section 2. Subsec. X343.2 of the MORB on accounting procedures is hereby amended to read as follows:

"Subsec. X343.2 - Accounting procedures

- a. Both lending and borrowing banks shall immediately pass the corresponding entries in their books.
- b. IBCL transactions shall be recorded by the lending bank as *Interbank Call Loans Receivable* and by the borrowing bank as *Bills Payable - Interbank Call Loans Payable*.
- c. Banks shall reconcile their demand deposit accounts with the BSP against monthly statements of account to be furnished by the BSP Financial Accounting Department, Comptrollership Sub-Sector."

PANANALAPING MATATAG, BANSANG PANATAG

Section 3. Sec. 4343Q of the MORNBFI on interbank loans is hereby amended to read as follows:

"Sec. 4343Q - Interbank Loans.

Interbank loan transactions shall include, among other things, (a) interbank call loan (IBCL) transactions; (b) borrowings evidenced by deposit substitute instruments; and (c) purchases of receivables with recourse: *Provided, however,* That only IBCL transactions which are settled through the QBs' respective DDAs with the BSP via PhilPaSS shall be eligible to zero percent (0%) reserve requirement: *Provided, further,* That funds borrowed by QBs from trust departments of banks/investment houses shall be excluded from the herein definition of interbank loan transactions."

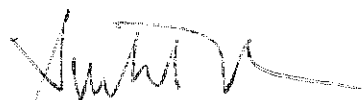
Section 4. Subsec. 4343Q.2 on accounting procedures is hereby amended to read as follows:

"Subsec. 4343Q.2 - *Accounting procedures*

- a. Both lending and borrowing QBs shall immediately pass the corresponding entries in their books.
- b. IBCL transactions shall be recorded by the lending QB as *Interbank Call Loans Receivable* and by the borrowing QB as *Bills Payable - Interbank Call Loans Payable*.
- c. QBs shall reconcile their demand deposit accounts with the BSP against monthly statements of account to be furnished by the BSP Financial Accounting Department, Comptrollership Sub-Sector."

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

FOR THE MONETARY BOARD:



AMANDO M. TETANGCO, JR.
Governor

16 June 2010

