



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

Circular No. 265
Series of 2000

The Monetary Board, in its Resolution No. 1912 dated October 31, 2000, decided to amend the provision on the Pre-termination of a CRPP Contract, under Annex 1 of Circular No. 261 dated October 12, 2000, to read as follows:

Settlement of the CRPP contract between the Bank and the BSP prior to the original contract maturity date shall be allowed, subject to the following conditions:

1. The corresponding foreign exchange (FX) obligation of the borrower with the Bank, subject of the CRPP contract, shall be paid in full or in an amount at least equal to the amount of the CRPP contract;
2. Proof of payment of the underlying FX obligation, together with the Bank's request for pre-termination, certified/signed by a Senior Vice President or his equivalent and by the Compliance Officer, shall be submitted to DCB III;
3. The borrower/client shall not be allowed to avail of the CRPP facility (or a new CRPP contract) using the same underlying foreign exchange obligation;
4. Pre-termination shall be allowed only after post-verification of the documents submitted has been completed by the BSP, or not earlier than fifteen (15) calendar days from the date of the CRPP contract; and
5. A new forward contract rate plus a pre-termination fee based on current market rates shall be determined by the BSP - Treasury on the date the CRPP contract is pre-terminated.

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However, if post verification shows no actual payment of the FX obligation was made and manner of payment was thru renewal of the loan under a new promissory note, or by another form of FX obligation, sanctions on the cancellation of a CRPP contract under Circular No. 261 shall apply.

FOR THE MONETARY BOARD:


RAFAEL B. BUENAVENTURA
Governor

October 31, 2000