



BANGKO SENTRAL NG PILIPINAS
OFFICE OF THE GOVERNOR

CIRCULAR NO. 813
Series of 2013

Subject: Amendment on Market Valuation of Government Securities

Pursuant to Monetary Board Resolution No. 1504 dated 13 September 2013, to further define benchmarks and establish a robust pricing and valuation standard for debt securities, the market valuation of government securities are hereby amended as follows:

Section 1. Appendix 33a of the Manual of Regulations for Banks (MORB) and Appendix Q-20a of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFII) on market valuation of government securities are hereby amended to read as follows:

"x x x

"D. Peso-Denominated Government Securities

"The benchmark or reference prices shall be based on the weighted average of done or executed deals in a trading market registered with the SEC. In the absence of done deals, the simple average of all firm bids per benchmark tenor shall be used in calculating the benchmark; *Provided*, That the simple average of all firm offer per benchmark tenor shall likewise be included as soon as permissible under securities laws and regulations.

"x x x

"Other Guidelines

"The basis for the market valuation of non-benchmark securities shall be the same as those used in Peso-Denominated Government Securities in Section D above. In the absence of both done and bid rates, interpolated yields derived from the benchmark or reference rates in accordance with the BSP-approved guidelines for computation of reference rates in Section D above shall be used.

"x x x"

Section 2. Subsections X410.10 of the MORB and 4410Q.10 and 4910N.10 of the MORNBFi on *"Other Related Guidelines on Valuation of Allowable Investments"* are hereby amended to read as follows:

- "a. In pricing debt securities, the provision of Appendix 33a/Appendix Q-20a under the "Other Guidelines" section shall apply for non-benchmark securities.

"x x x"

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

FOR THE MONETARY BOARD:



AMANDO M. TETANGCO, JR.
Governor

27 September 2013