



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

Circular No. 489 Series of 2005

Pursuant to Monetary Board Resolution No. 771 dated 9 June 2005, the provisions of BSP Circular No. 433 dated 13 May 2004, as amended by Circular No. 448 dated 3 September 2004, the Manual of Accounts for Universal Banks and Commercial Banks, and the Manual of Accounts for Thrift Banks, are hereby amended as follows:

Section 1. Item "a" of Circular No. 433 dated 13 May 2004, as amended by Circular No. 448, is hereby further amended so as to allow the use of "Available for Sale Securities" (AFS) in repurchase agreements by banks.

Section 2. Held for Trading Securities (HFT) and AFS under the Regular Banking Unit (RBU) of universal banks and commercial banks are also hereby allowed to be used in repurchase agreements.

Section 3. That the Manual of Accounts for Universal Banks and Commercial Banks as well as the Manual of Accounts for Thrift Banks are hereby amended so as to create under the general ledger account "Available for Sale Securities" subsidiary ledger accounts, as follows:

1. "Available for Sale Securities Sold under Repurchase Agreement-Foreign Regular" – []

This represents the cost of foreign currency denominated bonds and other debt instruments sold under agreements whereby the selling bank shall buy back (repurchase) said securities from the purchaser on a stipulated future date. This shall be recorded at their foreign currency amounts and at their local currency equivalent at the applicable rate of exchange on transaction dates. Sub-control accounts shall be maintained for: (a) AFS issued by residents; and (b) AFS issued by non-residents. (for universal banks and commercial banks only)

2. "Available for Sale Securities Sold under Repurchase Agreements - FCDU/EFCDU" []

This represents the cost of foreign currency denominated bonds and other debt instruments sold under agreements whereby the selling bank shall buy back (repurchase) said securities from the purchaser on a stipulated future date. This shall be recorded at their respective foreign currency amounts. Sub-control accounts shall be maintained for: (a) AFS issued by residents; and (b) AFS issued by non-residents.

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3. "Held for Trading Securities Sold under Repurchase Agreements
– Foreign Regular" []

This represents the cost of foreign currency denominated government securities sold under agreements whereby the selling bank shall buy back (repurchase) said securities from the purchaser on a stipulated future date. This shall be recorded at their foreign currency amounts and at their local currency equivalent at the applicable rate of exchange on transaction dates. (for universal banks and commercial banks only)

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

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Officer-in-Charge

June 21, 2005