



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 311 Series of 2001

Pursuant to Monetary Board Resolution No. 1823 dated 15 November 2001, Section X240.2 of the Manual of Regulations for Banks is hereby amended by adding as last paragraph thereof, the following:

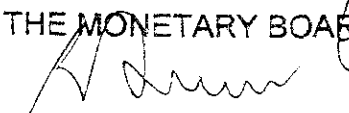
"Banks may not receive or hold as trustee, agent, administrator, financial manager, or other similar capacity, any fund or money from the Government and government entities: *Provided, however,* That government-owned banks may receive or hold as trustee, agent, administrator, financial manager, or other similar capacity, the following:

a. Funds of local government units (LGUs) which are expected to be available for investment purposes for a relatively long period of time: *Provided, further,* That the amounts held in trust or otherwise managed/advised for and in behalf of the LGUs shall be invested only in government securities, specifically, evidences of indebtedness of the National Government, the BSP and other evidences of indebtedness or obligations of government entities, the servicing and repayment of which are fully guaranteed by the National Government; and

b. Funds of Government and government entities which are authorized by special laws to be placed in trust."

This Circular shall take effect immediately.

FOR THE MONETARY BOARD:


RAFAEL B. BUENAVENTURA
Governor

10 December 2001



MAG-IMPOK SA BANGKO