



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2021-012

To : All Concerned Banks

Subject : Extension of Temporary Measures Implemented in the *Bangko Sentral ng Pilipinas'* (BSP) Rediscounting Facilities

The Monetary Board (MB), in its Resolution No. 108 dated 28 January 2021, approved the extension of the temporary measures implemented in the BSP's rediscounting facilities until 30 April 2021, subject to further extension as may be approved by the MB, as follows:

1. Reduction of the term spread on Peso rediscounting loans, relative to the BSP's Overnight Lending Rate, to zero, regardless of maturity (i.e. 1 to 180 days);
2. Reduction of the term spread on rediscounting loans under the Exporters' Dollar and Yen Rediscount Facility (EDYRF), thereby reducing the applicable United States Dollar (USD) and Japanese Yen (JPY) rediscount rates to the 90-day London Interbank Offered Rate, or in its absence, an applicable benchmark rate, such as the Secured Overnight Financing Rate, plus 200 basis points, regardless of maturity (i.e. 1 – 360 days);
3. Acceptance for rediscounting with the BSP under the EDYRF of the USD and JPY-denominated credit instruments related to the economic activities enumerated in Department of Trade and Industry Memorandum Circular No. 20-08 dated 20 March 2020, except for loans to banks and capital markets; *Provided, that*, these credits are booked under the regular banking unit of the rediscounting bank and are compliant with the requirements on eligible papers and collaterals under Section 282 of the Manual of Regulations for Banks (MORB); *Provided, further*, that the said USD- and JPY-denominated credits pertain only to those end-user borrowers operating during the enhanced community quarantine; and
4. Acceptance for rediscounting with the BSP of credit instruments compliant with the requirements on eligible papers and collaterals under Section 282 of the MORB, which were granted one-time sixty (60)-day grace period or longer as may be mutually agreed by the parties, pursuant to Section 4(uu) of Republic Act (RA) No. 11494, otherwise known as the "Bayanihan to Recover as One Act", subject to the submission of certification signed by the authorized officer(s) of the bank stating that the maturities of said credit instruments were extended pursuant to RA No. 11494.

In this regard, banks are expected to comply with the availment procedures set forth under Memorandum Nos. M-2020-016 dated 31 March 2020, M-2020-024 dated 08 April 2020 and M-2020-051 dated 17 June 2020.

For strict compliance.


BENJAMIN E. DIOKNO
Governor

05 February 2021