



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 235 **Series of 2000**

The Monetary Board, in its **Resolution No. 431** dated **March 17, 2000**, as amended by **Resolution No. 506** dated **March 31, 2000**, approved the following amendments to Sections 3.b) and 7.A.2 of Circular No. 147, dated October 24, 1997, as amended, and Subsection X342.3e. of the Manual of Regulations for Banks.

Section 1. Section 3.b) of Circular No. 147, as amended, is hereby further amended to read as follows:

"Section 3. Funds set aside in accordance with the foregoing requirements shall be made available for any of the following:

xxx xxx xxx

- b) committed credit lines provided that the credit line is evidenced/ supported by a credit line agreement or its equivalent executed between and signed by the bank and the borrower and is granted to an eligible small/medium enterprise as defined herein and provided further that the use of unavailed portion of the committed credit line shall not exceed 10% of direct loans actually extended to SMEs as indicated in the report for the period;"

Section 2. Section 7.A.2 of Circular No. 147, as amended, is hereby further amended, to read as follows:

"Section 7. Administrative Sanctions - The following administrative sanctions shall be imposed on banks:

A. xxx xxx xxx

1. xxx xxx xxx

2. xxx xxx xxx

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The reckoning period of the imposition of fines shall be from the end of the reference quarter until the date the bank has fully complied with the credit allocation requirements. The daily fines shall continue to run until the date of receipt by the appropriate supervising and examining department of the interim report accurately showing the bank's level of compliance with both the prescribed 6% and 2% credit allocation requirements. Violations uncovered, if any, at any time other than the quarter-end findings shall be subject to herein fines."

Section 3. Subsection X342.3e. of the Manual of Regulations for Banks is hereby amended to read as follows:

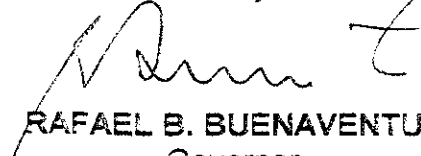
"§ X342.3 Eligible investments. Funds set aside in accordance with the foregoing requirement shall be made available for any of the following:

xxx xxx xxx

- e. Unavailed but committed credit lines which shall not exceed 10% of direct loans actually extended to SMEs as indicated in the report for the period."

This Circular shall take effect immediately.

For the Monetary Board:


RAFAEL B. BUENAVENTURA
Governor

April 3, 2000