



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 975

Series of 2017

Subject: Issuance of Bonds and Commercial Papers

The Monetary Board in its Resolution No. 1613 dated 22 September 2017, approved the amendments to pertinent provisions of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFi) on the issuance of bonds and commercial papers by banks with quasi-banking authority and quasi-banks.

Section 1. Section X239 of the MORB and Section 4239Q of the MORNBFi, are hereby amended to read as follows:

"Section X239/Section 4239Q (2008 - 4217Q) Issuance of Bonds and Commercial Papers. All banks with quasi-banking authority/quasi-banks (QBs) issuing bonds or commercial papers shall comply with Republic Act No. 8799 or the Securities Regulation Code and its Implementing Rules and Regulation, and other applicable rules and regulations issued by the Securities and Exchange Commission (SEC). Banks/QBs that will issue bonds and/or commercial papers shall ensure that they have adequate control system and effective liquidity risk management in place in accordance with Section X176/4176Q of the MORB/MORNBFi."

Section 2. Subsection X239.3 of the MORB and Subsection 4239Q.3 of the MORNBFi, are hereby amended to read as follows:

"Subsection X239.3/4239Q.3 (2008 - 4217Q.4) Notice to Bangko Sentral ng Pilipinas. Within five (5) banking days from approval by the bank's/QB's board of directors of the bond issue, the bank/QB shall notify the appropriate department of the SES of the approval of the bond issue, in accordance with *Appendix 6/Appendix Q-3*."

Section 3. Section X348 of the MORB is hereby amended to read as follows:

"Section X348 Committed Credit Line for Commercial Paper Issues. The following guidelines shall govern committed credit line agreements of banks with corporations proposing to issue commercial papers, pursuant to pertinent rules and regulations of the SEC.

Section 4. Subsections X239.1, X239.2, X239.4, X239.5 and Appendices 13 and 14 of the MORB and Subsections 4239Q.1, 4239Q.2, 4239Q.4, 4235Q.10, Appendices Q-7 and Q-8 of the MORNBFi are hereby deleted.

Section 5. Appendix 6 of the MORB shall be amended by including the report on *"Notice to Bangko Sentral on BOD's approval of the bond issue"* as required in Subsection X239.3 of the MORB.

Section 6. Appendix Q-3 of the MORNBFi shall be amended by: (a) renaming the required report in Subsection 4239Q.3 from *"Notice to Bangko Sentral on SEC's approval of bond issue together with the documents required by the SEC for the creation and registration of the bond issue"* to *"Notice to Bangko Sentral on BOD's approval of the bond issue"*; and (b) changing the submission deadline from "3rd business day from SEC approval" to "five (5) banking days from approval by the QB's board of directors".

Section 7. Effectivity

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

FOR THE MONETARY BOARD:

MA. CYD N. TUAÑO-AMADOR

MARIA ALMASARA CYD N. TUAÑO-AMADOR
Officer-In-Charge

10 October 2017