



Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

MEMORANDUM NO. M - 2006 - 004

To : ALL BANKS AND OTHER BSP SUPERVISED FINANCIAL INSTITUTIONS

Subject : Significant Time Lines Relative to the Implementation of R.A. No. 9182, also known as the "Special Purpose Vehicle Act", as amended by R.A. No. 9343.

R. A. No. 9343, which amends R. A. No. 9182, also known as the "Special Purpose Vehicle (SPV) Act", was signed into law on 24 April 2006. Based on the information provided by the Securities and Exchange Commission (SEC), R. A. No. 9343 was published on 29 April 2006, hence, it became effective on 14 May 2006.

The following are the significant time lines relative to the implementation of R.A. No. 9182 as amended by R. A. No. 9343:

a. Filing of Applications with the SEC for Establishing an SPV

Under Section 6 of R. A. No. 9182 as amended by R. A. No. 9343, applications for the establishment and registration of an SPV shall be filed with the SEC within eighteen (18) months from the effectivity of the amendatory Act or from 14 May 2006 up to 14 November 2007.

b. Sale/Transfer of Non-Performing Assets (NPAs) Entitled to Tax Exemptions and Fee Privileges

The following transactions enumerated as items 1 to 6 of Section 15 of the Implementing Rules and Regulations of the SPV Law are entitled to the tax exemptions and fee privileges under same Section only if such transactions occur within two (2) years from the effectivity of the amendatory Act or from 14 May 2006 to 14 May 2008:

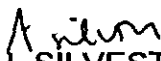
1. The transfer of the NPL by the FI to an SPV;
2. The transfer of the ROPOA by the FI to an SPV;

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3. The dacion in payment (dacion en pago) of the NPL by the borrower to the FI;
4. The dacion in payment (dacion en pago) of the NPL by a third party, on behalf of the borrower, to the FI;
5. The transfer of the NPL (secured by a real estate mortgage on a residential unit) by the FI to an individual; and
6. The transfer of the ROPOA (single family residential unit) by the FI to an individual.

For the purpose of determining whether a transaction occurred within the two-year period or from 14 May 2006 to 14 May 2008, relevant documents to support the application (e.g., Asset Sale and Purchase Agreement, Deed of Assignment, Deed of Dacion, etc.) should be notarized within the said two-year period.

For your guidance.


LENY I. SILVESTRE
Sector-in-Charge

23 June 2006