



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

CIRCULAR NO. 635
Series of 2008

Subject: Further amendment to the existing regulations governing the applicability of DOSRI rules and regulations to government borrowings from government-owned or -controlled banks/ non-bank financial institutions (NBFIs)

Pursuant to Monetary Board Resolution No. 1387 dated 23 October 2008, the provisions of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), on the applicability of DOSRI rules and regulations to government borrowings from government-owned or -controlled banks/NBFIs are hereby amended as follows:

Section 1. Item "2.c" of Subsection X337.1 of the Manual of Regulations for Banks (MORB) is hereby amended to read as follows:

- "2. Loans, other credit accommodations, and/or guarantees to: (a) GOCCs; and (b) corporations where the ROP, its agencies/ departments/bureaus, and/or GOCCs own at least twenty percent (20%) of the subscribed capital stock shall be considered indirect borrowings of the ROP and shall form part of the individual ceiling as well as the aggregate ceiling: *Provided*, That the following loans, other credit accommodations, and/or guarantees to GOCCs and corporations where the ROP, its agencies/departments/ bureaus, and/or GOCCs own at least twenty percent (20%) of the subscribed capital stock shall be excluded from the thirty percent (30%) ceiling on unsecured loans under Sections X330 and X331:

X X X

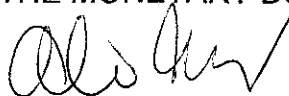
- c. Loans, other credit accommodations, and/or guarantees GRANTED FOR THE PURPOSE OF PROVIDING (i) WHOLESALE AND RETAIL LOANS TO the agricultural sector and micro, small and medium enterprises (MSMEs); AND/OR (ii) rediscounting and guarantee FACILITIES for loans granted to the SAID SECTOR OR ENTERPRISES;"

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Section 2. The foregoing amendment shall likewise apply to borrowings of GOCCs and corporations where the ROP, its agencies/departments/bureaus, and/or GOCCs own at least twenty percent (20%) of the subscribed capital stock from government-owned or -controlled NBFIs and accordingly amends the corresponding provisions of the Q- and N-Regulations of the MORNBFI.

Section 3. This Circular shall take effect fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:



ARMANDO L. SURATOS
Officer-in-Charge

10 November 2008