



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

Circular No. 546
Series of 2006

Subject: Participation in the Global Bond Offering of the Republic of the Philippines

The Monetary Board in its Resolution No. 1134 dated 14 September 2006 approved the following guidelines on the treatment of securities held by banks and other BSP-supervised financial institutions participating in the Global Bond Offering of the Republic of the Philippines for prudential reporting purposes:

"Securities booked under the Held to Maturity (HTM) category that are offered and accepted in the Global Bond Offering shall be exempted from the "tainting" provision of Circular No. 476 dated 16 February 2005, which prohibits financial institutions from using the HTM category and requires reclassification of the entire HTM portfolio to the Available for Sale (AFS) category during the reporting year and for the succeeding two full financial years whenever a financial institution sells or reclassifies more than an insignificant amount of HTM investments before maturity other than for reasons specified under the said Circular: *Provided:* That the securities rejected shall continue to be booked under the HTM category."

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:

ARMANDO L. SURATOS
Officer-In-Charge

21 September 2006

PANANALAPING MATATAG, BANSANG PANATAG