



Bangko Sentral ng Pilipinas
MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR No. 647

Series of 2009

Subject : Amendment to Circular No. 619, dated 22 August 2008, on the 20% Final Withholding Tax on Overnight Reverse Repurchase Transactions with the BSP

Pursuant to Monetary Board Resolution No. 348 dated 26 February 2009, in relation to Monetary Board Resolution Nos. 1301 and 1395, dated October 2 and 23, 2008, respectively, the overnight reverse repurchase transactions (RRPs) with the BSP from January 1, 2008 to August 22, 2008 shall be covered by the following guidelines, thereby amending Items 2 and 3 of Circular No. 619, to wit:

"2) With respect to the overnight RRP from January 1, 2008 to August 22, 2008¹, the concerned banks/quasi-banks shall reimburse the BSP the amount equivalent to 40% of the 20% FWT due thereon. However, banks/quasi-banks which choose to pay the whole 20% FWT shall remit the amount equivalent to the 60% balance thereof to the BIR, through the BSP as withholding agent. In both cases, payment of the FWT to the BSP shall be made on or before April 3, 2009, either in full or in three (3) installments; *provided*, that a bank/quasi-bank which intends to pay in installments shall remit the first payment on or before March 6, 2009, the second on or before March 20, 2009 and the last on or before April 3, 2009; *provided*, further, that payments due shall be deducted from the RDDA of concerned banks/quasi-banks. The BSP shall issue the certificate of final withholding tax reflecting the amount of the FWT paid.

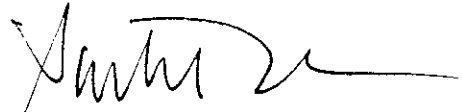
"3) Concerned banks/quasi-banks shall issue the corresponding debit authority to the BSP to cover the 20% FWT on their overnight RRP with the BSP as mentioned in Item 2 above."

¹ Interest income payments from January 1, 2008 to August 26, 2008.

PANANALAPING MATATAG, BANSANG PANATAG

This Circular shall take effect immediately. It shall be published in a newspaper of general circulation.

FOR THE MONETARY BOARD:

A handwritten signature in black ink, appearing to read 'Amando M. Tetangco, Jr.', written over a horizontal line.

AMANDO M. TETANGCO, JR.
Governor

3 March 2009