



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

Office of the Governor

Memorandum to All Banks and Non-Bank Financial Institutions Concerned

Pursuant to Monetary Board Resolution No. 468 dated 27 March 2003, Item F of the Memorandum to All Banks and Non-Bank Financial Institutions Concerned dated 17 February 2003 prescribing the guidelines for the issuance of unsecured subordinated debt (USD) eligible as Tier 2 (supplementary) capital under items b.b.1(8) and b.b.2(1), Subsection X116.1 of the Manual of Regulations for Banks (MOR) is hereby amended to read, as follows:

"F. ISSUANCE OVERSEAS OF UNSECURED SUBORDINATED DEBT

The overseas issuance of USD shall also be subject to the provisions of this memorandum, except for the following:

1. Overseas issuance of unsecured subordinated debt (USD) may be allowed to be governed by the laws and applicable rules and regulations of the country where the USD is to be issued with respect to form, qualified investors/buyers and subsequent sale or negotiation;
2. The requirements under Items A.c.i, E.3.f and E.3.g may be allowed to be dispensed with in cases of overseas issuance of USD; and
3. The subsequent sale/negotiation in the Philippines of USDs originally issued overseas shall not be allowed unless all the requirements for domestic issuance are complied with.

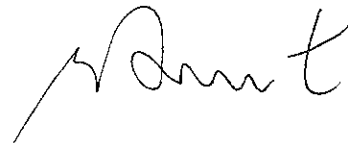


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It is however understood that the applicant/issuer shall also secure the approval of the International Operations Department (IOD) of the BSP for the overseas issuance of foreign currency denominated USD."

This Memorandum shall take effect after 15 days following the completion of its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:



RAFAEL B. BUENAVENTURA
Governor

20 May 2003