



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

CIRCULAR NO. 445 Series of 2004

The Monetary Board, in its Resolution No. 1126 dated 12 August 2004, approved the following guidelines for the recognition of positions arising from banks' foreign currency (FX) options in the computation of the net open foreign exchange (FX) position:

1. Scope

For purposes of complying with Circular No. 1327 dated 30 January 1992, as amended, universal and commercial banks with expanded derivatives authority shall include the net delta weighted positions of foreign currency options in their computation of the net FX position. Universal and commercial banks without expanded derivatives authority shall include the notional amounts of purchased options that are in or at the money and exclude those that are out of the money in their computation of the net FX position.

2. Reporting

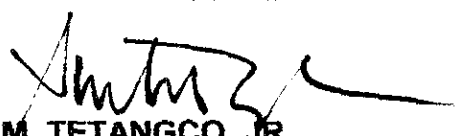
The USD equivalent of the positions arising from foreign currency options shall be reported as a manual adjustment to the net FX position amount reported in the bank's Consolidated Foreign Exchange Position Report (CFXPR). For banks with expanded derivatives authority, the USD equivalent of the foreign currency options position is equal to the sum of long delta-weighted positions minus the sum of short delta-weighted positions arising from FX options contracts. The breakdown of the options positions by currency and a listing of outstanding contracts shall be annexed to the CFXPR. The amended format of the CFXPR, the detailed schedule for options positions, and the listing of outstanding contracts for banks with and without expanded derivatives authority (Annex C of the CFXPR) are attached as Annexes "A", "B" and "B.1", "C" and "C.1". The new reports shall be submitted commencing 01 October 2004.

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MAG-IMPOK SA BANGKO

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

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Officer-In-Charge

20 August 2004

Attachments –

Please check appropriate box:

- ☐ For market makers
☐ For non-market makers

Deadline: Within 3 banking days
from reference date
Submission: SED I/SED II/SED III

NAME OF BANK
Consolidated Foreign Exchange Position Report
As of _____
(Amount in Thousand US Dollars)

	Bank			Forex Subsidiaries and/or Affiliates ^{1/}	Subsidiaries/Affiliates ^{1/}			Total
	Phils	Abroad	Sub-Total		Phils	Abroad	Sub-Total	
Foreign Exchange Assets								
Monetary Assets								
Non-Monetary Assets								
Add: Contingent Accounts								
Spot Purchases								
Forward Purchases								
Total Foreign Exchange Assets								
Foreign Exchange Liabilities								
Monetary Liabilities								
Non-Monetary Liabilities								
Add: Contingent Accounts								
Spot Sales								
Forward Sales								
Total Foreign Exchange Liabilities								
Net Foreign Exchange Position								
Add: DLPN Subject to FX Position Limit in US\$ ^{2/}								
Add/Subtract: Options Position ^{3/}								
Adjusted Net FX Position								
Unimpaired Capital in US\$ ^{4/}								
Ratio of Net FX Position to Unimpaired Capital								
a) Unadjusted								
b) Adjusted								

1/ Per attached list

2/ For market makers, refer to Annex A for details

For non-market makers, refer to Annex B for details

3/ Refer to Annexes C and C-1 for details

4/ Converted in accordance with Circular Letter dated
31 March 1992

Certified Correct:

Signature of Authorized Officer Over
Printed Name

Designation

Annex B

Annex C

For Universal and Commercial Banks with Expanded Derivatives Authority

(Name of Bank)

Summary of Delta-Weighted Positions of Foreign Currency Options per Currency

As of

[illegible]

Annex C

Annex C

For Universal and Commercial Banks Without Expanded Derivatives Authority

(Name of Bank)

Summary of Notional Amounts of Foreign Currency Options per Currency

(For Purchased In- or At-the-Money Options only)

As of _____

[illegible]

Annex B.1

Annex C-1

For Universal and Commercial Banks with Expanded Derivatives Authority

(Name of Bank)
Foreign Currency Options Purchased/Sold Outstanding
As of _____

	Date		Counterparty	Underlying Currency	Strike Price	Notional	Option Delta
	Purchased/Sold	Expiry					
<i>Please list all contracts under the appropriate headings.</i>							
OPTIONS PURCHASED							
a. Call Options							
1. FCDU Books							
2. Regular Books							
b. Put Options							
1. FCDU Books							
2. Regular Books							
OPTIONS SOLD							
a. Call Options							
1. FCDU Books							
2. Regular Books							
b. Put Options							
1. FCDU Books							
2. Regular Books							

Annex C.1

Annex C-1

For Universal and Commercial Banks Without Expanded Derivatives Authority

(Name of Bank)
Foreign Currency Options Purchased Outstanding
As of _____

	Date		Counterparty	Underlying Currency	Strike Price	Notional	Spot Rate
	Purchased	Expiry					
<i>Please list all contracts under the appropriate headings.</i>							
a. Call Options							
1. FCDU Books							
2. Regular Books							
b. Put Options							
1. FCDU Books							
2. Regular Books							