



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

CIRCULAR-LETTER

Series of 2003

TO : ALL UNIVERSAL AND COMMERCIAL BANKS

SUBJECT : Computation of the US\$ equivalent of Dollar Linked Peso Notes (DLPNs) issued by ROP in Tranches and the Amount of DLPNs to be excluded in the Bank's Daily Consolidated Foreign Exchange Position Report (CFXPR)

This is to clarify Circular-Letter dated March 4, 2002 requiring universal and commercial banks to include in their Daily FX Position Reports the US\$ equivalent of the DLPNs held by them, as a manual adjustment to the FX position amount in the Bank's daily CFXPR, which provides the following guidelines in the computation:

"The US dollar equivalent of the bank's holdings on the Notes shall be included in the computation of the bank's FX position after the initial 90 calendar days from issue date, to wit:

- a. For the banks that will be designated as market makers, exclude amount to the extent of 1 divided by the number of market makers multiplied by 50% of outstanding issue or 5% of total outstanding issue, whichever is lower; and
- b. For the other banks, exclude amount to the extent of 50% of the regulatory limit."

For item (a), the limit is a percentage of the outstanding issue and therefore, the amount of DLPN holdings to be excluded in the bank's FX position shall be calculated on a per tranche basis. On the other hand, the amount of DLPN holdings to be excluded in the bank's FX position for item (b) shall be determined on an aggregate basis, since the maximum exclusion is a percentage of the bank's regulatory limit.

Banks designated by the Bureau of Treasury and the joint financial advisors as market makers in one tranche shall be considered market makers for all tranches for the purpose of reporting DLPNs in the Bank's daily CFXPR.

Notwithstanding the bank's booking of its DLPN holdings, the US\$ equivalent of the bank's DLPN holdings for each tranche shall be the face amount or notional amount (even if the DLPN was revalued at marked-to-market price) divided by the applicable spot Peso/US\$ exchange rate determined on the issue dates.

Effective immediately, universal and commercial banks are required to submit their daily adjusted FX position reports using the attached Revised Bank's Daily CFXPR form with the corresponding Annexes A and B. Sanctions provided under Circular Letter dated August 29, 2001 shall apply for non-submission, delayed, erroneous or incomplete reporting of the daily CFXPR.


RAFAEL B. BUENAVENTURA
Governor

23 July 2003

MAG-IMPOK SA BANGKO

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 1/ Subsidiaries and/or Affiliates	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/								
Adjusted Net FX Position								
Unimpaired Capital in US\$ 3/								
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/ Converted in accordance with Circular Letter dated
March 31, 1992

Certified Correct:

Signature of Authorized Officer
Over Printed Name

Designation

Annex A
(For market makers)

Name of Bank

Computation of US\$ Equivalent of Bank's Dollar Linked Peso Note (DLPN) Holdings and
Amount of DLPNs to be Included in the FX Position Report
As of _____

DLPN Holdings	Outstanding DLPN per Books (PHP) (1)	Face Value/ Notional Amount (PHP) (2)	Exempt Amount (PHP) (3)	DLPNs subject to FX Position Limit (PHP) (4) = 2-3	Determined Spot PHP/US\$ Rate on Issue Date (5)	Face Value/ Notional Amount US\$ Equivalent (6)=2/5	Exempt Amount (US\$) (7)=3/5	DLPNs subject to FX Position Limit (US\$) (8)=4/5
I. Tranche I								
a. 2 Yr (2003) P3.5 B			175,000,000		51.986		3,366,291	
b. 3 Yr (2004) P3.5 B			175,000,000		52.051		3,362,087	
2. Tranche 2 - 3 Yr (2005) P5 B			250,000,000		53.676		4,657,575	
3. Tranche 3 - 3 Yr (2006) P5 B			250,000,000		53.382		4,683,227	
4. Tranche 4								
5. Tranche 5								
Total	PHP	PHP	PHP	PHP		US\$	US\$	US\$

- Notes: a. Column (3) is zero if column (2) is zero
b. Column (4) is zero if column (3) is > column (2)
c. Column (7) is zero if column (6) is zero
d. Column (8) is zero if column (7) is > column (6)

NAME OF BANK

Computation of US\$ Equivalent of Bank's Dollar Linked Peso Note (DLPN) Holdings and
Amount of DLPNs to be Included in the FX Position Report
As of _____

	Outstanding DLPN Per Books (PHP) (1)	Face Value/ Notional Amount (PHP) (2)	Determined Spot PHP/US\$ Rate on Issue Date (3)	Face Value/Notional Amount US\$ Equivalent (4)=2/3
A. DLPN Holdings				
1. Tranche I				
a. 2 Yr (2003) P3.5 B			51.986	
b. 3 Yr (2004) P3.5 B			52.051	
2. Tranche 2 - 3 Yr (2005) P5 B			53.676	
3. Tranche 3 - 3 Yr (2006) P5 B			53.382	
4. Tranche 4				
5. Tranche 5				
6. Total	PHP	PHP		US\$
B. Exempt Amount				
1. US\$ Equivalent of Unimpaired Capital			US\$	
2. FX Position Limit (2.5% of B.1 or US\$5 million whichever is lower)			US\$	
3. Exempt Amount (50% of B.2)				US\$
C. DLPNs subject to FX Position (A.6-B.3)				US\$

Note: C is zero if B.3 is > A.6