



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2021-072

To : **All Concerned Banks**

Subject : **Extension of Temporary Measures Implemented in the *Bangko Sentral ng Pilipinas*' Rediscounting Facility**

The Monetary Board (MB), in its Resolution No. 1779 dated 23 December 2021, approved the extension of the temporary measures implemented in the *Bangko Sentral ng Pilipinas*' (BSP) rediscounting facility until 31 March 2022, subject to further extension as may be approved by the MB, as follows:

1. Reduction of the term spread on Peso rediscounting loans to zero, thereby equating the Peso rediscount rate to the BSP's Overnight Lending Rate, regardless of maturity (i.e. 1 to 180 days);
2. Reduction of the term spread on rediscounting loans under the Exporters' Dollar and Yen Rediscount Facility (EDYRF), thereby reducing the applicable United States Dollar (USD) and Japanese Yen (JPY) rediscount rates to the 90-day London Interbank Offered Rates, or in their absence, an applicable benchmark rate, such as the Secured Overnight Financing Rate, plus risk premium, regardless of maturity (i.e. 1 to 360 days); and
3. Acceptance for rediscounting with the BSP under the EDYRF of the USD- and JPY-denominated credit instruments related to enterprises allowed to operate during the enhanced community quarantine of Luzon, as provided in the Department of Trade and Industry Memorandum Circular No. 20-08, except for loans to banks and capital markets; *Provided, that, these credits are booked under the regular banking unit of the rediscounting bank and are compliant with the requirements on Eligible papers and collaterals under Section 282 of the Manual of Regulations for Banks; Provided, further, that the said USD- and JPY-denominated credits pertain only to those end-user borrowers operating during the enhanced community quarantine.*

In this regard, banks are expected to comply with the availment procedures set forth under Memorandum Nos. M-2020-016 dated 31 March 2020, M-2020-024 dated 08 April 2020, M-2020-051 dated 17 June 2020 and M-2020-056 dated 16 July 2020.

For strict compliance.

Digitally signed by
Benjamin E. Diokno
Date: 2021.12.28
13:13:56 +08'00'

BENJAMIN E. DIOKNO
Governor

28 December 2021