

REGISTRATION OF FOREIGN/FOREIGN CURRENCY LOANS NOT REQUIRING PRIOR BSP APPROVAL

- Description** : The BSP registration authorizes the client to purchase foreign exchange from authorized agent banks (AABs) and AAB-foreign exchange corporations (forex corps) for loan payments on scheduled due dates indicated in the Bangko Sentral Registration Document (BSRD).
- Clients** : Private domestic entities whose foreign/foreign currency loans do not require BSP approval prior to registration and fall under any of the following categories as stated in Section 24 of the Manual of Regulations on Foreign Exchange Transactions (FX Manual), as amended (http://www.bsp.gov.ph/regulations/reg_MORB.asp), may apply for registration:
1. Short-term loans in the form of export advances from buyers abroad;
 2. Short-term loans of private exporters/importers from other offshore sources/creditors;
 3. Private sector loans not guaranteed by foreign governments/official export credit agencies covering importation of freely importable commodities under deferred L/Cs or D/A-O/A arrangements with a term of more than one (1) year;
 4. Private sector intercompany loans granted by foreign companies to their local branches/subsidiaries, irrespective of amount and maturity. Intercompany loans shall include those granted by foreign branches and wholly-owned subsidiaries of a foreign parent company as well as other subsidiaries of the parent company but shall exclude those loans that are intended to refinance existing obligations, provided, that in the case of other subsidiaries, the loan/s shall be fully guaranteed by the parent company; and
 5. Loans of resident private sector borrowers from offshore sources that are not guaranteed by public sector entities to finance the Government's Public-Private Partnership (PPP) projects. These loans may be obtained without prior BSP approval until 28 December 2016. However, if financing for the PPP projects will be in the form of offshore issuances of peso-denominated instruments, the provisions of Section 31.2 shall apply.

Documents Required	: See Annex E3-A
Schedule of Service Availability	: Submission via the online Foreign Loan Approval and Registration System (FLAReS) Banking days: 8:00 AM to 5:00 PM
Contact Information	: International Operations Department (IOD), Rm. 301, 3rd floor 5-Storey building, Bangko Sentral ng Pilipinas, A. Mabini cor. P. Ocampo Sr. Sts., Malate, Manila Trunkline: (02) 708-7701 local 2716/2842 (Admin); Direct Lines: (02)306-2523 (Director); (02) 708-7109 [Deputy Director (DD), IOG I]; (02) 708-7108 (DD, IOG II); and (02) 708-7684 (DD, IOG III); Facsimile: (02) 306-3091
Total Processing Time	: Maximum of 30 banking days counted from the date when all BSP requirements have been submitted/complied with by the client. (To ensure thorough verification and analysis of the documents/information submitted to IOD considering the volume of requests and supporting documents/information received, and complexity of transactions involved.)
Total fees	: Amounts indicated under Appendix 20 of the FX Manual which, unless amended, shall be: <ul style="list-style-type: none"> a. 0.02 percent of the loan amount applied for registration, with a minimum of US\$400 and maximum of US\$100,000. The fees shall be paid through the participating AABs in the peso equivalent using the BSP reference rate one (1) banking day preceding the date of order of payment generated through FLAReS. b. An additional fee equivalent to ten (10) percent of the applicable processing fee shall be charged for foreign loan registration that are not included under the client's Foreign Borrowings Plan amounting to at least US\$10 million previously submitted to IOD.

STEP NO.	CLIENT STEP	BSP ACTION	OFFICE RESPONSIBLE/ LOCATION	DOCUMENT(S) REQUIRED	DOCUMENT(S) GENERATED
<p>Note: For clients with existing Foreign Loan Approval and Registration System (FLARes) account, skip steps 1 to 4. For system and technical matters, clients may send an electronic mail at FLARes@bsp.gov.ph</p>					
1	Download FLARes User Account Request (UAR) Form from the BSP website (http://www.bsp.gov.ph/regulations/reg_others.asp)				UAR Form
2	Submit two (2) hardcopies of duly accomplished UAR Form together with covering letter and the required supporting documents to the Office of the Managing Director, International Sub-Sector (OMD-ISS)	a. Receives and validates the submitted UAR Form; b. Mails the User Account, PIN and Installation Guide for the installation of the FLARes Digital Certificate (FLARes CA) to client	Analyst and Administrative Staff IOD & OMD-ISS/3F, 5-Storey Building	1. Covering letter; 2. UAR Form; 3. Sworn Certification (attached herewith); 4. Latest General Information Sheet submitted to the Securities and Exchange Commission (SEC). Firms which do not have previous loan transactions with IOD should also submit Articles of Partnership/ Incorporation and any amendments thereto, duly registered with the SEC.	1. User Account; 2. PIN; 3. Installation Guide for the installation of FLARes CA

STEP NO.	CLIENT STEP	BSP ACTION	OFFICE RESPONSIBLE/ LOCATION	DOCUMENT(S) REQUIRED	DOCUMENT(S) GENERATED
3	Request for a FLAReS CA using designated computer of each user (following instructions in the Installation Guide)	Validates the electronic request and issues the FLAReS CA	Analyst IOD/3F, 5-Storey Building	Electronic request	FLAReS CA
4	a. Install the FLAReS CA; b. Log in to the FLAReS website using the User Account (User ID and password) earlier provided.				
5	a. Submit application form through FLAReS; b. Generate an Order of Payment (OP)	FLAReS automatically acknowledges receipt of application			1. Acknowledgment of receipt generated through FLAReS; 2. OP generated through FLAReS
6	Present OP to participating banks (Bank of the Philippine Islands, BDO Unibank, Inc.*, Landbank of the Philippines and Philippine National Bank as of 30 October 2013) and settle the processing fee within the validity of the OP			1. OP generated through FLAReS; 2. Payment	Official receipt from bank

STEP NO.	CLIENT STEP	BSP ACTION	OFFICE RESPONSIBLE/ LOCATION	DOCUMENT(S) REQUIRED	DOCUMENT(S) GENERATED
7	a. Submit duly accomplished application form with covering letter and documents/information required together with copy of official receipt to IOD; b. Accept receiving copy of the application	a. Receives and checks completeness of documents/ information submitted against checklist in the application form and covering letter from client; b. Stamps client's receiving copy of the application	Analyst and Administrative Staff IOD/3F, 5-Storey Building	1. Covering letter; 2. Application form complete with documents and information required therein; 3. Copy of official receipt from bank	Duly stamped client's receiving copy of the application for registration of foreign/foreign currency loan
		Evaluates application**, prepares appropriate documents, and faxes BSRD to client	Analyst IOD/3F, 5-Storey Building		1. BSRD (facsimile); 2. Facsimile transmission sheet; and 3. Client Satisfaction Survey
8	Present facsimile copy of the BSRD and/or letter from the client authorizing bearer to pick up original document from IOD	a. Checks identity of the bearer; b. Releases original BSRD to client	Administrative Staff, IOD/3F, 5-Storey Building	1. Facsimile copy of the BSRD and/or authorization letter; 2. Valid ID of client's representative	

STEP NO.	CLIENT STEP	BSP ACTION	OFFICE RESPONSIBLE/ LOCATION	DOCUMENT(S) REQUIRED	DOCUMENT(S) GENERATED
9	a. Receive original BSRD and sign releasing copy of IOD; b. Submit duly filled-out Client Satisfaction Survey		Administrative Staff, IOD/3F, 5-Storey Building		Original BSRD and Client Satisfaction Survey
END OF TRANSACTION					

** Selected branches only*

*** Client shall be informed for any non-compliance and clarifications.*

ANNEX E3-A

Requirements:

For registration of foreign/foreign currency loan/s not requiring prior BSP approval:

1. An application form must be submitted together with the required supporting documents and information within ten (10) banking days from drawdown date for short-term loans and three (3) months from utilization of loan proceeds for medium and long-term loans.
2. Applications will be processed upon payment of processing fee to any participating bank and submission to IOD of copy of the official receipt (see Total Fees); and submission of complete documentary requirements.
3. For registration of foreign loan involving amounts of more than US\$10 million, the loan must be included in the client's Foreign Borrowings Plan which should be submitted every end-September for borrowings for the following year;
4. The loan agreement must be unnotarized and have terms reflective of those prevailing in the international capital markets;
5. The loan must have financed any of the eligible projects/activities under Section 25 of the FX Manual which, unless amended, shall be the following:
 - a. Export-oriented projects;
 - b. Projects registered with the Board of Investments (BOI);
 - c. Priority investment areas under the current Investment Priorities Plan (IPP);
 - d. Activities listed in the current Medium-Term Public Investment Program (MTPIP);
 - e. Development of industrial estates and economic zones;
 - f. Socialized/Low-cost housing projects;

- g. Acquisition of non-performing assets/loans (NPAs/NPLs) of banks and other government financial institutions (GFIs);
- h. Acquisition of government assets approved for privatization;
- i. Other projects that may be declared priority under the country's socio-economic development plan by the National Economic and Development Authority or by Congress;
- j. Refinancing of existing loans used for eligible projects/costs which are eligible for servicing using foreign exchange sourced from AABs or AAB-forex corps; and
- k. Microfinance activities.

Short-term loans shall finance exclusively FX requirements of eligible projects, except as may be specifically allowed under the FX Manual. Medium- and long-term loans may finance FX costs as well as peso costs (excluding working capital) of eligible projects.