



**BANGKO SENTRAL NG PILIPINAS**

OFFICE OF THE DEPUTY GOVERNOR  
SUPERVISION AND EXAMINATION SECTOR

**MEMORANDUM NO. M-2013- 033**

**To: ALL BSP SUPERVISED FINANCIAL INSTITUTIONS**

**Subject: Frequently Asked Questions on the Updated Report on Non-Deliverable Forwards Transactions**

**1. Are banks with no NDF transactions required to submit the report?**

Consistent with the implementing guidelines on the submission of reports on derivatives transactions under Memorandum No. M-2008-009 dated 27 February 2008; the non-submission of NDF report shall be taken as a complete absence of any NDF activity undertaken by the Bank, *i.e. no outstanding NDF transactions as of reporting date and no NDF transactions engaged in during the day.*

**2. Does the report only require NDF transactions involving Philippine Peso?**

No. All NDF transactions should be reported including transactions between two currencies not involving the Philippine Peso.

**3. What is the currency contracted "Base" and "Settlement"?**

The currency contracted "Base" refers to the currency of the Notional Amount. While the currency contracted "Settlement" refers to the currency being hedged/protected against the fluctuations of another currency.

*For Example:*

*You are hedging your Philippine Peso against the fluctuation of the USD. The "Base" is the USD and the Php is the "Settlement".*

**4. On the "Spot Exchange Rate vs Php" column, what is the spot exchange rate to be used?**

The spot exchange rate to be used will be the spot exchange rate that became the basis for the forward rate that was agreed upon.

**5. If the NDF transaction does not involve Philippine Peso, is there a need to fill out the "Spot Exchange Rate vs Php" column?**

No. There is no need to fill out the "Spot Exchange Rate vs Php" column.

**6. What would be the cut-off date for the Unimpaired Capital subject to the limits?**

Within the reference month of the NDF report, the month-end unimpaired capital of two months prior to the said reference month will be used as reference for the limits.

*For Example:*

*NDF reports for May 2013 transactions will use the 2013 March-end balance as reference for the limits.*

**7. When converting the peso unimpaired capital, what would be the closing USD exchange rate of the reference cut-off date of the unimpaired capital?**

The reference rate that will be used will be the PDS closing exchange rate of the preceding day of the reference cut-off date.

For example:

The May 15 NDF report will use the May 14 PDS closing exchange rate for the conversion of the unimpaired capital that will be the basis for the limits of the May 15 NDF transactions.

For information and guidance.

  
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