



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1080

Series of 2020

Subject: **Operational relief measures for foreign exchange (FX) transactions under the Manual of Regulations on Foreign Exchange Transactions (FX Manual), as amended**

To provide operational relief to the stakeholders of the Bangko Sentral ng Pilipinas (BSP), the Monetary Board under its Resolution No. 440.A dated 26 March 2020 approved the following revised operational procedures for the duration of the declaration of "community quarantine"¹ by the Office of the President (OP), or as may be extended by the BSP:

I. Coverage

The operational relief measures shall be effective for the duration of the declaration of "community quarantine"¹ by the OP, or as may be extended by the BSP.

II. Mechanics

On submission of documents:

1. Applications for approval and registration of foreign/foreign currency loans/borrowings/investments required to be submitted in hard copy under the FX Manual, including all supporting documents, shall be submitted in soft copy as follows:

Applications	Email addresses
For approval of public sector foreign/foreign currency loans/borrowings	rquintos@bsp.gov.ph jevangelista@bsp.gov.ph
For approval/registration of private sector foreign/foreign currency loans/borrowings	rosetan@bsp.gov.ph eevangelistajr@bsp.gov.ph
For registration of inward foreign investments	yeungjr@bsp.gov.ph cc: antoniocc@bsp.gov.ph

2. Monetary penalties for delays incurred in the submission of reports to the BSP-International Operations Department (IOD) due during the period covered by this Circular or as may be extended, and up to one (1) month thereafter will not be imposed by the BSP. However, the BSP may require reports/information necessary for its function to ensure monetary and financial stability.

3. Documentary requirements for the sale of FX by authorized agent banks (AABs)/AAB forex corps may be submitted through electronic means, including

¹ Any form of community quarantine declared by the OP (e.g., general/enhanced/extreme enhanced community quarantine)

BSP-issued documents required to be submitted/presented in hard copy to the FX-selling institution [e.g., original Bangko Sentral Registration Documents (BSRDs)]; Provided, that: (a) the transmittal shall be done through official emails/electronic or digital channels/systems; (b) the transaction is still subject to the bank's due diligence/"Know Your Customer"/risk management policies; (c) the AABs/AAB forex corps will adopt appropriate and prudent operational control measures; and (d) the transaction will be duly reported to the BSP.

4. Documents² with e-signatures/digital signatures, and soft copies of duly accomplished forms [e.g., Application for Registration of Foreign/Foreign Currency Loans/Borrowings (Annex D.2.B), Application for Registration of Foreign Investments (Annex W) and Application to Purchase FX (Annex A)] or other documentary requirements without the e-signatures/digital signatures/required notarizations may be accepted by the BSP or FX-selling/remitting institutions; Provided, that: (a) the authorized signatory of such documents shall send these via official email/electronic or digital channels/systems; (b) the authorized signatory shall send in a separate email an attestation that the document submitted (indicating the time, date and subject of email) from the same email address: (i) is authentic; (ii) was transmitted via official email/electronic or digital channel/system; and (iii) is available and may be submitted to the BSP or FX-selling/remitting institution (in hard copy of original or photocopy/duly notarized, as required under the FX Manual) after the period covered by this Circular and/or as requested by the BSP or FX-selling/remitting institution.

On prescriptive periods:

5. The grace period (from 8 March 2019 to 7 March 2020) for registration of foreign investments unregistered as of 8 March 2019 beyond the prescriptive period under Circular No. 1030 dated 5 February 2019 shall be re-opened from 8 March 2020 up to the period covered by this Circular and one (1) month thereafter. Moreover, investments for registration with the BSP whose prescriptive period shall end on 8 March 2020 up to the period covered by this Circular shall likewise be given a grace period of up to one (1) month thereafter.

6. The prescriptive periods for: (a) submission of Notice to BSP for new foreign loans/borrowings and any changes in the loan's/borrowing's financial terms and conditions (including cancellations whether in partial/full); and (b) submission of application for registration of foreign loans/borrowings, due for the period covered by this Circular and up to one (1) month thereafter are temporarily lifted.

On applicable processing fees:

7. Applicable processing fees under Appendix 20 of the FX Manual for applications covering foreign/foreign currency loans/borrowings of the private sector with FX obligations (e.g., interest payments and principal repayments) due³ within the period covered by this Circular shall be waived.

² Including documents required to be submitted among AABs (e.g., certificate of inward remittance, BSRD Letter Advice) for transactions related to foreign investments registered by AABs

³ The borrower shall submit to the BSP-IOD proof of the FX obligation due, showing the date and amount due on the loan (e.g., billing statement from the creditor for the specific loan).

8. Applicable processing fees under Appendix 20 of the FX Manual for applications covering foreign/foreign currency loans/borrowings of the private sector without FX obligations (e.g., interest payments and principal repayments) due within the period covered by this Circular shall still be assessed prior to processing the application pursuant to Appendix 20 of the FX Manual.

On BSP-issued documents:

9. All BSP-issued documents (e.g., BSRD and Implementing Letter) for the period covered by this Circular will be in electronic form. AABs/AAB forex corps shall verify with the IOD the authenticity of the copy of the electronically-issued document sent by the FX purchaser prior to FX sale thru email to the addresses listed in Item No. 1 of this Circular indicating, as applicable, the BSRD No./Reference No., date issued, borrower/investor, creditor/investee and amount/shares registered/approved, with subject "FX sale - under temporary policy".

III. Effectivity

This Circular shall take effect immediately.

FOR THE MONETARY BOARD:



BENJAMIN E. DIOKNO
Governor

27 March 2020