**Guidelines Covering Inward Investments   
under Section 37 of the FX Manual**

The following guidelines shall apply to registration, repatriation/ remittance, and reporting of inward investments under Section 37 of the   
FX Manual:

1. **Registration with the BSP through registering AABs[[1]](#footnote-2)**
2. Investments under Section 37 made by the non-resident investor shall be registered upon: (i) submission by the non-resident investor, or his duly authorized representative to the registering AAB of the applicable supporting documents (i.e., proof of funding and investment made) under Appendix 10.C of the FX Manual and a duly accomplished “Authority to Disclose Information” form under Appendix 10.4; and (ii) reporting thereof by the registering AAB to the BSP using the Report on Foreign Investments Registered with the BSP through AABs (Annex R) and confirmation of receipt of the report submitted by the registering AAB to the BSP.
3. To facilitate the reporting of each investment of the non-resident to the BSP by the registering AAB, a single BSP Reference Number[[2]](#footnote-3) shall be issued by a registering AAB to a non-resident investor for all his investments in instruments under Section 37.1 of the FX Manual, except for item g thereof. A separate BSP Reference Number shall be issued to a non-resident investor exclusively for all investments in the following:
   1. Securities issued by non-residents and are listed at an onshore exchange[[3]](#footnote-4) (with the suffix “NR” in the BSP Reference Number); and
   2. Instruments under Section 37 of the FX Manual funded by peso proceeds of non-residents’ securities listed at an onshore exchange2 (with the suffix “P” in the BSP Reference Number).
4. For initial registration[[4]](#footnote-5), the registering AABs shall submit to BSP-IOD   
   at iod\_imag\_fi\_aab@bsp.gov.ph, the BSP Reference Number issued in the name of the non-resident investor using the Report on Foreign Investments Registered with the BSP through AABs (Annex R), together with the Authority to Disclose Information (Appendix 10.4), within two (2) banking days from actual settlement date or date of compliance with Appendix 10.C.

The supporting documents (e.g., those listed under Appendix 10.C of the FX Manual) shall remain in the custody of the registering AABs but shall be made available upon request by the BSP for verification purposes.

1. All changes in the investments4 (e.g., additional investments, reduction in investments, stock/property dividend distribution, transfers) shall be reflected in the records of the investor maintained by the registering AABs.

Additional investments covering uplifted/transferred shares to an onshore exchange issued by non-residents and previously listed in an international exchange shall likewise be reflected.

Transactions[[5]](#footnote-6) pertaining to investments funded by inward remittance of FX and repatriation shall be reported to the BSP-IOD by the registering AAB within two (2) banking days from actual settlement date or date of compliance with Appendix 10.C or actual remittance date (as applicable) under the Report on Foreign Investments Registered with the BSP through AABs (Annex R).

1. Registration covering investments in peso time deposits shall also reflect: (a) extensions/roll-overs[[6]](#footnote-7) of the investment, if any; or (b) cancellation of the registration for such investments (if deposits are pre-terminated before 90 days).
2. For instruments used as collateral acquired from non-residents and residents involving transfer of legal/beneficial ownership of the collateral to the non-resident investor/transferee/lender, the registering AAB shall:   
   (a) annotate the ledger of the original non-resident investor/transferor/ borrower to reflect such transfer; and/or (b) issue a new BSP Reference Number (in case the new non-resident investor/transferee/lender has no existing BSP Reference Number) or annotate the ledger (in case new   
   non-resident investor/transferee/ lender has an existing BSP Reference Number), to allow servicing using FX resources of AABs/AAB forex corps by the new non-resident investor/transferee of earnings accruing on the transaction/arrangement involved.

For the duration of the agreement involving instruments used as collateral, the AABs shall ensure that the terms of the agreement, as well as applicable provisions hereof, will be complied with (e.g., sale of collateral).

Upon the termination of the contract (as applicable) where the new   
non-resident investor/transferee/lender shall return the same or equivalent securities to the original investor/transferor/borrower, the registering AAB shall annotate the ledger of the new non-resident investor/transferee/lender to cancel the registration of the same or equivalent securities to be returned to the original investor/transferor/borrower. The registering AAB shall annotate the ledger of the original non-resident investor/borrower for the securities returned.

1. **Repatriation of capital/remittance of related earnings**
2. AABs/AAB forex corps may sell FX to the non-resident investor or his authorized representative (whether resident or non-resident) without prior BSP approval the equivalent of peso sales/divestment proceeds and related earnings from BSP-registered inward investments for remittance to the   
   non-resident investor/intended beneficiary (whether onshore or offshore) evidenced by the supporting documents listed under [Appendix 1](file:///E:\(04)%20Circular%20and%20Attachments\Attachments\(15)%20Power%20Microfinance%20ETFs%20PDRs%20New%20Proposals\02%20After%20Meeting%20With%20Gov%2027%20March%202017\WITH%20RED%20AND%20STRIKETHROUGH\Attachments\Appendix%201.doc).4 of the   
   FX Manual.
3. In cases when the FX sale/repatriation/remittance will be done by an AAB that is not the registering AAB, the latter shall issue[[7]](#footnote-8) a Letter Advice[[8]](#footnote-9) (LA) [using the prescribed form under Appendices 10.3A or 10.3B, as applicable] authorizing the FX selling/remitting AAB to use (in full or partially) the outstanding investments covered by the BSP Reference Number/s. The remitting AAB shall only effect the remittance evidenced by the supporting documents listed under [Appendix 1](file:///E:/(04)%20Circular%20and%20Attachments/Attachments/For%20discussion_022018/Appendix%201.doc).4 of the FX Manual.
4. An LA may also be issued by a registering AAB in favor of another registering AAB for: (a) transactions involving peso sales proceeds of a registered investment which will: (i) fund a new investment to be registered by the latter; and (ii) be deposited in the non-resident investor’s account with the latter bank; (b) transfer of registered foreign investments; and (c) transfer of funds in interim peso deposit accounts (IPDs).

4. Each LA shall have a validity of one (1) month from its issuance/reissuance date. An unutilized and expired LA shall be applied for reissuance with the originating registering AAB until fully utilized/cancelled.

An expired LA can no longer be used for: (a) FX sale by AABs/AAB forex corps to service capital repatriation/remittance of earnings; or (b) transfer of peso sales proceeds of a registered investment to an AAB other than the originating registering AAB for: (i) registration of a new investment;   
or (ii) deposit to the IPD account of a non-resident; or (c) transfer of registered foreign investments; or (d) transfer of funds between IPDs of a non-resident investor in different registering AABs.

Lost and unutilized LA shall be applied for replacement with the originating registering AAB supported by an Affidavit of Loss. The affidavit of loss should attest to the following: (i) loss of the LA;   
(ii) the reason/circumstances surrounding the loss; (iii) affirmation that diligent search for the document/s declared lost has been done;   
(iv) the investment remains intact and exists to date; and (v) the BSP Reference Number/s and date/s, as applicable.

1. **Reporting** 
   * 1. All transactions on registered investments shall be reported by the registering/remitting AABs to BSP-IOD at iod\_imag\_fi\_aab@bsp.gov.ph[[9]](#footnote-10) within two (2) banking days from: (i) actual settlement date or date of compliance with Appendix 10.C (for the Newly-issued BSP Reference Number and Inward Investment sheets); or (ii) actual remittance date (for the Repatriation sheet) under the Report on Foreign Investments Registered with the BSP through AABs[[10]](#footnote-11) (Annex R), together with the Report on Funding for Foreign Investments Registered with the BSP through AABs [Annex S]   
        (as applicable).

The AABs shall make available the documents (e.g., those listed in Appendix 1.4) upon request by the BSP for verification purposes.

* + 1. Registering AABs shall likewise submit to the BSP-IOD at   
       [iod-pid@bsp.gov.ph](mailto:iod-pid@bsp.gov.ph) the following, using the prescribed forms:
       - 1. Report on Foreign Direct Investments Registered with the BSP through AABs (Annex AD) on a monthly basis within five (5) banking days from end of reference month; and
         2. Report on Outstanding Balances of Foreign Investments Registered with the BSP through AABs (Annex AB) on a quarterly basis within 15 banking days from end of reference quarter.

1. Inward investments need not be registered unless the repatriation of capital and/or the remittance of related earnings shall be funded with FX resources of AABs/AAB forex corps. [↑](#footnote-ref-2)
2. Formerly the BSRD Number. The BSP Reference Number follows the same field format as the BSRD Number, i.e., AXXXXXX-BBBB where “AXXXXXX” is the pre-assigned alphanumeric BSP Reference Number for the non-resident investor’s account with the registering AAB, and “BBBB” is the numeric code assigned by the BSP to the registering AABs of the account. [↑](#footnote-ref-3)
3. Such as uplifted shares from an offshore exchange [↑](#footnote-ref-4)
4. Including transactions involving instruments used as collateral and securities borrowed/lent [↑](#footnote-ref-5)
5. Refer to items 11.A and 11.B of Appendix 11.1B for the list of transactions to be reported [↑](#footnote-ref-6)
6. Extension/roll-over after the 90-day minimum tenor is allowed provided that extension/ roll-over is made on the maturity date of the investment. [↑](#footnote-ref-7)
7. Upon request by the FX selling/remitting bank [↑](#footnote-ref-8)
8. Registering AABs may issue the LA in electronic form [↑](#footnote-ref-9)
9. The subject line of the email shall indicate the following: Report on Foreign Investments Registered with the BSP through AABs <bank name> <report date>. This format shall likewise be the filename convention for the attached report [↑](#footnote-ref-10)
10. In accomplishing the report, AABs shall be guided by Appendix 11.1B. [↑](#footnote-ref-11)