



# BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 918

Series of 2016

**Subject: Amendments to the Manual of Regulations on Foreign Exchange Transactions (FX Manual), as amended**

Pursuant to Monetary Board Resolutions No. 237 and No. 1282 dated 12 February and 21 July 2016, respectively, the following provisions of the Manual of Regulations on Foreign Exchange Transactions (issued under Circular No. 645 dated 13 February 2009, as amended) are further revised as follows:

**"Section 36. Registration with the BSP.** The following inward foreign investments shall be registered with the BSP:

1. Inward foreign direct investments under Section 34; and
2. Inward foreign portfolio investments in other peso-denominated debt instruments under Item No. 4 of Section 35.

All applications<sup>1</sup> for registration of foreign direct investments (Annex W) under Section 34 shall be filed with the BSP, through the International Operations Department, within one (1) year to be reckoned from the following dates:

Particulars	Reckoning date
a. Cash Investment	Date of inward remittance of foreign exchange
b. Investments in Kind	Date of actual transfer of assets to the Philippines
c. Foreign direct investments whose funding are recorded under the "Deposits for Stock Subscription" (DSS) account	<p>If DSS is recorded as equity in the investee firm's books pursuant to SEC rules: Date of SEC approval of the increase in authorized capital stock (ACS) of the investee firm that will accommodate the number of shares covered by the investment for registration.</p> <p>If DSS is recorded as liability in the investee firm's books:</p> <ol style="list-style-type: none"><li>i. Date of SEC's action (approval of the increase in ACS; confirmation of valuation of liability; or confirmation of exempt transaction) if the investee firm is a corporation;</li><li>ii. Date of Partnership Resolution approving the conversion if the investee firm is a partnership; and</li><li>iii. Date of the covering agreement/effectivity date of the conversion if the investee firm is a branch/representative office/regional headquarter/regional operating headquarter.</li></ol>

<sup>1</sup> Applications for registration of foreign direct investments, which have not yet been filed with the BSP-IOD after the expiration of the prescriptive period for filing of such applications, may still be filed with the BSP-IOD up to 1 September 2017, subject to compliance with the registration requirements under this Manual and payment of a fixed processing fee of PHP10,000.00 per Bangko Sentral Registration Document to be issued.


Particulars	Reckoning date
d. Transfers between non-residents of previously registered FDIs where payment was made offshore in foreign exchange	Date of signing of the Deed of Sale/Assignment covering the transfer

A Bangko Sentral Registration Document (BSRD) shall be issued by the BSP evidencing registration of such investments."

Appendix 10 (Procedures and Documentary Requirements for the Registration of Inward Foreign Investments and Other Investments) of the Manual has been revised to incorporate the documentary requirements for the registration of foreign direct investments whose funding is recorded under the DSS account and booked as equity.

*Effectivity.* This Circular shall take effect on 1 September 2016.

FOR THE MONETARY BOARD:

  
**DIWA C. GUINIGUNDO**  
Officer-In-Charge

2 August 2016

(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and as amended by Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013, Circular No. 815 dated 18 October 2013, Circular No. 818 dated 06 November 2013, Circular No. 838 dated 20 June 2014 and Circular No. 918 dated 2 August 2016)

### **Procedures and Documentary Requirements for the Registration of Inward Foreign Investments and Other Investments**

A foreign investment is considered BSP-registered upon issuance of a Bangko Sentral Registration Document (BSRD) by the Bangko Sentral ng Pilipinas (BSP) or a designated custodian bank.

#### **A. For registration with the BSP**

Foreign direct investments and investments in other peso-denominated debt instruments, under Section 34 and Section 35.4, respectively, of the “Manual” shall be registered directly with the BSP.

##### **1. Foreign Direct Investments<sup>1</sup>**

The following are the procedures for registration and the requisite supporting documents:

x x x

- i. Investments where funding is recorded under the “Deposits for Stock Subscription” (DSS) account and are recorded as equity in the investee firm’s books in accordance with pertinent rules of the SEC.
  - i. Original CIR of foreign exchange issued by an AAB in the prescribed format (Appendix 10.1); If a portion of the funds covered by the CIR previously funded another investment that was registered with the BSP, a copy of the CIR may be submitted;
  - ii. Copy of BSRD if only a portion of the inward remittance funded an investment registered with the BSP, and the remaining funding is recorded as DSS in the investee firm’s books;
  - iii. Copy of SEC approval of the increase in authorized capital stock of the investee firm that will accommodate the number of shares covered by the investment for registration, Certificate of Registration with the SEC, Articles of Incorporation/Partnership and amendments thereto, together with latest General Information Sheet received by SEC;
  - iv. Sworn certification signed by the investee firm’s authorized officer attesting to the number of shares and amount paid for the investment and that such investment was funded by inward remittance of foreign exchange recorded under the DSS account and booked as equity by the investee firm; and

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<sup>1</sup> Foreign direct investments required by law to be registered with the Securities and Exchange Commission or the Bureau of Trade Regulation and Consumer Protection of the Department of Trade and Industry shall be extended a Bangko Sentral Registration Document (BSRD) upon endorsement by either agency and submission of required documents.

## **APPENDIX 10**

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(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and as amended by Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013, Circular No. 815 dated 18 October 2013, Circular No. 818 dated 06 November 2013, Circular No. 838 dated 20 June 2014 and Circular No. 918 dated 2 August 2016)

- v. Copy of audited financial statements showing that the funding for the investment was recorded as equity in the investee firm's books under the DSS account.

x x x."