



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2020-076

To : All Concerned Banks

Subject : Extension of Temporary Measures Implemented in the Bangko Sentral ng Pilipinas' (BSP) Rediscount Facilities and Acceptance of Additional Eligible Credit Instruments for Rediscounting Pursuant to Republic Act (RA) No. 11494¹

The Monetary Board (MB), in its Resolution No. 1215 dated 24 September 2020, approved the further extension of the temporary measures implemented in the BSP's rediscount facilities² until 31 January 2021, subject to extension as may be approved by the MB, as follows:

1. Reduction of the term spread on Peso rediscounting loans relative to the BSP's overnight lending rate to zero, regardless of maturity (i.e. 1 to 180 days);
2. Reduction of the term spread on rediscounting loans under the Exporters' Dollar and Yen Rediscount Facility (EDYRF), thereby reducing the applicable United States Dollar (USD) and Japanese Yen (JPY) rediscount rates to the 90-day London Interbank Offered Rate, or in its absence, an applicable benchmark rate, such as the Secured Overnight Financing Rate, plus 200 basis points, regardless of maturity (i.e. 1 – 360 days); and
3. Acceptance for rediscounting with the BSP under the EDYRF the USD- and JPY-denominated credit instruments related to the economic activities enumerated in Department of Trade and Industry Memorandum Circular No. 20-08 dated 20 March 2020, except for loans to banks and capital markets; provided that, these credits are booked under the regular banking unit of the rediscounting bank and are compliant with the requirements on eligible papers and collaterals under Section 282 of the Manual of Regulations for Banks (MORB); provided further, that the said USD- and JPY-denominated credits are only to those end-user borrowers operating during the enhanced community quarantine.

Moreover, in the same Resolution, the MB approved the acceptance for rediscounting with the BSP of credit instruments compliant with the requirements on eligible papers and collaterals under Section 282 of the MORB, which were granted one-time sixty (60)-day grace period or longer as may be mutually agreed by the parties, pursuant to Section 4(uu) of the "Bayanihan to Recover as One Act" subject to the submission of certification signed by the authorized officer(s) of the bank stating that the maturities of said credit instruments were extended pursuant to RA No. 11494, until 31 January 2021, subject to further extension as may be approved by the MB.

¹ Otherwise known as the "Bayanihan to Recover as One Act", signed into law by the President of the Philippines on 11 September 2020.

² As previously contained in Memorandum Nos. M-2020-043 dated 18 May 2020 and M-2020-056 dated 16 July 2020.

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Flory Dhel M. Espiritu
7/30/2020
FLORY DHEL M. ESPIRITU
Bank Officer II, RMD

Administrative Services Department

In this regard, banks are expected to comply with the availment and submission procedures set forth under Memorandum Nos. M-2020-016 dated 31 March 2020, M-2020-024 dated 08 April 2020, M-2020-051 dated 17 June 2020, and M-2020-056 dated 16 July 2020.

Relatedly, we inform that the credit instruments, which were granted mandatory 30-day grace period pursuant to Memorandum No. M-2020-017 dated 01 April 2020 and Section 4(aa) of RA No. 11469³ and its Implementing Rules and Regulations, shall be accepted for rediscounting with the BSP until 30 September 2020 only.

For strict compliance.


BENJAMIN E. DIOKNO
Governor

29 September 2020

³ Otherwise known as the "Bayanihan to Heal as One Act".