



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2021-002

To : All Foreign Bank Branches Established Prior to Republic Act No. 10641

Subject : Regulatory Relief on the Non-Imposition of Sanctions for Breach in Single Borrower's Limit by Foreign Bank Branches Established Prior to Republic Act No. 10641

The Monetary Board, in its Resolution No. 1708 dated 28 December 2020, approved the grant of regulatory relief to branches of foreign banks established in the Philippines prior to Republic Act No. 10641 as part of the initiatives of the Bangko Sentral to support the country's economic recovery.

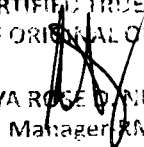
In view of the lapse of the transitory period for the Single Borrower's Limit (SBL) pursuant to Section 103 of the Manual of Regulations for Banks (MORB), as amended by Circular No. 1073 dated 10 February 2020, existing foreign bank branches established in the Philippines prior to Republic Act No. 10641 that breach the SBL shall not be subject to sanctions prescribed under Section 362 of the MORB until 31 December 2021: *Provided*, That the amount of the new loan, credit accommodation, or guarantee extended as well as the restructured, renewed, and refinanced existing credit exposures, beginning 01 January 2021 until 31 December 2021, shall not exceed the prescribed percentage limit¹ using as reference point twice the level of capital as defined under Section 103 of the MORB (Capital requirements of foreign bank).

For guidance and implementation.


BENJAMIN E. DIOKNO
Governor

04 January 2021

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OF ORIGINAL ON FILE


RYA ROSE D. NUNEZ
Manager RMD
Administrative Services Department

¹ Pursuant to BSP Memorandum No. M-2020-057 dated 21 July 2020 on *Amendments to the Operational Relief Measures for BSFIs*, the SBL is increased from 25 percent to 30 percent until 31 March 2021, pursuant to national interest.