



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2021-030

To : All Concerned Banks

Subject : Extension of Temporary Measures Implemented in the *Bangko Sentral ng Pilipinas'* (BSP) Rediscounting Facilities

The Monetary Board (MB), in its Resolution No. 517 dated 29 April 2021, approved the extension of the temporary measures implemented in the BSP's rediscounting facilities until 31 July 2021, subject to further extension as may be approved by the MB, as follows:

1. Reduction of the term spread on Peso rediscounting loans to zero, thereby equating the Peso rediscount rate to the BSP's Overnight (O/N) Lending Rate, 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,¹ plus 200 basis points, regardless of maturity (i.e. 1 - 360 days); and
3. Acceptance for rediscounting with the BSP under the EDYRF of the USD- and JPY-denominated credit instruments related to enterprises allowed to operate during the enhanced community quarantine of Luzon, as provided in the Department of Trade and Industry Memorandum Circular No. 20-08, 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 pertain only to those end-user borrowers operating during the enhanced community quarantine.

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

¹ Or in their absence, an applicable benchmark rate, such as the Secured Overnight Financing Rate.

Relatedly, we inform that the credit instruments, 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 Republic Act No. 11494, otherwise known as the "Bayanihan to Recover as One Act", shall not be accepted for rediscounting with the BSP after 30 April 2021.

For strict compliance.



BENJAMIN E. DIOKNO
Governor

03 May 2021

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