



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 818

Series of 2013

Subject: Amendments to Foreign Exchange Regulations

Pursuant to Monetary Board Resolution Nos. 1094 dated 4 July 2013 and 1713 dated 17 October 2013, 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 6. General Policy. As a general rule, all kinds of merchandise imports are allowed. However, the importation of certain commodities are regulated or prohibited for reasons of public health and safety, national security, international commitments, and development/rationalization of local industry.

x x x

A duly accomplished application to purchase foreign exchange using the prescribed format (Annex A) and supporting documents (as may be applicable) shall be submitted to AABs/AAB-forex corps to allow the sale of foreign exchange to pay for import obligations."

"Section 22. The BSP shall regulate foreign/foreign currency loans to ensure that principal and interest owed to creditors can be serviced in an orderly manner and with due regard to the economy's overall debt servicing capacity. x x x

5. AABs shall not extend peso financing to non-residents unless explicitly allowed under existing BSP rules.

6. Foreign borrowings of banks shall also be subject to the pertinent provisions of the MORB, as well as other applicable laws, rules and regulations."

"Section 23. Loans Requiring Prior BSP Approval. Prior BSP approval shall be required for the following loans:

x x x

2. Loans of the private sector irrespective of maturity, creditor and the source of foreign exchange for servicing thereof, if:

- a. guaranteed by government corporations and/or government financial institutions; or

- b. covered by foreign exchange guarantees issued by AABs.

x x x"

"Section 24. Loans Not Requiring Prior BSP Approval. The following loans may be granted without prior approval of the BSP:

x x x

- 2. Short-term interbank loans of banks, e.g., interbank call loans.

x x x

- 5. Short-term loans of private exporters/importers from OBUs and foreign banks with branches in the Philippines: *Provided, That:*

x x x

- f. The loans have been granted against BSP-approved short-term lending programs of the creditor banks, including OBUs⁵.

x x x

⁵ The creditor banks' lending program for private sector borrowers should indicate the proposed credit limit, supported by a list of prospective borrower/s.

x x x"

"Section 29. Servicing of Loans⁶

x x x

- 4. AABs and AAB-forex corps may sell foreign exchange without prior BSP approval for prepayments (i.e., payments before original due dates) of BSP-registered private sector loans (including bonds and notes) that are not publicly-guaranteed, subject to the following conditions:

- a. In the case of prepayment of medium- and long-term private sector loans, the borrower shall submit to the BSP-IOD a notice of intention to prepay at least one (1) month prior to the target prepayment date indicating the following: name of creditor, BSP registration number for the loan, date of prepayment, amount of principal to be prepaid and related interest/other fees/charges due in original currency, and remittance instructions (e.g., account number and recipient bank). Such notice

shall not be required for prepayment of short-term private sector loans.

After payment, the borrower shall submit to the BSP-IOD proof/s of such payment, together with a copy each of the duly stamped supporting documents/BSRD and its ST-2 (for short-term loans)/Form 2 (for medium- and long-term loans) report (Annexes E.1 and E.2, respectively) within the prescribed deadlines for said reports.

- b. The foreign exchange selling AAB/AAB-forex corp shall require the presentation by the borrower of documents prescribed under Item B, Appendix 1 hereof.
- c. The foreign exchange purchases shall comply with the daily limits as may be determined by the BSP, provided that the total foreign exchange purchases shall not in any case exceed the amount to be prepaid plus related interest and other fees/charges indicated in the BSRD/prepayment notice.

X X X

⁶ Unregistered private sector foreign loans were temporarily allowed to be paid using foreign exchange to be purchased from AABs and/or AAB-forex corps under the following BSP Circulars, subject to certain conditions:

BSP Issuance	Period Covered
Circular No. 741 dated 17 November 2011	December 2011 to February 2012
Circular No. 795 dated 18 April 2013	May 2013 to December 2013

X X X"

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

X X X

All applications⁸ for registration of foreign direct investments (Annex W) under Section 34 shall be filed with the BSP within one (1) year from the date of inward remittance/actual transfer of assets to the Philippines. A Bangko Sentral Registration Document (BSRD) shall be issued by the BSP evidencing registration of such investments.

⁸ Applications for registration of foreign direct investments already recorded in the investee firm's books may be filed with the BSP-IOD up to 18 April 2015, regardless of date of inward remittance of foreign exchange/actual transfer of assets to the Philippines. After this date, the one (1) year prescriptive period for filing of applications for registration of foreign direct investments shall apply.

X X X"

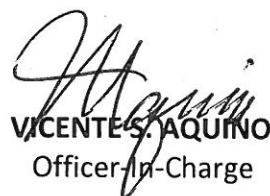
The following Appendices to and Annexes of the FX Manual have been added/revised:

1. Appendix 1: Minimum Documentary Requirements for the Sale of Foreign Exchange by Authorized Agent Banks (AABs)/AAB-Forex Corps for Non-Trade Purposes (Attachment 1)
2. Appendix 2: List of Regulated Import Commodities and Administering Agencies/Bureaus (Attachment 2)
3. Appendix 6.1: Guidelines for Reporting of Importations under D/A-O/A Arrangements (Attachment 3)
4. Appendix 10: Procedures and Documentary Requirements for the Registration of Inward Foreign Investments and Other Investments (Attachment 4)
5. Appendix 10.1: Certificate of Inward Remittance (CIR) Form (Attachment 5)
6. Appendix 18: Guidelines and Minimum Documentary Requirements for Foreign Exchange Forwards and Swaps. (Attachment 6)
7. Annex E.3: Loan Profile (Attachment 7)
8. Annex N: Computation Sheet (Attachment 8)
9. Annex W: Application for Registration of Inward Foreign Direct Investments (Attachment 9)

Repealing Clause. This Circular supersedes/amends/modifies the provisions of existing circulars, memoranda and/or other regulations that are inconsistent herewith.

Effectivity. This Circular shall take effect 15 calendar days after its publication either in the Official Gazette or in a newspaper of general circulation in the Philippines.

FOR THE MONETARY BOARD:


VICENTE S. AQUINO
Officer-In-Charge

06 November 2013

APPENDIX 1

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(As clarified by Circular Letter No. CL-2010-009 dated 5 February 2010, and amended by Circular No. 698 dated 05 November 2010, Circular No. 742 dated 21 November 2011, Circular No. 794 dated 18 April 2013 Circular No. 815 dated 18 October 2013 and Circular No. 818 dated 06 November 2013)

**Minimum Documentary Requirements* for the Sale of Foreign Exchange (FX)
by Authorized Agent Banks (AABs)/AAB-Forex Corps for Non-Trade Purposes****

A. Sale of FX for Non-trade Current Account Purposes¹ under Section 2 of the Manual of Regulations on FX Transactions (FX Manual)	
Purpose	Documents Required (All originals except as indicated)
1. Foreign travel funds	Applicant's passport and ticket
2. Educational expenses/student maintenance abroad	Photocopy of proof of enrolment with, or billing statement from, school abroad
3. Correspondence studies	Photocopy of proof of enrolment with, or billing statement from, school abroad
4. Medical expenses	Photocopy of billing statement (for services rendered/ expenses incurred abroad) or certification issued by doctor/hospital abroad indicating cost estimate (for the treatment/service to be administered/ rendered)
5. Emigrants' assets (including inheritance, legacies, and income from properties)	a. Photocopies of: i. Emigrant's visa or proof of residence abroad; ii. Notarized Deed of Sale of assets in the Philippines (e.g., real estate, vehicles, machineries/ equipment, etc.); and iii. Proof of income received from properties in the Philippines b. In the absence of the emigrant, a notarized Special Power of Attorney (SPA) for emigrant's representative/ agent. If SPA was executed abroad, original of SPA authenticated by Philippine consulate abroad.
6. Salary/bonus/dividend/other benefits of foreign nationals (including peso savings)	a. Employment contract/Certification of employer showing amount of compensation paid to the foreign national during the validity of the contract, stating whether same had been paid in FX or in pesos; if in FX, proof that the FX was previously sold for pesos to AABs; b. ACR I-Card and DOLE Alien Employment Permit of the foreign national; c. Applicant's notarized certification that the FX remitted is

* a) All purchases of FX must be accompanied by duly accomplished application to purchase FX using the prescribed format (Annex A).

b) It is understood that when a bank certification regarding its client's deposit account is required, the owner of the account should have executed a notarized waiver of secrecy of its deposit.

** All FX purchases for non-trade transactions shall be directly remitted to the: (a) intended beneficiary's account (whether offshore or onshore); or (b) resident creditor bank, whose FCDU loans are eligible to be serviced with FX purchased from the banking system. Exceptions to this rule are: travel funds, medical expenses abroad not yet incurred, and sales proceeds of emigrant's domestic assets if emigrant is still in the country.

¹ This includes FX purchases for downpayments and progress billings for non-trade services to be rendered/rendered by non-residents, where applicable.

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	net of local expenses incurred and/or previous transfers abroad; and d. If amount to be remitted comes from sources other than salaries/compensation, information regarding the sources supported by appropriate documents should be submitted.
7. Foreign nationals' income taxes due to foreign governments	a. ACR-I Card and DOLE Alien Employment Permit; and b. Photocopy of income tax return covering the income tax payment sought to be remitted.
8. Sales proceeds of foreign nationals' domestic assets	a. ACR I-Card; and b. Photocopy of proof of sale of asset/s indicating currency of payment
9. Producers' share in movie revenue/TV film rentals	a. Statement of remittable share rental or rental; and b. Photocopy of contract/agreement
10. Export commissions due to foreign agents	a. Billing statement from non-resident agent; and b. Photocopy of contract/agreement
11. Freight charges on exports/imports	a. Billing statement; and b. Photocopy of contract/agreement
12. Charters and leases of vessels/aircrafts	a. Billing statement from non-resident lessor/owner of vessel/aircraft; and b. Photocopy of contract/agreement
13. Leases of equipment and other capital goods owned and/or leased by non-resident entities to residents	a. Billing statement from non-resident lessor and/or owner of the equipment and other capital goods; b. Photocopy of contract/agreement; and c. Shipping documents
14. Port disbursements abroad for aircraft and vessels of Philippine registry or chartered by domestic operators and salvage fees	a. Billing statement; and b. Photocopy of contract/agreement
15. Satellite and other Telecommunication services	a. Billing statement; and b. Photocopy of contract/agreement
16. Other services provided by non-residents (such as advertising, underwriting including brokers' fees for initial public offering involving Philippine shares, consultancy, information technology, etc.)	a. Billing statement; and b. Photocopy of contract/agreement <u>For underwriting fees/commissions/related expenses:</u> a. Copy of the international underwriting agreement or similar agreement/contract which shows the fees/commissions and related expenses and offer price; b. Detailed computation of the amount subject for remittance certified by the authorized officer of the issuer; and c. Proof of listing of the IPO shares in the PSE

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	<u>For Foreign Broker's Commission</u> a. Certified true copy of the covering purchase invoice or sales invoice, as the case may be, reflecting the commission due the foreign broker/dealer client; and b. Detailed computation/allocation of the commission due the foreign broker/dealer client for each purchase transaction
17. Share in Head Office Expenses (including reimbursements)	a. BSRD for the assigned capital in the branch; b. Audited schedule/s of allocation of expenses for the period/s covered; c. Certification from the Head Office that the share in Head Office expenses remains unpaid and outstanding; and d. Audited financial statements of the Philippine branch
18. Insurance/reinsurance premium due to foreign insurance companies	Billings/invoices of insurance companies/ brokers abroad
19. Claims against domestic insurance companies by brokers abroad	Billings/invoices from foreign insurer/ reinsurer
20. Net Peso revenues of foreign airlines/shipping companies	a. Statement of Net Peso Revenues (Peso revenues less expenses) certified by authorized officer of airline/ shipping company; and b. Photocopy of contract/agreement
21. Royalty / copyright / franchise / patent/ licensing fees	a. Statement/computation of the royalty/copyright/ franchise/patent/licensing fee; and b. Photocopy of contract/agreement.
22. Net Peso Revenues of embassies/consulates of foreign countries	Statement of net peso revenues (Peso revenues less expenses) certified by the Embassy's/Consulate's authorized officer
23. FX obligations of Philippine credit card companies to international credit card companies/non-resident merchants	Summary billings
24. Refund of unused foreign grant by/aid from non-residents funded by inward remittance of FX that was converted to Pesos through AABs	a. Copy of the contract/agreement covering the foreign grant/aid; b. Request from grantor for the refund of the unused amount of grant/aid; and c. Bank certification on: i. Inward remittance of the foreign grant/aid and its conversion to Philippine pesos; and ii. Balance of the PHP account from which the Philippine peso to be converted shall be debited
25. Refund of unused foreign loan proceeds that were funded by inward remittance of FX that was converted to Pesos through AABs	a. Copy of the contract/agreement covering the foreign loan; b. Request from creditor for the refund of the unused foreign loan proceeds; and c. Bank certification on inward remittance of the FX loan proceeds and conversion to Philippine pesos

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26. Settlement by Philippine Deposit Insurance Corporation (PDIC) of FCDU deposit claims ²	Certification by PDIC on the amount of deposit liabilities to be paid to resident and non-resident depositors
B. Sale of FX for Servicing Foreign/Foreign Currency Loans including Prepayments by Private Sector covered by Sections 22 to 31 of the FX Manual	
Purpose	Documents Required (All originals except as indicated) ³
Loan Payments 1. Medium/Long-term (MLT) foreign/foreign currency loans (with original maturities of over 1 year) a. Regular amortization/payment	1.a. BSP registration letter and accompanying Schedule RA-2 (Part I: Schedule of Payments on BSP-Registered Foreign/FCDU Loans and Part II- Details of FX/Hedging Transactions for BSP-Registered Foreign/FCDU Loans); and 1.b. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to maturing amounts on scheduled due dates indicated in the registration letter. Purchase and remittance of FX shall coincide with the due dates of the obligations to be serviced, unless otherwise explicitly allowed by the BSP. or: 2.a. BSP letter-authority for the borrower to purchase FX to service specific loan account/s and where applicable, the "Schedule of Foreign Exchange Purchases from the Banking System"; and 2.b. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to the unutilized balance of the letter authority. Remittance of FX purchased shall coincide with the due dates of the obligations to be serviced, unless otherwise explicitly allowed by the BSP.
b. Prepayments of BSP-registered	1.a. BSP registration letter and accompanying Schedule

² For the settlement by PDIC of FCDU deposit claims, supporting documents must be presented regardless of amount. Both resident and non-resident claims may be serviced.

³ All original documents shall be stamped "FX-SOLD" indicating the date and amount of FX sold, and whether on spot or forward basis and signed by the seller's authorized signatory.

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foreign/foreign currency loans of the private sector that are not publicly-guaranteed	RA-2 (Part I: Schedule of Payments on BSP-Registered Foreign/FCDU Loans and Part II-Details of FX/Hedging Transactions for BSP-Registered Foreign/FCDU Loans; and 1.b Original BSP letter acknowledging receipt of the borrower's notice of prepayment
2. Short-term foreign/foreign currency loans (with original maturity of up to 1 year) a. Loans from offshore creditors (banks and non-banks)	1.a. BSP approval or registration letter showing loan terms and borrower's receiving copy of its report on short-term loans as submitted to BSP's International Operations Department (IOD); and 1.b. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to: (a) amounts/rates indicated in the BSP approval or registration letter; or (b) the outstanding balance of the loan indicated in the report, whichever is lower. Purchase and remittance of FX shall coincide with the due dates of the obligations to be serviced, unless otherwise explicitly allowed by the BSP.
b. Loans from FCDUs/OBUs	For loans requiring BSP approval/registration: 1.a. BSP approval or registration letter showing loan terms; 1.b. Certification from the lending bank on the amount outstanding; and 1.c. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to: (a) amounts/rates indicated in the BSP approval or registration letter; or (b) the outstanding balance of the loan indicated in the bank certification, whichever is lower. Purchase and remittance of FX shall coincide with the due dates of the obligations to be serviced, unless otherwise explicitly allowed by the BSP. For loans not requiring BSP approval/individual registration⁴ 2.a. Promissory Note (PN) certified as true copy by the Head of the lending bank's Loans Department: 2.b. Certification from the lending bank: i. On the principal amount still outstanding; ii. That the loan is eligible for servicing with FX to be

⁴ Individual registration means a BSP registration document is required

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	purchased from the AABs/AAB-forex corps in line with existing regulations; iii. That the loan was used to finance trade transactions (as well as pre-export costs in the case of FCDU loans to exporters) of the borrower; and iv. On the date when the loan account was reported to the appropriate BSP department/office under the prescribed forms. (This may be dispensed with for new loans which may not have been reported yet to BSP as of date of application to purchase FX.) 2.c. Copy of billing statement from creditor. Amounts that may be purchased shall be limited to amounts/rates indicated in the bank certification or PN, whichever is lower. Purchase and remittance of FX shall coincide with the due dates of the obligations to be serviced, unless otherwise explicitly allowed by the BSP.
c. Prepayment of BSP-registered ST loans (including those covered by Sections 24.4 and 24.5 of the FX Manual) that are not publicly-guaranteed	For loans requiring BSP approval/individual registrations, the BSP registration letter For loans not requiring BSP approval / individual registration⁵ – 1.a PN certified as true copy by the Head of the lending bank's Loans Department; and 1.b Certification from the lending bank: i. On the principal amount still outstanding; ii. That the loan is eligible for servicing with FX to be purchased from the AABs/AAB-forex corps in line with existing regulations; iii. That the loan was used to finance trade transactions of the borrower and/or pre-export peso costs (in the case of FCDU loans to exporters); and iv. On the date when the loan account was reported to the appropriate BSP department/office under the prescribed forms, if applicable.
Payments related to Guarantees and Similar arrangements (including Risk Take Over arrangements) 1. Payments by resident guarantor under the guarantee	a. For guarantees requiring BSP approval under Sections 30.1 and 30.3: (i) BSP approval of the foreign/foreign currency obligation; and (ii) creditor's call on the

⁵ Refers to cases where reporting to BSP is considered as BSP registration of the loan.

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	guarantee b. For guarantees not requiring BSP approval and registration under Section 30.2(a): (i) copy of the required report stamped as received by the BSP; and (ii) creditor's call on the guarantee
2. Payments by the original resident obligor to the AAB/foreign guarantor arising from the call on the guarantee	a. BSP approval of the resulting foreign/foreign currency obligation; and b. Billing statement from the AAB/foreign guarantor.
3. For FX liabilities arising from guarantees and similar arrangements [including Risk Take Over Arrangements (RTO)] that do not involve foreign/FCDU loans	a. BSP approval of the resulting foreign/foreign currency obligation; b. Copies of: i. Agreements/contracts covered by the guarantee/similar arrangement; ii. Standby Letter of Credit (SLC) or guarantee contract/agreement for the guarantee; c. Proof/notice of original obligor's default and creditor's call on the guarantee; and d. Billing statement from the non-resident or local bank guarantor
4. Regular fees related to Build-Operate-Transfer (BOT) and similar financing schemes with transfer provisions	a. BSP Registration Document b. Copy of the covering agreements/contracts c. Billing statement from the private sector project company/proponent
C. Sale of FX for Servicing of Foreign Investments, Investments by Residents, and Related Transactions covered by Sections 32 to 44 of the FX Manual	
Purpose	Documents Required (All originals except as indicated) ⁶
Foreign Investments	
1. Capital Repatriation for:	
a. Portfolio Investments in:	
i. PSE-listed securities issued by both residents and non-residents ⁷	BSRD or BSRD Letter-Advice from the registering custodian bank and any of the following: a. Photocopy of the original broker's invoice; or b. Electronically-generated copy of the broker's invoice; or

⁶ All original documents shall be stamped "FX-SOLD", indicating the date and amount of FX sold, and whether on spot or forward basis and signed by the seller's authorized signatory.

⁷ For securities issued by non-residents, these refer only to equity securities, whether primarily listed at, or uplifted from international exchanges to, the PSE.

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	c. Systems-generated copy of the broker's invoice Documents under items a to c shall contain the settlement amount, number of shares, investment identity, and settlement date for the transactions covered.
ii. Peso- Government Securities	BSRD or BSRD Letter-Advice from the registering custodian bank and photocopy of Confirmation of Purchase for Peso Government Securities
iii. 90-day time deposits	BSRD or BSRD Letter-Advice from the registering custodian bank and photocopy of Matured Certificate of Deposits for 90-day time deposits
iv. Other peso-denominated debt securities issued onshore by private resident firms	BSRD and photocopy of matured security, or proof of sale, or equivalent document covering the debt securities
b. Foreign Direct Equity Investments	a. BSRD; b. Photocopy of Proof of Sale or relevant documents showing the amount to be repatriated; in case of dissolution/capital reduction, proof of distribution of funds/assets such as statement of net assets in liquidation; c. Photocopy of Clearance from appropriate department of the BSP-Supervision and Examination Sector (for banks), or from the Insurance Commission (for insurance companies), from the Department of Energy or from the National Power Corporation (for oil/gas/geothermal energy exploration companies); d. Detailed computation of the amount applied for in the attached format (Annex N) prepared by the selling stockholder's representative; e. Photocopy of pertinent audited financial statements; and f. SEC clearance in case of dissolution, if applicable.
2. Remittance of Dividends/ Profits/ Earnings/Interests	a. BSRD or BSRD Letter-Advice; b. Photocopy of PSE-cash dividends notice and Phil. Central Depository (PCD) printout of cash dividend payment or computation of interest earned issued by MMI issuer or bank; c. Photocopy of secretary's sworn statement on the Board Resolution covering the dividend declaration; d. Photocopy of latest audited financial statements or interim financial statements of the investee firm covering the dividend declaration period (for direct foreign equity investments); e. For direct foreign equity investments, photocopy of clearance pertaining to the investee firm from BSP-Supervision and Examination Sector (for non-PSE listed banks), Insurance Commission (for insurance companies), Department of Energy or from the National

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	Power Corporation (for oil/ gas/geothermal energy exploration companies); and f. Detailed computation of the amount applied for using the prescribed format (Annex N).
3. Outward remittance in equivalent FX of: (a) excess pesos funded with inward remittance of foreign exchange computed as follows: peso proceeds of foreign exchange inwardly remitted less the peso amount actually used for BSP-registered investment/s; plus (b) interest earned on the excess pesos, if any	a. Certified true copy of certificate of inward remittance of foreign exchange and conversion to pesos; b. Original BSRD showing utilization not less than 50 percent of total peso proceeds, net of charges, if any. In case of investments registered by custodian banks, an original bank certification indicating details of the registered investment may substitute for the BSRD; c. Swift message/letter request from non-resident investor for return of excess funds; d. For remittance of interest earned from the peso cash account, certification from the depository/custodian bank on the amount of interest pertaining to the excess peso funds for outward remittance.
4. Investments by Philippine residents under Section 44 of the FX Manual a. Outward investments by residents in: i. Debt and equity securities issued offshore by non-residents, including depository receipts ii. Offshore foreign currency-denominated Mutual Funds and Unit Investment Trust Funds (UITFs) iii. Foreign currency-denominated intercompany loans to offshore parent companies/subsidiaries of residents with an original tenor of at least one (1) year iv. Investments in real property abroad, including condominium units b. Other investments by residents: i. Bonds/notes of the Republic of the Philippines or other Philippine resident entities issued offshore, including peso-denominated bonds/notes requiring settlement in foreign currency ii. Instruments held for sale/trading by banks	a. A certification by the resident investor on the cumulative FX purchases from AABs and AAB-forex corps within the calendar year for all investments under Section 44 of the FX Manual; b. Original BSP letter-approval for the purchase of FX from AABs and AAB-forex corps for all investments under Section 44 of the FX Manual, in excess of the USD60 million limit; c. Photocopy of clearance from the Insurance Commission (IC) for investments of insurance companies; d. Photocopy of swift payment order instruction from the counterparty/broker/trader indicating the name of payee and type/kind of investment authenticated by the broker/trader (for instruments purchased offshore); or Proof of purchase of the debt securities by the resident client, namely: copy of the deal ticket, bank's confirmation of sale, client's letter of instructions indicating intent to purchase the securities and other details of the transaction (for instruments held for sale/trading by banks); and e. Photocopy of any of the following as applicable: (i) investment proposal or agreement/subscription agreement/Deed of Sale or Assignment of the Investments/bond or stock offering/signed loan agreement or equivalent signed document, with an original tenor of at least one (1) year/Contract to Sell covering a sale of real property abroad; or photocopy of investor's order/letter to broker/trader/bank to purchase instruments (such as investments in debt and equity securities, as well as depository receipts, Mutual Funds and UITFs)

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operating in the Philippines, namely: (i) bond/notes under item (a) hereof; and (ii) debt securities issued by non-residents and payable in foreign currency iii. Equity securities issued by residents and listed abroad	
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APPENDIX 2

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(As amended by Circular No. 794 dated 18 April 2013 and Circular No. 818 dated 06 November 2013)

**List of Regulated Import Commodities and
Administering Agencies/Bureaus¹**

Government Agencies/ Issuing Permits/ Clearance ² /Legal Basis	Commodity Description/Commodity Group/ Tariff Heading (TH)
Bangko Sentral ng Pilipinas (BSP) Section 4 (Cross-Border Transfer of Local and Foreign Currencies), Circular No. 645 dated 13 February 2009, as amended	Legal tender Philippine notes and coins, checks, money order and other bills of exchange drawn in pesos against banks operating in the Philippines in an amount exceeding PHP10,000.00 Bank Notes, Coin of precious metal other than gold and of non-precious metal not being legal tender, Coin blank essentially of gold, Coin blank essentially of steel, Coin blank essentially of copper, Coin blank essentially of nickel, Coin blank essentially of zinc, Coin blank essentially of tin, and Coin blank essentially of aluminum/TH 4907, 7118, 7108, 7326, 7419, 7508, 7907, 8007, 7616
Bureau of Animal Industry (BAI)	a. Live animals, including birds, worms, bees, and butterflies; b. Animal products and by-products (meat and edible meat offals, fat, milk whey, cream, butter, cheese, egg, birds nest or other food or foodstuff derived from an animal; or any part of the viscera of an animal, hide, skin, hair, wool, feathers, shell, horn or hoof; or any article or substance derived from dung, urine, feces, bone, or blood of an animal; or any secretion of an animal or any product or biological preparation made or derived from an animal such as semen, embryos, whether or not in combination with any article or substance; or any article or substance or thing that is declared by order to be an animal product); c. Chocolate and other food preparations containing milk; d. Pasta, whether or not cooked or stuffed (dairy or cheese products, meat and meat products, eggs, or any other products with animal origin) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni, couscous, whether or not prepared; tapioca and substitutes therefore prepared from starch, in the form of flakes, grains, pearls, siftings or in similar forms; prepared foods obtained by the swelling or roasting of cereals or cereal products (e.g., corn flakes), cereals [other than maize (corn)], in grain form or in the form of flakes or other worked grains (except flour, groats and meal) pre-cooked or other preparations, not elsewhere specified or included; bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing milk, cheese, meat and meat products, eggs, etc.; communion wafers, empty caches of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products; e. Feeds and mixtures or combinations of feed ingredients, supplements and additives, in any form, by specific formula, to be fed directly as a sole ration

x x x

¹ This list has been updated as of 1 April 2013 based on inputs from concerned administering agencies/bureaus. For any concern, query and/or updates on the list, please coordinate with the appropriate concerned agency/ies indicated above.

² The clearances/permits shall be secured from the concerned government agencies/entities.

Guidelines for Reporting of Importations under D/A-O/A Arrangements

1. Upon receipt of importer-clients' original shipping documents under documents against acceptance (D/A) and open account (O/A), Authorized Agent Banks (AABs) and offshore banking units (OBUs) shall report the availment under Schedule 10 (Import Letters of Credit (L/Cs) Opened and D/A-O/A Import Availments and Extensions) and the payment under Schedule 11 (Import Payments) of FX Form 1 (Consolidated Report on Foreign Exchange Assets and Liabilities), as amended.
 2. Within five (5) banking days after the end of the reference week, the hard copy of the following shall be submitted to the BSP-International Operations Department (IOD):
 - a. Schedule 10 of FX Form 1 for DA/OA imports; and
 - b. Schedule 11 for partial payment of D/A-O/A imports, identifying the payments with an asterisk and indicating the amount in original currency (and USD equivalent thereof as footnote).
- AABs shall keep the documents supporting the importations and make these available upon request by the BSP.
3. Each D/A-O/A importation shall be assigned a unique Bank Reference Number (BRN) by the reporting AAB/OBU which shall include the bank code. Such BRN should also be used by the remitting AAB/OBU when reporting payment for the importation.
 4. If the currency of payment is not USD, the USD equivalent to be reported under Schedule 10 shall be computed at the exchange rate quoted in the daily BSP Treasury Department Reference Exchange Rate Bulletin issued on report date.
 5. Extensions of maturity date shall be reported under Schedule 10.
 6. In case of an O/A importation where the foreign exchange selling/remitting AAB/OBU is not the reporting institution, the selling/remitting institution shall require, prior to sale of foreign exchange, the submission by the importer of the following: (1) documents required under Item II.a of Appendix 4; and (2) duly signed certification from the reporting AAB/OBU as to the remaining unpaid balance of the importation and that the importation has been duly reported to the BSP, indicating the pertinent BRN.

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(As amended by Circular No. 751 dated 16 March 2012 and Circular No. 818 dated 06 November 2013)

7. The AAB/OBU reporting the D/A-O/A avilment shall verify with/obtain from the BSP-IOD the code of a new importer for purposes of reporting under FX Form 1 and its Schedules.
8. The penalty provisions under Section 106 of the Manual shall apply to AABs that sell foreign exchange for servicing D/A-O/A importations that were not previously reported to the BSP under the prescribed Schedule 10 of FX Form 1 or were reported later than ten (10) calendar days before due date without payment of required BSP processing fee.

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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 and Circular No. 818 dated 06 November 2013)

**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 Investments¹

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

a. For Cash Investment

The application shall be filed directly with BSP together with the following supporting documents:

- i. Certificate of inward remittance (CIR) of foreign exchange through an AAB in the prescribed format (Sample CIR and Guide/Instructions for Filling-Out CIR Form hereto attached as Appendix 10.1 and Appendix 10.2, respectively)

Note: Conversion to pesos of the foreign exchange funding the investment is not required for registration of foreign direct investment; and

- ii. Sworn certification of the officer of the investee firm concerned attesting to the number of shares and amount paid for the investment [Suggested format attached as Appendix 10.3A (for Stock Corporations) and Appendix 10.3B (for Branches/Representative Offices/Regional Headquarters/Regional Operating Headquarters)]; and
- iii. For investee firms that are corporations/partnerships: Photocopy of the Certificate of Registration with the Philippine Securities and

¹ 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.

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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 and Circular No. 818 dated 06 November 2013)

Exchange Commission (SEC), Articles of Incorporation/Partnership and amendments thereto (if any), together with latest General Information Sheet stamped received by SEC, if any.

For investee firms that are sole proprietorships: Photocopy of Registration certification from DTI

b. For Investment in Kind

Application for registration shall be filed directly with BSP together with the following supporting documents:

- i. Shipping documents;
- ii. Bureau of Customs Import Entry and Internal Revenue Declaration (IEIRD); and
- iii. Sworn certification of the officer of the investee firm concerned attesting to the number of shares and amount paid for the investment [Suggested format attached as Appendix 10.3A (for Stock Corporations) and Appendix 10.3B (for Branches/Representative Offices/Regional Headquarters/Regional Operating Headquarters)].

The value of investments in kind shall be assessed and appraised by the BSP before their registration.

c. For investment in financial institutions which are governed and regulated by the BSP:

Clearance from the Supervision and Examination Sector of the BSP shall be required in addition to the documentary requirements for investments in cash or in kind.

d. Investment in Condominium Units

- i. Copy of duly accomplished original CIR of foreign exchange;
 - ii. Condominium Certificate of Title in the name of the foreign investor, or copy of the Deed of Absolute Sale/Contract to Sell the condominium unit to the foreign investor; and
 - iii. Certification from the owner/developer/administrator/property manager of the condominium attesting to compliance with the foreign ownership limitation under existing Philippine laws.
- e. Registration as foreign investments of capitalized oil, gas, geothermal energy exploration/development expenditures

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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 and Circular No. 818 dated 06 November 2013)

The application for registration shall be filed directly with the BSP together with the following supporting documents:

- i. Government-approved service contract/other contract; and
 - ii. Copy of the Department of Energy (DOE)/National Power Corporation (NPC) letter-validation of expenditures showing, among others, the distribution of validated expenditures among the partners under the service contract/other contract.
- f. Investments funded by foreign loan/s and other payables converted into equity
- i. Original CIR of foreign exchange through an AAB in the prescribed format (Appendix 10.1) for foreign loans not registered with the BSP; or
 - ii. Copy of BSP registration for foreign loans registered with the BSP;
 - iii. Sworn certification from investee firm's authorized officer attesting to the number of shares and amount paid for the investment remittable outward and that such are funded from foreign loans/payables converted to equity;
 - iv. Deed of Assignment of foreign loan or other payables;
 - v. Latest audited financial statements of investee firm; and
 - vi. Articles of Incorporation of the investee firm
- g. Stock and/or property dividends accruing on BSP-registered investments in non-PSE-listed firms
- i. Copy of BSRD; and
 - ii. Sworn certification signed by the investee firm's authorized officer on the declaration of the stock and/or property dividend, to include relevant excerpts of the covering: (i) Stockholders' and Board Resolutions for stock dividends; and (ii) Board Resolution for property dividends.
- h. Stock splits/reverse stock splits on BSP-registered investments in non-PSE-listed firms
- i. Copy of BSRD; and
 - ii. Sworn certification signed by the investee firm's authorized officer declaring the stock split/reverse stock split, to include relevant excerpts of the covering Stockholders' and Board Resolutions

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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 and Circular No. 818 dated 06 November 2013)

2. Investments in Other Peso-denominated Debt Instruments

Investments in other peso-denominated debt instruments issued onshore by private resident firms (such as bonds/notes, bills payables, non-participating preferred shares, and not covered by Section 23 of the Manual, shall be registered directly with the BSP supported by the following documents:

- a. Original CIR of foreign exchange and its conversion to pesos through an AAB in the prescribed form (Appendix 10.1); and
- b. Contract/Certificate of investment

For bonds/notes issued by private domestic firms that were purchased from local banks, the following additional documents shall be required:

- a. Copies of bonds/notes; and
- b. Purchase Price Letter/Agreement

For foreign investments in non-participating preferred shares, the following additional document/s shall be required:

Purchase invoice, or subscription agreement and/or proof of listing in the local stock exchange for new/additional issues/stock rights

3. Investment in bonds/notes converted into equity shares in PSE-listed companies

- a. Original CIR of foreign exchange issued by an AAB in the prescribed format (Appendix 10.1) for proceeds of foreign loans not registered with the BSP; or Copy of BSP registration for foreign loans registered with the BSP;
- b. Bond/Note Offering Circular for bonds/notes not registered with the BSP;
- c. Sworn certification from investee firm's authorized officer attesting to the number of shares issued and amount paid for the investment and that such are funded from foreign loans/payables converted to equity;
- d. Notice of Bond Conversion from the Agent showing the amount of bonds converted, equivalent number of shares, conversion price and conversion date;
- e. Latest audited financial statements of investee firm; and
- f. Articles of Incorporation of the investee firm and latest General Information Sheet submitted to SEC.

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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 and Circular No. 818 dated 06 November 2013)

4. Reinvestment of peso divestment/sales proceeds or dividends/profits/earnings of duly registered investments (The following documentation requirements are in lieu of the CIR and in addition to the required documentation for the specific form/type of reinvestment)

For divestment/sales proceeds

- a. Original BSRD;
- b. Sworn certification signed by the original investee firm's authorized officer attesting to the divestment/sale by the foreign investor; and
- c. Proof of divestment/sale for direct investment/s; or
- d. Matured contract/certificate of investment/proof of redemption for money market instruments

For dividends/profits/earnings

- a. Copy of BSRD; and
- b. Sworn certification signed by the investee firm's authorized officer declaring the dividends or distribution of profits, to include relevant excerpts of the covering Board Resolution; or
- c. Proof of interest/coupon payments for investment/s in money market instruments

5. BSP-registered investments sold/transferred to another foreign investor if payment is made offshore in foreign exchange

- a. Original BSRD;
- b. Sworn certification from the authorized officer of the investee firm, attesting to the transfer/assignment of the investments from the selling foreign investor to the buyer, in the books of the investee firm; and
- c. Deed of Sale/Assignment

Replacement of Lost BSRDs

- a. Letter request from the foreign investor or his duly authorized representative;
- b. Affidavit of Loss from the foreign investor or his duly authorized representative attesting to the following:
 - i. Loss of the original BSRD;
 - ii. Reason for the loss;
 - iii. Affirmation that they have exercised diligent search for the document/s declared lost;

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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 and Circular No. 818 dated 06 November 2013)

- iv. That the investment is still intact and existing to date;
 - v. The outstanding balance of the investment, net of repatriation, if any
 - vi. The registration number/s and date/s registered;
 - vii. The number of shares registered under each registration and percentage of the foreign investment to the total shares subscribed and paid up, as applicable.
- c. Letter authority from the foreign investor for the replacement of the lost BSRD if the request and affidavit of loss are accomplished and signed by the duly authorized representative.

B. For Registration with Custodian Banks

Custodian banks designated by the foreign investors shall register, in behalf of the BSP, the following:

1. Non-resident investments in peso-denominated government securities, PSE-listed securities of Philippine residents, and peso time deposits with tenor of at least 90 days (Items 1, 2, and 3 under Section 35 of the Manual); and
2. Non-resident investments in PSE-listed equity securities issued by non-residents.

The duplicate copy of the BSRD issued by custodian banks, together with the requisite supporting documents enumerated in this Appendix, shall be submitted to the BSP-IOD within two (2) banking days from date of registration for post audit purposes. The original BSRD shall remain in the custody of the issuing custodian bank.

I. Rules on issuance of BSRDs by custodian banks

The following rules shall govern the registration of investments with custodian banks:

1. A BSRD shall be issued by a custodian bank to a non-resident for all his investments in peso-denominated government securities, PSE-listed securities of residents, and peso time deposits.

A separate BSRD (with the suffix "NR" in the registration number) shall be issued by a custodian bank to a non-resident exclusively for all his investments in PSE-listed equity securities issued by non-residents.

Registered investments shall be reported by the custodian bank to the BSP-IOD within two (2) banking days from transaction date under the prescribed report form/s.

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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 and Circular No. 818 dated 06 November 2013)

2. All changes in composition of investments shall be reflected in the same BSRD.
3. For registration purposes, the following shall be annotated on the appropriate BSRD:
 - a. Additional investments funded by inward remittances of FX as well as those involving upliftment/transfer to PSE of shares issued by non-residents and previously listed in an international exchange; and
 - b. Changes in the composition of registered investments that do not involve inward remittance of foreign exchange, such as stock dividends, stock splits, or reverse stock splits.

The above shall be reported to the BSP-IOD by the custodian bank within two (2) banking days from transaction date under the prescribed report form.

II. Documentary Requirements for Registration of Investments:

1. Investments in peso-denominated government securities (GS)

- a. Accredited dealer's Confirmation of Sale (COS);
- b. Original CIR of foreign exchange and its conversion to pesos through an AAB in the prescribed format (Appendix 10.1); and
- c. "Authority to Disclose Information" in the prescribed format (Appendix 10.4).

2. Investments in PSE-listed securities of residents

The application for registration shall be supported by the following documents:

- a. For new/additional investments:
 - i. Purchase invoice, or subscription agreement and/or proof of listing in the local stock exchange for new/additional issues/stock rights; and
 - ii. Original CIR of foreign exchange and its conversion to pesos through an AAB in the prescribed format (Appendix 10.1).
 - iii. For annotation the BSRD of stock dividends which accrued to registered investments:

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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 and Circular No. 818 dated 06 November 2013)

PSE Notice (Circular for Brokers) announcing the stock dividend declaration

- b. For annotation on the BSRD of stock splits/reverse stock splits:

PSE Notice (Circular for Brokers) announcing the stock split/reverse stock split

3. Investments in peso time deposits with tenor of at least 90 days

- a. Certification of peso time deposit;
- b. Original CIR of foreign exchange and its conversion to pesos through an AAB in the prescribed format (Appendix 10.1); and
- c. "Authority to Disclose Information" in the prescribed format (Appendix 10.4).

4. Non-resident investments in equities issued by non-residents previously listed in an international exchange and subsequently uplifted/transferred to PSE

- a. Proof of transfer of shares [e.g., certificate of lodgement with the Philippine Depository and Trust Corp. (PDTC)] with details, including the following: number of shares transferred and par value of securities;
- b. For annotation on the BSRD of stock dividends which accrued to registered investments:

PSE Notice (Circular for Brokers) announcing the stock dividends

- c. For annotation on the BSRD of stock splits/reverse stock splits:

PSE Notice (Circular for Brokers) announcing the stock split/reverse stock split

5. Non-resident investments in PSE-listed equity securities issued by non-residents

- a. Original CIR of foreign exchange showing conversion to pesos through an AAB in the prescribed form (Appendix 10.1); and
- b. Purchase invoice or Subscription agreement and/or proof of listing at the PSE for new/additional issues/stock rights.

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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 and Circular No. 818 dated 06 November 2013)

- c. For annotation on the BSRD of stock dividends which accrued to registered investments:

PSE Notice (Circular for Brokers) announcing the stock dividends

- d. For annotation on the BSRD of stock splits/reverse stock splits:

PSE Notice (Circular for Brokers) announcing the stock split/reverse stock split

6. Reinvestment of peso divestment/sales proceeds or dividends/profits/earnings of duly registered investments

For divestment/sales proceeds:

- a. Original BSRD-Letter Advice; and
- b. Proof of redemption of GS; or Broker's sales invoice; or Matured certificate of peso time deposit, as applicable

For dividends/profits/earnings:

- a. Original BSRD-Letter Advice; and
- b. PSE Notice (Circular for Brokers) announcing the issuance of cash dividend for PSE-listed securities; or proof of interest/coupon payments for investment/s in GS and peso time deposits

III. Surrender of BSRD

Whenever the BSP-registered investments have been fully divested (redeemed/sold/withdrawn) by the foreign investor, the custodian bank shall surrender the original BSRD to the BSP for cancellation within two (2) banking days from date of full remittance of divestment proceeds.

(As amended by Circular No. 818 dated 06 November 2013)

**CERTIFICATE OF INWARD REMITTANCE (CIR)
OF FOREIGN EXCHANGE NO. CCYY-NNNNN-BBBB**

Name of Issuing Bank

TO THE BANGKO SENTRAL NG PILIPINAS:

Part I.

This is to certify that this Bank (mark applicable box/boxes):

A. Received an inward remittance of foreign exchange (FX), with the following particulars:

1. Name of Remitter: _____

Global Custodian: ☐ Yes ☐ No

2. Country of Remitter: _____

3. Beneficiary of Foreign Currency Funds: _____

4. Remitting Foreign Bank: _____

5. Date of Remittance: (___/___/___)

6. Remittance/Telegraphic Transfer Ref. No.: _____

7. FX Received:

- ☐ Currency: _____
☐ Total T/T Amount : _____
☐ Amount Utilized : _____
☐ O/S Balance after this CIR Utilization: _____

B. Converted FX into Pesos, with the following particulars:

8. a) FX converted to Pesos:

☐ Full Utilization of FX Received: _____

☐ Partial Utilization of FX Received: _____

O/S Balance after this Utilization: _____

b) Rate of Conversion Pesos per Foreign Currency (before charges): _____

c) Amount of Peso Proceeds (net of charges): _____

d) Date Converted to Pesos: _____

e) FX Receiving Bank's Name (if other than converting bank): _____

CIR No.: _____

T/T Ref. No. _____

9. US\$ Equivalent (if foreign currency remitted is other than US\$): _____

Part II.

This is to certify that (mark and fill up applicable box):

☐ The said peso proceeds were deposited with this bank on _____ date the proceeds were credited to client's account

☐ The peso proceeds have been paid to the beneficiary under:

☐ MC No.: _____

☐ PCHC Ref. : _____

☐ CC No.: _____

This certificate is issued for the sole purpose of obtaining a Bangko Sentral Registration Document (BSRD) for the inward foreign investment of _____ this _____.

Name and Nationality of Investor

Date of this Certification

Name of Branch/Department in Head Office

Signature of Authorized Officer Over Printed Name

Contact Telephone No.: _____

Fax No.: _____

Position

(As amended by Circular No. 794 dated 18 April 2013 and Circular No. 818 dated 06 November 2013)

**Guidelines and Minimum Documentary Requirements for
Foreign Exchange Forward and Swap Transactions**

The following are the minimum documentary requirements for foreign exchange (FX) forward and swap transactions. Unless otherwise indicated, original documents* shall be presented on or before deal date to banks.

**A. FORWARD SALE OF FOREIGN EXCHANGE TO COVER FX OBLIGATIONS –
DELIVERABLE AND NON-DELIVERABLE**

1. FORWARD SALE OF FOREIGN EXCHANGE – TRADE

1.1 Trade Transactions

1.1.1 Under Letters of Credit (LC)

- a. Copy of LC opened; and
- b. Accepted draft or Commercial invoice / Bill of Lading

1.1.2 Under Documents against Acceptances (DA)/Open Account (OA) Arrangements

- a. Certification of reporting bank on details of the DA/OA transaction under Schedule 10 (Import Letters of Credits Opened and D/A-O/A Import Availments and Extensions) of FX Form 1 (Consolidated Report on Foreign Exchange Assets and Liabilities);
- b. Copy of commercial invoice.

In addition to the above requirements, the bank shall require the customer to submit a Letter of Undertaking that:

- i. Before or at maturity date of the forward contract, it (the importer) shall comply with the documentation requirements on sale of foreign exchange for trade transactions under Appendix 4 of the Manual; and
- ii. No double hedging has been obtained by the customer for the covered transactions.

1.1.3 Direct Remittance

Original shipping documents indicated in item II.a of Appendix 4 of the Manual, as amended.

* If copy is indicated, it shall mean photocopy, electronic copy or facsimile of original

2. NON-TRADE TRANSACTIONS

Only non-trade transactions with specific due dates shall be eligible for forward contracts, and shall be subject to the same documentation requirements under Appendix 1 of the Manual, with the following additional guidelines for foreign currency loans and investments.

2.1 Foreign Currency Loans owed to non-residents or AABs

2.1.1 Deliverable Forwards

The maturing portion of the outstanding eligible obligation, i.e., those that are registered with the BSP, including interest and fees thereon as indicated in the BSP registration letter, may be covered by a deliverable forward subject to the documentary requirements under Item B of Appendix 1 of the Manual. A copy of the creditor's billing statement may be submitted on or before the maturity date of the contract.

2.1.2 NDFs

The outstanding eligible obligation, i.e., those that are registered with the BSP, including interests and fees thereon as indicated in the BSP registration letter, may be covered by a NDF, subject to the documentary requirements under Item B of Appendix 1 of the Manual, except for the creditor's billing statement which need not be submitted.

The amount of the forward contract shall not exceed the outstanding amount of the underlying obligation during the term of the contract.

2.2 Inward Investments – Deliverable

The unremitted amount of sales/maturity proceeds due for repatriation to non-resident investors pertaining to BSP-registered investments in the following instruments:

- a. securities listed at the Philippine Stock Exchange (PSE) issued by both residents and non-residents;
- b. peso-denominated securities issued onshore by the National Government and other public sector entities;
- c. peso time deposits with an AAB with minimum tenor of 90 days; and

(As amended by Circular No. 794 dated 18 April 2013 and Circular No. 818 dated 06 November 2013)

- d. other peso-denominated debt instruments issued onshore by private resident firms and not covered by Section 23 of the Manual

may be covered by foreign exchange forward contracts subject to the presentation of the original Bangko Sentral Registration Documents (BSRD) on or before deal date. However, for Item 2.2.a above, original BSRD or BSRD Letter-Advice, together with the broker's sales invoice, shall be presented on or before maturity date of the foreign exchange forward contract, which date coincides with the intended date of remittance.

Sales proceeds of BSP-registered investments in shares of stock that are not listed in the PSE may be covered by a deliverable foreign exchange forward contract only if determined to be outstanding as of deal date for the contract and payable on a specific future date as indicated in the Contract To Sell/Deed of Absolute Sale and subject to the same documentary requirements under Item C of Appendix 1 of the Manual.

**B. FORWARD SALE OF FOREIGN EXCHANGE TO COVER EXPOSURES –
DELIVERABLE AND NON-DELIVERABLE**

1. TRADE (DELIVERABLE AND NON-DELIVERABLE)

1.1 Under LC

- a. Copy of LC opened; and
- b. Proforma Invoice, or Sales Contract / Purchase Order

1.2 Under DA/OA, Documents Against Payment (DP) or Direct Remittance (DR)

Any of the following where delivery or shipment shall be made not later than one (1) year from deal date:

- a. Sales Contract
- b. Confirmed Purchase Order
- c. Accepted Proforma Invoice
- d. Shipment/Import Advice of the Supplier

In addition to the above requirements, the bank shall require the customer to submit a Letter of Undertaking that:

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(As amended by Circular No. 794 dated 18 April 2013 and Circular No. 818 dated 06 November 2013)

- i. At maturity of the forward contract, it shall comply with the documentation requirements on the sale of foreign exchange for trade transactions under Appendix 4 of the Manual; and
- ii. No double hedging has been obtained by the customer for the covered transactions.

2. NON-TRADE (NON-DELIVERABLE)

The outstanding balance of BSP-registered foreign investments without specific repatriation date, appearing in the covering BSRD may only be covered by an NDF contract, based on its market/book value on deal date, subject to presentation of the covering BSRD and the proof that the investment still exists (e.g., original stock certificate, or certification for the lodgment of shares with the Philippine Depository and Trust Corporation or broker's buy invoice, or confirmation of sale, or original certificate of investment in other peso-denominated debt instruments, or certificate of peso time deposits as may be applicable). Hedging of permanently assigned capital of Philippine branches of foreign banks/firms is not allowed.

C. FORWARD PURCHASE OF FOREIGN EXCHANGE

Such foreign exchange forward contracts shall be subject to the bank's "Know Your Customer" policy and existing regulations on anti-money laundering. In addition, counterparties must be limited to those that are manifestly eligible to engage in foreign exchange forwards as part of the normal course of their operations, and which satisfy the bank's suitability and eligibility rules for such transactions.

D. FOREIGN EXCHANGE SWAPS

1. FOREIGN EXCHANGE SALE (first leg)/FORWARD FOREIGN EXCHANGE PURCHASE (second leg) –

The same minimum documentary requirements for sale of foreign exchange under Appendix 1 of the Manual for non-trade transactions, and Appendix 4 of the Manual for trade transactions, shall be presented on or before deal date.

2. FOREIGN EXCHANGE PURCHASE (first leg)/FORWARD FOREIGN EXCHANGE SALE (second leg) -

The first leg of the swap will be subject to the bank's "Know Your Customer" policy and existing regulations on anti-money laundering. The second leg of the swap will be subject to the swap contract between the counterparties. However, for swaps covering foreign/foreign currency loans and inward investments, the minimum documentary requirements for sale of foreign exchange under Appendix 1 of the Manual shall also be presented to the bank counterparty prior

(As amended by Circular No. 794 dated 18 April 2013 and Circular No. 818 dated 06 November 2013)

to delivery of foreign exchange by the bank to its client at any time under the forward leg of the swap.

For this purpose, the swap contract must include a statement that: "There shall be no delivery of foreign exchange at any time under the swap contract unless the foreign/foreign currency loans/inward investments are duly registered with the BSP."

Swap contracts of this type intended to fund peso loans to be extended by non-residents in favor of residents shall require prior BSP approval.

The rules under Item D thereof shall also apply to cross currency swaps¹.

¹ Cross currency swap is defined as an arrangement in which two parties exchange a series of cash flows in one (1) currency for a series of cash flows in another currency, at specified exchange and/or interest rates and at agreed intervals over an agreed period.

ANNEX E.3

(Pursuant to Circular No. 794 dated 18 April 2013 and Circular No. 818 dated 06 November 2013)

LOAN PROFILE

Original Amount Committed (In original currency)	:	
Type of Credit Facility (e.g., supplier's credit, subordinated loan, note/bond issue, etc.)	:	
Creditor Name & Address (with percentage of ownership/interest in the borrower, if any)	:	
Creditor Type (e.g. Bank & Financial Institution, Foreign Supplier, Parent Company, Affiliate, Shareholder, Multilateral, Bilateral)	:	
Currency of Repayment	:	
Guarantor Name (with loan amount/percent guaranteed)	:	
- Local guarantor - Foreign guarantor	:	
Project/Purpose	:	
Original Maturity and Grace Period; Drawdown and Amortization Schedules (Please fill up Annex E.4)	:	
Interest Rate (In percent)	:	
- Fixed - Floating (Please show spread & base rate separately)	:	
Frequency of Payment (Annual, semi-annual, quarterly, etc.)	:	
Penalty/Default Rate (In percent)	:	
Fees/Costs (Rate & basis for computation)	:	
- Commitment - Front-end - Others (Please specify nature)	:	
Date of covering Loan Agreement	:	

COMPUTATION SHEET

Name of FX Selling Bank: _____ Date of FX Sale: _____

TYPE OF OUTWARD REMITTANCE FOR BSP-REGISTERED FOREIGN DIRECT INVESTMENTS

- ☐ Cash Dividends
☐ Profits/Earnings
☐ Capital

Investee Firm: _____

Investor: _____

I. FOR PROFITS/EARNINGS

II. FOR CASH DIVIDENDS

Record Date: (CCYYMMDD) _____

Payment Date: (CCYYMMDD) _____

☐ Dividends

Total Amount in PHP (A): _____

No. of shares¹ (B): _____

Rate per share in PHP (A/B): _____

☐ Amount of Profits/Earnings due to the Investor: _____

<u>BSRD No.</u>	<u>No. of Shares²</u> <u>Registered and</u> <u>Outstanding</u> <u>(C)</u>	<u>Dividend</u> <u>Rate</u> <u>(D)</u>	<u>Total Dividends</u> <u>Due to Investor</u> <u>(In PHP)</u> <u>(E=C x D)</u>
_____	_____	_____	_____
_____	_____	_____	_____

III. Gross Peso Amount Remittable (E)

Less: Taxes/Charges _____

Net Peso Amount Remittable _____

Divided by: FX Rate³ _____

Equals: Foreign Exchange Remittable
(in orig. currency) _____

USD Equiv. _____

¹ Refers to shares issued and outstanding as of record date

² Out of total number of shares issued and outstanding as of record date (in footnote 1)

³ PHP/1.00 FCY (to be supplied by FX selling bank)

BSRD No.	Total Amount/ No. of Shares Registered ⁵	Outstanding Balance Before This Repatriation ⁵	Amount/No. of Shares Applied for Repatriation

A. Total No. of Shares/Amount for Remittance

B. Selling Price/Share (if applicable)

C. Gross Peso Amount Remittable (A x B)

D. Less: Taxes/Charges

E. Net Peso Amount Remittable

Divided by: FX Rate³

Equals: Foreign Exchange Remittable (in orig. currency)

USD Equiv. (if remittance is in third currency⁶)

Prepared by:

Signature over Printed Name
of Applicant's Authorized Representative

Company Affiliation of Investor's
Authorized Representative

Date

Verified as Correct:

Signature over Printed Name of
Authorized Officer of FX Selling Bank

Date

⁵ Refers to number of shares (for stock corporations) or amount (e.g., assigned capital, contributed capital)

⁶ PHP/1.00 FCY

"Attachment 8"

ANNEX N

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(As amended by Circular No. 818 dated 06 November 2013)

Verified as Correct:

Signature over Printed Name of
Authorized Officer of FX Selling Bank

Date



BANGKO SENTRAL NG PILIPINAS

INTERNATIONAL OPERATIONS DEPARTMENT

Application for

Registration of Inward Foreign Direct Investments (FDIs)

Date: _____

A. Investee Firm

1. Name: _____
2. Address: _____
3. Tel. No.: _____ Fax No.: _____
4. E-mail/website: _____
5. Nature of Business: _____
6. SEC Certificate of Registration No.: _____
or Bureau of Trade Regulation and Consumer Protection (BTRCP) No.: _____
7. Contact person: _____
Designation/Position: _____
8. Tel. No.: _____ Mobile No.: _____
9. Fax No.: _____ Email: _____

B. Foreign Investor

1. Name: _____
2. Address: _____
3. Nationality: _____
4. Tel. No.: _____ Fax No.: _____
5. E-mail: _____ Website: _____
6. Local Representative (if other than investee firm)¹: _____
7. Address: _____
8. Tel. No.: _____ Mobile No.: _____
9. Fax No.: _____ E-mail: _____

C. Investment Type/Funding:

- ☐ Cash ☐ In Kind ☐ Conversion to equity of foreign loan/other payables to non-resident

☐ Investment in financial institutions which are governed and regulated by BSP

☐ Condominium Units

☐ Shares of Stock (indicate number of shares)

- ☐ Stock Dividends _____ ☐ Stock splits _____
☐ Subscription _____ ☐ Reverse Stock Split _____

☐ Property Dividends (Please specify) _____

☐ Cash Dividends (PHP _____)

☐ Others _____

¹ Please submit letter authority or other proof of authorization from the foreign investor or investee firm, as applicable.

ANNEX W

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(Pursuant to Circular No. 794 dated 18 April 2013 and as amended by Circular No. 818 dated 06 November 2013)

D. Have you ever applied for registration of a foreign investment with the BSP? _____. If yes, please indicate BSRD No. _____. If no BSRD was issued, please indicate date of latest BSP letter: _____

E. Supporting Documents

1. Cash Investments

- ☐ Original certificate of inward remittance (CIR) of foreign exchange (FX) issued by an AAB in the prescribed format (Appendix 10.1);

Note: Conversion to pesos of the FX funding the foreign investment is not required for registration of foreign direct investments

- ☐ Sworn certification of the investee firm's authorized officer attesting to the number of shares and amount paid for the investment [Suggested format is shown in Appendix 10.3A (for Stock Corporations) and Appendix 10.3B (for Branches/Representative Offices/Regional Headquarters/Regional Operating Headquarters)]; and
- ☐ For investee firms that are corporations/partnerships: Photocopy of the Certificate of Registration with the Philippine Securities and Exchange Commission (SEC), Articles of Incorporation/Partnership and amendments thereto (if any), together with latest General Information Sheet stamped received by SEC, if any

For investee firms that are sole proprietorships: Photocopy of Registration Certification from DTI

2. Investments in kind

- ☐ Shipping documents;
- ☐ Bureau of Customs Import Entry and Internal Revenue Declaration (IEIRD); and
- ☐ Sworn certification of the investee firm's authorized officer attesting to the number of shares and amount paid for the investment [Suggested format is shown in Appendix 10.3A (for Stock Corporations) and Appendix 10.3B (for Branches/Representative Offices/Regional Headquarters/Regional Operating Headquarters)].

3. Investments in financial institutions which are governed/and regulated by BSP

- ☐ Clearance from the Supervision and Examination Sector of the BSP shall be required in addition to the documentary requirements for investments in cash or in kind.

4. Investment in Condominium Unit/s

- ☐ Original CIR of FX;
- ☐ Condominium Certificate of Title in the name of the foreign investor, or Deed of Absolute Sale/Contract to Sell of condominium unit to the foreign investor;
- ☐ Certification from the owner/developer/administrator/property manager of the condominium attesting to compliance with the foreign ownership limitation under existing Philippine laws.

5. Capitalized oil, gas, and geothermal energy exploration/development expenditures

- ☐ Government-approved service contract/other contract; and

(Pursuant to Circular No. 794 dated 18 April 2013 and as amended by Circular No. 818 dated 06 November 2013)

- ☐ Copy of the Department of Energy (DOE)/National Power Corporation (NPC) letter-validation of expenditures showing, among others, the distribution of validated expenditures among the partners under the service contract/other contract.
- 6. Investments funded by foreign loan/payable to a non-resident converted to equity
 - ☐ Copy of BSP registration document for foreign loans with the BSP or original CIR of FX issued by an AAB in the prescribed format (Appendix 10.1) for foreign loans/payables not registered with the BSP;
 - ☐ Sworn certification of the investee firm's authorized officer attesting to the number of shares and amount paid for the investment and that such are funded from foreign loans/payables converted into equity;
 - ☐ Deed of Assignment of foreign loan or other payables;
 - ☐ Latest audited financial statements of investee firm; and
 - ☐ Articles of incorporation of the investee firm.
- 7. Stock and/or property dividends accruing on BSP-registered investments in non-PSE-listed firms
 - ☐ Copy of Bangko Sentral Registration Document (BSRD); and
 - ☐ Sworn certification signed by the investee firm's authorized officer on the declaration of the stock and/or property dividend, to include relevant excerpts of the covering: (i) Stockholders and Board Resolutions for stock dividends; and (ii) Board Resolution for property dividends
- 8. Stock splits/reverse stock splits on BSP-registered investments in non-PSE-listed firms
 - ☐ Copy of BSRD; and
 - ☐ Sworn certification signed by the investee firm's authorized officer implementing the stock split/reverse stock split, to include relevant excerpts of the covering Stockholders and Board Resolutions

Signature of Applicant over Printed Name

Company Name

Affiliation to Foreign Investor/Investee