



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 819
Series of 2013

Subject : **Amendments to Circular No. 769 dated 26 September 2012 (Guidelines on Requests for Monetary Board Opinion on the Monetary and Balance of Payments Implications of Proposed Domestic Borrowings by LGUs Pursuant to Section 123 of Republic Act No. 7653)**

The Monetary Board, in its Resolution No. 1796 dated 31 October 2013, approved the amendments to Circular No. 769 dated 26 September 2012, as follows:

Section 1. Item 1 of Section II is hereby amended to read as follows:

“1. The LGUs shall submit a written request to the BSP for Monetary Board (MB) opinion on the monetary and balance of payments (BOP) implications of its proposed borrowing prior to the loan release. The request shall include the required supporting documents/information listed in Annex 1.”

Section 2. Item 3 of Section II is hereby amended to read as follows:

“3. Once the LGU has submitted the required documents/information, the matter shall be elevated to the Monetary Board for an opinion on the probable monetary and BOP implications of the proposed LGU loans.”

Section 3. Item 4.c of Section II is hereby amended to read as follows:

“4. The MB opinion shall contain the following conditions:

a. x x x.

b. x x x.

c. The MB opinion is valid only for six (6) months from the date of issue. The validity period refers to the time within which the proposed loan is to be released in part or in full. It commences on the date of the MB resolution pertaining to the proposed loan.”

Section 4. Section III is hereby amended to include a new provision and shall read as follows:

"III. Post Borrowing Reports/Post-Loan Release Reports

The borrowing LGU shall submit to the BSP, through a letter addressed to the Director, Department of Economic Research or through electronic mail addressed to mbopinion_der@bsp.gov.ph, a post-borrowing report that will indicate the actual amount of the domestic borrowing as well as the final terms and conditions thereof within 30 calendar days from the date of the full release of loan proceeds.

The lending banks shall submit to the BSP, through a letter addressed to the Director, Department of Economic Research or through electronic mail addressed to mbopinion_der@bsp.gov.ph, a semestral post-loan release report on LGU loans granted in full within the last six months that will indicate the actual amount of loan released as well as the final terms and conditions thereof, within 30 calendar days after the end of each semester."

Section 5. Item A of Annex 1 is hereby amended as follows:

"A. To support the request for MB opinion (to be submitted by the LGU to BSP)

1. Letter by the LGU requesting for the MB opinion on the proposed loan, and providing information on the terms and conditions of the proposed loan (i.e., loan amount, purpose of loan [whether for infrastructure or importation of equipment, etc.], interest rate, maturity, fees and other charges)."
2. x x x.
3. x x x.
4. x x x.
5. Indication of the LGU in its letter of request whether the proceeds of the proposed borrowing will be used for importation.
6. Certification from the LGU indicating that no disbursement, in full or partial amounts, has been made of the loan for which it is requesting an MB opinion for (sample copy attached as annex 1a)."

Section 6. Item D of Annex 1 is hereby amended as follows:

"D. Post Borrowing Reports/Post-Loan Release Reports

The borrowing LGU shall submit to the BSP, through a letter addressed to the Director, Department of Economic Research or through electronic mail addressed to mbopinion_der@bsp.gov.ph, a post-borrowing report that will indicate the actual amount of the domestic borrowing as well as the final terms and conditions thereof within 30 calendar days from the date of the full release of loan proceeds (sample copy attached as Annex 4 and 4a).

The lending banks shall submit to the BSP, through a letter addressed to the Director, Department of Economic Research or through electronic mail addressed to mbopinion_der@bsp.gov.ph, a semestral post-loan release report on LGU loans granted in full within the last six months that will indicate the actual amount of loan released as well as the final terms and conditions thereof, within 30 calendar days after the end of each semester (sample copy attached as Annex 5)."

Section 7. The Annexes of Circular No. 769 is amended to include Annex 1a (template on the certification from the LGU that no disbursement has been made of the loan for which it is requesting an MB opinion for), Annex 4a (template on the "Post-Bond Flotation Report"), and Annex 5 (template on the "Post-Loan Release Report").

This Circular shall take effect fifteen (15) days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:



VICENTE S. AQUINO
Officer-In-Charge

12 November 2013

Annex 1a

(Name of Local Government Unit [LGU])
(Complete address)
(Tel. nos./Fax no./Email address)

Hon. Amando M. Tetangco, Jr.
Governor
Bangko Sentral ng Pilipinas

Dear Governor Tetangco:

This has reference to our request for the opinion of the Monetary Board (MB) on the probable effects on monetary aggregates, price level and balance of payments of the proposed borrowing amounting to (loan amount in Php) of the (Name of LGU).

Pursuant to the provisions of Section 123 of Republic Act No. 7653, which requires the prior opinion of the MB on proposed domestic borrowings by the government or any of its political subdivisions or instrumentalities, we would like to certify that no disbursement, in full or partial amounts, has been made on the abovementioned (loan amount in Php) proposed loan of the (Name of LGU).

Thank you.

Very truly yours,

Governor/Mayor/Chairman

For submission to the Department of Economic Research
30 days after bond issuance

Annex 4a

POST BOND FLOTATION REPORT

Name of Issuer	
Monetary Board Resolution No.	
Date of MB Opinion	
Amount of Proposed Bond Flotation	
Final Terms and Conditions	
Bond Name/Label	
Amount of Bonds Actually Sold	
Purpose of Bonds	
Issue Price	
Coupon Rate	
Date of Flotation	
Term (In Years)	
Maturity Date/Grace Period	
Denomination	
Medium of Sale	
Interest Payment (Frequency/Date)	
Principal Payment (Frequency/Date)	
Collateral Guarantee/Security	
Trustee Bank	
Fiscal Agent	
Underwriter	
Guarantor	
Financial Advisor, if any	
Breakdown of fees and other charges:	
Trustee Fee	
Underwriting Fee	
Guarantee Fee	
Financial Advisor Fee	
Other Fees	
List of Investors/Amount Purchased	
Settlement Mode	

For submission to the BSP, through a letter to the Director, Department of Economic Research or by electronic mail to mbopinion_der@bsp.gov.ph

POST-LOAN RELEASE REPORT ON LGU LOANS

Name of bank/financial institution: _____
Period covered, for the six months ending _____ (mm/dd/yyyy)

¹⁾ Should at least include information on the maturity date, interest rate, payment terms, administrative fees and other charges.