



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2020-016

To : **All Concerned Banks**

Subject : **Submission of Reports/Documents and Communications to the Bangko Sentral ng Pilipinas (BSP) - Department of Loans and Credit (DLC) and Relaxation in Regulations Governing Submission of Applications for Rediscounting Line (RL) and Availments for Rediscounting Loan from BSP, and Relevant Documentary Requirements**

The Monetary Board, in its Resolution No. 440.B dated 26 March 2020, approved the following guidelines on the submission of reports/documents and communications to the BSP-DLC and the relaxation in regulations governing submission of applications for RL and availment thereof, and the relevant documentary requirements (Annex "A"). These guidelines are intended to ease the exchange of communications between the banks and BSP-DLC and to simplify the application and availment procedures in obtaining an RL from the BSP in order to allow banks to immediately and continuously deliver their financial services during this extraordinary situation.

In this light, Banks are advised to observe the following in the submission of documents and communications to the BSP-DLC:

1. All communications, including submission of documents, shall be made through this email address: DLCmail@bsp.gov.ph. Banks shall refrain from submitting documents to the BSP-DLC by ordinary post, messenger or courier.
2. Documents to be submitted via email shall include a certification that: (i) all electronic copies submitted are a true and faithful copy of the original; (ii) the original copies shall be transmitted to the BSP-DLC upon resumption of work at the BSP Head Office; and (iii) the bank acknowledges that any misrepresentation shall be subject to appropriate enforcement actions, among other legal recourses available to the BSP.
3. Non-receipt of acknowledgment from the DLCmail@bsp.gov.ph account on the Bank's communication shall mean failure of delivery of the message.
4. Meanwhile, communications sent under the DLCmail@bsp.gov.ph account shall be considered as duly received by the Bank, absent notification from the BSP system of the failure of delivery.

This memorandum shall take effect immediately and shall continue to be in force until subsequent notice of revocation from the BSP.


BENJAMIN E. DIOKNO
Governor

31 March 2020

SIMPLIFIED PROCEDURES ON SUBMISSION OF APPLICATIONS FOR REDISCOUNTING LINE (RL) AND AVAILMENTS FROM BANGKO SENTRAL NG PILIPINAS (BSP)

A. REDISCOUNTING LINE APPLICATION

1. Banks applying for an RL shall submit digital/scanned copies of the following documentary requirements to the BSP's Department of Loans and Credit (DLC) via the email address provided in the memorandum (i.e., DLCmail@bsp.gov.ph):

- a. Application for RL using the DLC prescribed form (Annex "A-1");
- b. Secretary's Certificate or Board Resolution duly signed by the Board of Directors of the applicant bank, authorizing the bank to apply for RL with the BSP, indicating the amount applied for, and designating at least two (2) senior officers of the bank (together with their specimen signatures) authorized to endorse Promissory Notes and sign all papers pertaining to rediscounting. Please observe the following specific wordings in the preparation of said document:

"... to apply for a rediscounting line with the Bangko Sentral ng Pilipinas in the amount of ₱ _____";

- c. If the bank has outstanding obligation/s with financial/lending institution/s: original certification that the bank has no past due obligations with all other financial and lending institutions, as enumerated therein, dated at most one (1) week prior to date of filing of application for RL and signed by any two (2) of the authorized officers indicated in Requirement "b"; or

If the bank has no outstanding obligation/s with financial/lending institution/s: original certification of no financial obligation dated at most one (1) week prior to date of filing of application for RL and signed by any two (2) of the authorized officers indicated in Requirement "b";

- d. Certification signed by the president or officer of equivalent rank, and Chief Compliance Officer certifying that the Bank has the following documents which shall be made available, as applicable, when requested by the appropriate DLC personnel:
 - i. Articles of Incorporation (for new applicants only) and amendments, if any;
 - ii. Organizational chart (for new applicants only);
 - iii. List of board of directors and principal officers [top three (3) executive officers] and their education/training and work experience;

- iv. Annual report/Audited Financial Statements for the immediately preceding year; and
 - v. For banks applying for microfinance facility, a copy of the Manual of Operations pertaining to microfinance operations.
2. The approval/renewal of the RL shall still be subject to the following:
 - a. Bank's full compliance with the eligibility requirements set forth under Section 281 of the Manual of Regulations for Banks, but subject further to the Regulatory Relief for BSP-Supervised Financial Institutions Affected by the Corona Virus Disease 2019 pursuant to the BSP Memorandum No. M-2020-008 dated 14 March 2020; and
 - b. Evaluation timelines pursuant to the new BSP Citizen's Charter¹.
3. The effectivity of the RL shall be relayed to the Bank via email, upon BSP's determination of the satisfactory execution and submission by the bank of the BSP's Rediscounting Line Agreement.

B. PARTICIPATION IN THE ELECTRONIC REDISCOUNTING SYSTEM

1. Banks applying to participate in the Electronic Rediscounting System (eRS) shall submit digital/scanned copies of the following documentary requirements to the BSP-DLC via the email address provided in the memorandum (i.e., DLCmail@bsp.gov.ph):
 - a. Application for Participation in the eRS using the DLC prescribed form (Annex "A-2");
 - b. Duly signed and notarized eRS Participation Agreement;
 - c. Board Resolution authorizing the bank to participate in eRS;
 - d. Secretary's Certificate on the minutes of meeting to participate;
 - e. Rural/Cooperative Banks (R/CBs), duly signed and notarized Depository/Custodianship Agreement (DCA)²; and
 - f. Duly accomplished User Account Registration Form.

¹ The BSP-DLC has 20 banking days to evaluate the RL application and notify the Bank on the results thereof, which shall commence after BSP-DLC's assessment of the sufficiency and completeness of the Bank's submitted documents. The Bank shall be notified on the results thereof via email.

² If the R/CB has no DCA, the nearest BSP's regional office (RO) or branch will serve as its temporary custodian bank and crediting of proceeds will be thru the R/CB's demand deposit account (DDA) with BSP.

C. REDISCOUNTING LOAN AVAILMENT

1. The Bank shall send a scanned letter request (signed and certified by the authorized officer of the bank) indicating the amount to be borrowed and the purpose of availment thereof to the BSP-DLC through DLCmail@bsp.gov.ph and eRediscounting@bsp.gov.ph, addressed to:

MS. CARYL T. VALDEZ
Director
Department of Loans and Credit
Bangko Sentral ng Pilipinas
A. Mabini St. Malate
1004 Manila

2. All banks with approved RL may freely access the eRS. The bank shall follow the usual maker, checker and approver process in the submission of loan application through the eRS.
3. Once the loan application is granted, an email notification will be sent to bank's eRS users (i.e. maker, reviewer and approver) informing that the loan amount has been credited to the rediscounting bank's DDA with the BSP or to the depository bank's DDA with the BSP, as applicable.

Thereafter, the applicant bank shall immediately print from the eRS the Promissory Note with Trust Receipt Agreement and Deed of Assignment (PNTRADA) in favor of the BSP and the corresponding Rediscounting Schedules (RS), to be signed by the duly authorized officers of the bank.

4. For R/CBs with authorized custodian banks, deposit the rediscounted credit instruments and the underlying collaterals together with the PNTRADA to the authorized custodian bank, not later than the next banking day from date of loan grant. For R/CBs without custodian bank, rediscounted collateral documents and related documents shall be deposited to the nearest BSP's RO or branch. The bank shall ensure that receipt of the said documents is acknowledged by the authorized representative of the custodian bank/BSP RO/branch by having the latter sign the RS and indicate the date of receipt of the documents. The rediscounting bank shall email the scanned copy of the signed RS and PNTRADA/s to the BSP through eRediscounting@bsp.gov.ph.
5. For banks authorized to Hold-In-Trust in favor of the BSP, segregate the rediscounted credit instruments and underlying collaterals from the other credit instruments and papers of the bank and keep, together with the PNTRADA and RS, at a secure place within its premises under the custody of an accountable officer. The rediscounting bank shall email the scanned copy of the signed RS and PNTRADA through eRediscounting@bsp.gov.ph

6. In case, the eRS is inaccessible, the bank shall submit the List of Accounts for Rediscounting (Annex "A-3"). Upon evaluation of the BSP-DLC that the information provided are in order, rediscounting bank will be informed through email that the proceeds were credited to banks' DDA or to the depository banks' DDA with the BSP and the bank will be provided with the details of the rediscounting loan (i.e. grant/due date, rate, and amount). Since eRS is inaccessible, banks will be provided with the template of the PNTRADA which will be filled up manually.

The BSP expects that appropriate controls are instituted by the qualified banks to ensure accuracy of the information populated in the eRS. Further, the review of the acceptability of the collateral documents shall be done through BSP's post credit verification. Banks are reminded that any commissions/ omissions/violations of laws, BSP rules or regulations or misrepresentation by the bank and/or its officer/s may be a basis for the imposition of appropriate enforcement action/s under existing relevant BSP regulations.

D. CONTACT PERSONS

1. Caryl T. Valdez – Director
Telephone Number: 8708-7701 local 3067
Email: cvaldez@bsp.gov.ph
2. Atty. Ellaine C. Calleja – Deputy Director
Telephone Number: 8708-7701 local 2411
Email: CallejaEC@bsp.gov.ph
3. Leah C. Ozar – Deputy Director
Telephone Number: 8708-7701 local 2415
Email: LCOzar@bsp.gov.ph
4. Ronald C. Barlan – Manager
Telephone Number: 8708-7701 local 2807
Email: rbarlan@bsp.gov.ph

APPLICATION FOR REDISCOUNTING LINE
(Under Section 281 of Manual of Regulations for Banks [MORB])

Application No. _____

Date

Department of Loans and Credit
Bangko Sentral ng Pilipinas
A. Mabini cor. P. Ocampo Sr. Streets, Malate
1004 Manila

Gentlemen:

(Indicative Contents only)

The [Name of Bank] with postal address at [Bank Address] would like to apply for a Rediscounting Line (RL) with the Bangko Sentral ng Pilipinas in the amount of ₱_____.

In support of this application, we are submitting the attached required information and/or documents as listed in the Checklist - RL Form 1-A (DLC Form No. 02-001-02).

Further, we certify that [Name of Bank] has fully complied with the eligibility requirements for RL application pursuant to Section 281 of the Manual of Regulations for Banks per this Bank's records as of date.

In case of any other information you may wish to obtain from our bank, please communicate with us thru:

Email: _____
Fax No.: _____
Tel. Nos. _____

Very truly yours,

[Signature over printed name]

[Signature over printed name]

Authorized Official

Authorized Official

[Position Title]

[Position Title]

Position/Designation

Position/Designation

Atts.: A/S

BANK'S HEADER

**APPLICATION FOR PARTICIPATION IN
THE ELECTRONIC REDISCOUNTING SYSTEM**

[dd mmmm yyyy]

The Director
Department of Loans and Credit
Bangko Sentral ng Pilipinas
A. Mabini cor. P. Ocampo Streets,
1004 Malate, Manila

Dear Sir/Madam:

We hereby apply for participation in the Electronic Rediscounting System (eRS) facility of the Bangko Sentral ng Pilipinas. In support to our application, attached are the following:

1. Duly signed eRS Participation Agreement;
2. Board Resolution authorizing the bank to participate in the eRS with the minutes of the meeting (**Annex A**) duly supported by a notarized Secretary's Certificate (**Annex A-1**);
3. Rediscounting Line Agreement (**Annex B**);
4. User Account Registration Form (**Annex C**),
5. Depository/Custodianship Agreement (**Annex D**), (For Rural/Cooperative Bank only).

For update and inquiry, your staff may contact us through the following channels:

Telephone Number(s) : [Please indicate area code]
Facsimile Number(s) : [Please indicate area code]
Email Address(es) : [Email address of main contact person and alternate,
if any]

Very truly yours,

[Signature over printed name of
Authorized Officer]
Position/Designation

Atts.: A/S

NAME OF BANK: _____

Annex "A-3"

LOAN DETAILS FOR REDISCOUNTING

Collateral Location (complete address)	TIN	Borrower	Borrowers' Address	PN Count	Promissory/ Bills of Exchange No.	Project Location	Grant Date	Due Date	PN/BX Rate	PN/BX Face Amount	PN/BX Balance when Rediscounted	Loan Purpose	Type of Collateral	REM /Invoice Amount Amount (whichever is applicable)	Collateral Count	OCT/TCT No./Invoice No. whichever is applicable	Collateral Currency	Registered Owner	Property Location	Registry of Deeds	Area	Tax Dec	RETR No.	RETR Date	Appraiser	Appraisal Date	Appraisal Amount- Land	Appraisal Amount - Improvement	Insurance Company	Insurance Policy No	Insurance O.R. No	Insurance Amount	Insurance Expiry Date
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Note: Columns U to AJ are applicable to loans secured by Real Estate Mortgage.