

FUND OR MONEY FROM THE GOVERNMENT AND GOVERNMENT ENTITIES

BSP CIRCULAR NO. 1221, January 15, 1990

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The Monetary Board, in its Resolution No. 6 dated January 5, 1990 approved the following amendments to Books I-III of the Manual of Regulations for Banks and Other Financial Intermediaries:

The provisions of the second paragraph of Subsections 1239.1 (Book I), 2239.1 (Book II) and 3239.1 (Book III) of the Manual of Regulations are hereby amended to read as follows:

Banks may not receive or hold as trustee, agent, administrator, financial manager, or other similar capacity any fund or money from the Government and government entities EXCEPT:

a. FUNDS OF LOCAL GOVERNMENT UNITS (LGUs) WHICH ARE EXPECTED TO BE AVAILABLE FOR INVESTMENT PURPOSES FOR A RELATIVELY LONG PERIOD OF TIME WHICH ARE AUTHORIZED TO BE PLACED IN TRUST WITH GOVERNMENT FINANCIAL INSTITUTIONS AND WHICH SHALL BE INVESTED ONLY IN GOVERNMENT SECURITIES PURSUANT TO LOI NO. 1115 DATED MARCH 15, 1981, AS AMENDED BY LOI NO. 1302 DATED MARCH 23, 1983; AND

B. FUNDS OF GOVERNMENT AND GOVERNMENT ENTITIES WHICH ARE AUTHORIZED BY SPECIAL LAWS TO BE PLACED IN TRUST.

This Circular shall take effect immediately.

Adopted: 15 Jan. 1990

(SGD.) GABRIEL C. SINGSON
Senior Deputy Governor

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