



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

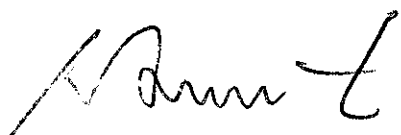
CIRCULAR- LETTER

**TO : All Authorized Agent Banks and their Subsidiary/
Affiliate Foreign Exchange Corporations**

The Monetary Board, aware of certain activities of banks/forex corporations that appear to be in the nature of speculation and those transactions that circumvent existing regulations, resulting in the excessive volatility in the foreign exchange market, decided to impose stiffer sanctions to banks and/or their officers/directors for violation of foreign exchange rules and regulations. These penalties may be any or all of the following as circumstances warrant:

1. Monetary Sanction - The amount of ₱30,000.00 penalty imposed per day per violation committed shall be based on per transaction basis;
2. Non-monetary Sanction - This shall be based on the gravity of offense or violation:
 - Reprimand of bank officers who approved the transaction;
 - Suspension of bank officers who approved the transaction;
 - Suspension of directors (for local banks) and Country Manager (for foreign banks);
 - Permanent disqualification of bank officers/directors;
 - Reduction or suspension of overbought limits;
 - Suspension of opening of letters of credit and over-the-counter sale of foreign exchange for a period of up to six (6) months;
 - Suspension of derivatives activities for a period of up to six (6) months; and
 - Suspension of foreign currency deposit unit (FCDU) authority for a period of up to six (6) months.

Please be guided accordingly.


RAFAEL B. BUENAVENTURA
Governor

July 23, 2001

ITAGUYOD ANG PHILIPPINES 2000



MAG-IMPOK SA BANGKO