

284 BANGKO SENTRAL LIQUIDITY WINDOW

The following guidelines shall govern the grant by the Bangko Sentral of credit accommodations through a liquidity window to banks.

Nature of liquidity window. The window shall meet the liquidity needs of the financial system under normal conditions and shall be distinct from overdrafts and emergency advances.

Terms of credit

- a. *Interest rate* – The rate of interest chargeable on availments under the liquidity window shall be the rate equivalent to the reference rate for ninety (90) days determined and announced by the Bangko Sentral for floating rate loans, plus or minus a rate to be determined by the Bangko Sentral on the basis of the prevailing monetary situation.

The additional or discount rate established for any given time shall be made public by the Bangko Sentral and applied uniformly to all borrowers during that period.

The additional rate to be imposed over and above the reference rate shall not be less than two (2) percentage points, with the applicable additional rate to be determined by the Bangko Sentral on the basis of the prevailing monetary situation.

- b. *Security* – Any paper, irrespective of maturity, eligible under Section 82 of R.A. No. 7653.
- c. *Loan values* – The loan values of the paper offered as collateral should be eighty percent (80%) of the amount still due outstanding on the paper offered as collateral.
- d. *Repayment period* – The term of the credit accommodation shall not exceed seven (7) days.

Limit. Availment by any bank under this facility shall not exceed ten percent (10%) of its net worth, as defined under Sec. 121 as of the end of the quarter preceding the date of application. In the case of branches of foreign banks, the quota shall be ten percent (10%) of the assigned capital as of the date of application. Additionally, a bank or a branch of a foreign bank may avail itself of this facility to the extent equivalent to a further five percent (5%) of its net worth, as defined under Sec. 121 or assigned capital, as the case may be, as of the end of the quarter preceding the date of availment. Any availment of the liquidity window shall fall within the unavailed basic rediscount ceiling of the bank or the branch of a foreign bank as the case may be.