

## 291 BORROWINGS FROM THE GOVERNMENT

Except as may be authorized by existing statutes, no private bank shall, whether or not performing quasi-banking functions, borrow any fund or money from the Government and government entities, through the issuance or sale of its acceptances, notes or other evidences of debt.

**Exemption from reserve requirement.** The following borrowings shall not be subject to the reserve requirements:

- a. STDs and deposit substitutes of specialized government banks and private banks arising from their lending operations under the special financing programs of the Government and/or international FIs; and
- b. Funds held by participating financial institutions (PFIs) under the GSIS Housing Loan Programs: *Provided*, That the agreement between the GSIS and the conduit banks specify that such funds may be held by the conduit banks for a period of not more than seven (7) calendar days prior to their release to the borrower and prior to the remittance by the conduit banks of payments to the GSIS.
- c. Borrowings by accredited FIs under the Wholesale Lending Program for SMEs of the SBGFC.