

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.