

315 INTERBANK LOANS

Interbank loan transactions shall include, among other things, (a) interbank call loan (IBCL) transactions; (b) interbank term loan transactions; (c) borrowings evidenced by deposit substitute instruments; and (d) purchases of receivables with recourse: *Provided, however*, That only IBCL transactions which are settled through the banks' respective DDAs with the Bangko Sentral via PhilPaSS shall be subject to the reserve requirement prescribed for IBCL in Sec. 251 (*Required reserves against deposit and deposit substitute liabilities*): *Provided, further*, that funds borrowed by banks from trust departments of banks or IHS shall be excluded from the herein definition of interbank loan transactions.

Systems and procedures for interbank call loan transactions. IBCL transactions of banks shall be governed by the Agreement for the PhilPaSS executed on 12 December 2002 between the Bangko Sentral and the Bankers Association of the Philippines (BAP)/Chamber of Thrift Banks (CTB)/Rural Bankers Association of the Philippines (RBAP) and any subsequent amendments thereto.

Accounting procedures.

- a. Both lending and borrowing banks shall immediately pass the corresponding entries in their books.
- b. IBCL transactions shall be recorded by the lending bank as Interbank Call Loans Receivable and by the borrowing bank as Bills Payable Interbank - Call Loans.
- c. Banks shall reconcile their demand deposit accounts with the Bangko Sentral against monthly statements of account to be furnished by the Bangko Sentral Financial Accounting Department, Comptrollership Sub-Sector.

Settlement procedures for interbank loan transactions. Interbank loan transactions (call and term) among banks shall be settled gross with finality subject to the availability of balances in the deposit reserves maintained by banks in the Bangko Sentral in accordance with the provisions of the Agreement for the PhilPaSS executed on 12 December 2002 between the Bangko Sentral and the BAP/CTB/RBAP and any subsequent amendments thereto.