

# Bangko sentral ng pilipinas essay sample

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The Bangko Sentral ng Pilipinas (BSP) is the independent central monetary authority of the Republic of the Philippines. Established under the New Central Bank Act of 1993, the BSP is primarily mandated by law to ensure the maintenance of price stability conducive to a balanced and sustainable growth of the economy.

### Policy-Making

#### Body

The Monetary Board is the highest policy-making body in the BSP. It consists of five full-time private sector representatives and two government representatives, namely, the BSP Governor, who is also the Chairman, and a cabinet secretary.

#### Frequency of Meetings

The Monetary Board meets at least once every week. Moreover, the Monetary Board meets regularly every six weeks to review, discuss and decide on the appropriate monetary policy stance of the BSP in order to keep inflation within the target.

#### Degree of Independence

Under Section 1, Article I of the New Central Bank Act of 1993, it is mandated that the central monetary authority shall function and operate as an independent and accountable body corporate in the discharge of its responsibilities concerning money, banking and credit. In line with this policy, the BSP, while being a government-owned corporation, enjoys fiscal and administrative autonomy. The BSP is independent of the fiscal sector, even as the government may be represented in the Monetary Board

inasmuch as the law allows the President of the Philippines to appoint any cabinet secretary to be the other government representative. The BSP has the independence and flexibility needed in the discharge of its duties. While the BSP has fiscal autonomy, it realises the importance of coordinating closely with the National Government (NG) to support the broad economic goals of the nation.

The powers and functions of the BSP are exercised by the Bangko Sentral Monetary Board composed of seven members appointed by the President of the Philippines. The Governor of the BSP is the Chairman of the Monetary Board. The Governor, as the Chief Executive Officer of the BSP, directs and supervises the operations and internal administration of the BSP.