

REVISED MANUAL OF RULES AND REGULATIONS GOVERNING FOREIGN TRADE TRANSACTIONS

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Pursuant to Resolution No. 560 dated June 19, 1992 the Monetary Board hereby adopts and promulgates the following rules and regulations governing foreign trade transactions:

PART I

IMPORT TRANSACTIONS

Chapter I

Basic Policy

SECTION 1. General Policy. - As a general rule, all kinds of merchandise imports are allowed. However, certain commodities are regulated or prohibited for reasons of public health and safety, national security, international commitments, and development/rationalization of local industry.

Chapter II

Classification of Imports

According to the Degree of

Restriction Involved

SECTION 2. Freely Importable Commodities. - These are commodities the importation of which is neither regulated nor prohibited as defined under Sections 3 and 4 of this Circular. They may be effected without the prior approval of or clearance from any government agency.

SECTION 3. Regulated Commodities. - These are commodities the importation of which requires clearances/permits from appropriate government agencies including the Central Bank. They are enumerated as follows:

Commodity Description/ Commodity Group (PSCC Code) Government Agency Issuing Permit/ Clearance
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1. Acetic anhydride (513.77-01) (DDB) Dangerous Drugs Board
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2. Dangerous Drugs DDB

3. Fish and Fish Preparations

(Appendix 1)[*]

(BFAR) Bureau of Fisheries and Aquatic Resources

4. Animals, animal effects, animal products, meat and
meat products including meat of bovine animals

of subgroup 011.1 (Appendix 2)[*] National Meat Inspection Commission

(NMIC)/Bureau of Animal

Industry (BAI)

5. Rice and Corn National Food Authority

6. Sodium Cyanide (523.81-01) Bureau of Food & Drug

(BFAD)

7. Chlorofluorocarbon (511.38-01) BFAD

8. Penicillins/derivatives (541.31-00/542.13-01/542.13-09) BFAD

9. Refined petroleum products (Appendix 3)[*] Energy Regulatory Board

(ERB)

10. Coal and Coal derivatives (Appendix 4)[*] ERB

11. Color Reproduction

Machines (Subgroup 751.3)[*] NBI and Cash Department

Central Bank

12. Various Chemicals for the manufacture of
explosives (Appendix 5)[*] PNP Firearms and Explosives
Office (PNP-FEO)

13. Firearms, Ammunition,

and Parts PNP-FEO

14. Onions, garlic, potatoes and
cabbage, for seedling purposes Bureau of Plant Industry

15. Specific Consumer Durable
Goods (Appendix 6)[*] DTI/BOI

16. Pesticides incl. Agricultural
Chemicals (Appendix 7)[*] Fertilizer & Pesticide Authority

17. Motor Vehicles, Parts and
Components (Appendix 8)[*] DTI/BOI

18. Raw Sugar (061.11-01/061.11-02/
061.11-09/061.12-00) Sugar Regulatory Administration

19. Truck and automobile tires and tubes, used, of all sizes
(LOI 1086-November 25, 1980) DTI

20. No-dollar imports of used motor vehicles. DTI

21. All commodities originating from
Socialist and other centrally-planned
economy countries Philippine International
Trading Corporation

22. All commodities originating
from the Union of South Africa PITC/DFA

23. Warships of all kinds Maritime Industry Authority

24. Computers/peripherals imported by government
agencies in excess of P 2M
within a fiscal year. National Computer Center

25. Others (Appendix 9) CBP

SECTION 4. Prohibited Commodities. - These are commodities the importation of which is not allowed under existing laws. They are the following:

- a. Those specifically listed under Section 101 of the Tariff and Customs Code (Appendix 10)*;
- b. Onions, potatoes, garlic and cabbages, except for seedling purposes (R.A. 1296.);
- c. Coffee (R.A. 2712.);
- d. Used clothing and rags (R.A. 4653.);
- e. Toy guns (LOI 1264 dated July 31, 1982.);

Chapter III

Modes of Payment for Imports

SECTION 5. General Guidelines. - All foreign exchange remittances for imports under the following modes of payment shall be transacted thru the AABs:

- a. Letter of Credit (L/C)
- b. Documents Against Payment (D/P)
- c. Documents Against Acceptance (D/A)
- d. Open Account Arrangement (O/A)

SECTION 6. Letter of Credit. —

a. Requirements for L/C opening. - All L/Cs must be opened on or before the date of shipment. Likewise, only one L/C should be opened for each import transaction. For purposes of L/C opening, importers shall submit to the AAB the following documents:

- The duly accomplished L/C application;
- Firm offer/proforma invoice which shall contain information on specific quantity of the importation, unit cost and total cost, complete description/specification of the commodity and PSCC statistical code;
- Permits/clearances from appropriate government agencies, whenever applicable;
- Duly accomplished Import Entry Declaration (IED) which shall serve as basis for payment of advanced duties as required under PD 1853.

b. Negotiation of L/Cs. - L/Cs must be negotiated in accordance with the terms and conditions set forth in the approved L/C and shall be governed by the Uniform Customs and Practices on Documentary Credits (ICC 400). The requirement of pre-shipment inspection/Clean Report of Findings (CRF) shall be strictly observed for L/Cs valued at US\$ 500.00 and above.

SECTION 7. Documents Against Payment (D/P). - (a) D/P is a mode of payment whereby the shipping documents are released to the importer by the local bank concerned thru the seller's bank only upon receipt of the importer's payment for the shipment thru the former bank.

b. AABs shall advise the importer of the receipt of the complete original shipping documents (inclusive of the CRF whenever applicable) and shall effect the release of said documents to the importer upon receipt of payment or credit extension.

c. AABs shall remit payment to the supplier through the correspondent bank abroad.

SECTION 8. Documents Against Acceptance (D/A) and Open Account (O/A) Arrangements. – (a) D/A is a mode of payment whereby the shipping documents are released to the importer by the local bank concerned thru the seller's bank upon the importer's written acceptance of the seller's bill of exchange, obligating the importer to pay for the shipment at some future date.

b. O/A is a mode of payment whereby the shipping documents are sent and released by the seller directly to the importer without coursing the documents thru the banks, upon the importer's promise to pay at some future date after shipment.

c. Eligible Firms. - The following firms are allowed to import under D/A and O/A arrangements:

- Export producers/manufacturers, oil firms and franchised public utility concerns, without prior CB approval; and
- domestic producers/manufacturers, with prior CB approval.

d. Registration and Payment of D/A and O/A imports. (1.) Importations under D/A and O/A arrangements shall be registered with the Central Bank.

2. Payments shall not be effected for unregistered DA/OA imports. Payments prior to maturity date can be made provided these have already been registered. Payments subsequent to the original maturity date may be allowed, provided that:

(i) the importers report the extension of the maturity period to a specific date; and

(ii) the cumulative length of the maturity periods, including all extensions, does not in any case exceed 360 days from date of draft acceptance for D/A and B/L date for O/A.

3. Payments of D/A and O/A obligations, the maturities of which have exceeded 360 days from date of draft acceptance in case of D/A or B/L date in case of O/A shall be referred to the Central Bank for approval.

4. Mechanics of Registration. - Appendix 11[*] of this Circular contains the mechanics of reporting and registration of D/A and O/A imports.

Chapter IV

Other Import Payments/Arrangements

SECTION 9. Self-funded (No-dollar) Imports. - These are importations effected without foreign exchange remittance from the banking system. These include imports funded from importer's own foreign currency deposit accounts and those sent by suppliers abroad for which no payment in foreign exchange will be made. Imports under this arrangement shall be subject to existing provisions of the Tariff and Customs Code and do not require the prior approval of the Central Bank.

SECTION 10. Importations on Consignment Basis. - These are importations by export producers of raw materials and accessories/supplies from foreign suppliers/buyers abroad for the manufacture/processing of products destined for export to said foreign suppliers/buyers. These shall also include machinery/equipment and spare parts consigned to the local manufacturer/processor for eventual re-export to the consignor, provided that the equipment involved shall be used only in connection with the processing of products for export.

Consignment imports do not require the prior approval of the Central Bank. However, the said imports shall be governed by existing rules and regulations of the Bureau of Customs on the matter.

SECTION 11. Importation under Lease/Lease-Purchase and Similar Arrangements. - The pertinent lease or

charter contract involving importations of capital equipment shall be referred to the Central Bank for prior approval.

Chapter V

Comprehensive Imports Supervision

Scheme (CISS)

SECTION 12. General Guidelines. - Goods destined for importation into the Philippines shall be subject to inspection by the inspector(s) duly authorized by the Government, in the countries of supply, as to the quality, quantity, price/HCV, verification of Tariff and Customs Code, classification and verification of Tariff rate, under a Comprehensive Import Supervision Scheme (CISS). The following requirements shall apply:

a. L/Cs opened for importations subject to inspection shall contain the following clause:

"Drawings against this credit shall be subject to the presentation of a copy of final settlement invoice bearing an adhesive security label affixed by Societe General de Surveillance S.A. (SGS S.A.) or its authorized affiliates and representatives bearing the number and date of the corresponding Clean Report of Findings (CRF). No letter of Guarantee shall be accepted from the supplier for non-presentation of the prescribed adhesive security label."

b. For importations effected without letter of credit (D/P, D/A and O/A arrangements) including consignment and no-dollar basis, the importer shall submit written details of the proposed importations together with the pertinent proforma invoice to the CICCDD for endorsement to the SGS MLO for inspection.

SECTION 13. Commodities Covered. - Except as otherwise provided for under Joint Order 1-91 implementing the CISS, the following commodities are subject to inspection:

a. Goods sold and/or supplied from all countries with FOB value of US\$500.00 and above.

b. Goods invoiced or declared in the shipping documents as off-quality under such descriptive terms as stocklots, side-runs, cull rolls, seconds, mill lots, scraps, off-grade, reconditioned, used, junk or similar terms conveying or purporting to convey the condition of the article as not being brand-new or first quality, regardless of value.

SECTION 14. Applicable rules and procedures. - The provisions of Joint Order 1-91 shall govern the implementation of the CISS.

Chapter VI

Use of Philippine Flag Vessels/Air

Carriers

SECTION 15. Basic Guidelines. - Pursuant to P.D. 1466 dated June 11, 1978, unless the prescribed waiver is obtained:

a. Whenever any office, agency or instrumentality of the government, including government-owned or-controlled corporations, shall procure, contract from, or otherwise obtain any transportation or export and import cargoes by air or water between the Philippines and a place outside thereof, the payment for which is made or will ultimately be made from funds of the Republic of the Philippines or such instrumentalities or corporations, the head of the government-owned or -controlled corporation concerned shall obtain such transportation services from Philippine flag air carriers and/or vessels.

b. Any person, partnership, corporation or entity granted a loan or credit or whose obligations is guaranteed by the Government or any of its financial institutions, shall, upon the effectivity of these rules and regulations, utilize the services of Philippine flag air carriers and/or vessels in the transportation of export and import cargoes between the Philippines and a place outside thereof whenever such cargo are paid from the proceeds of such loan, credit or

guaranteed loan or credit. Whenever such parties ship or agree to ship on FOB basis, they shall select/nominate suitable Philippine flag air carriers and/or vessels for the carriage of the export/import cargoes involved.

SECTION 16. Applicable Rules. - The implementing Rules and Regulations issued by the Philippine Shippers Council dated September 7, 1978 shall be observed.

Chapter VII

Central Bank Release Certificates (CBRCs)

for Imports

SECTION 17. Imports Subject to CBRC Requirement. - The following imports are subject to CBRC:

- a. Imports under DA/OA arrangements; and
- b. Imports of regulated items specified under Section 3 of this Circular, regardless of mode of payment.

SECTION 18. Procedures for CBRC issuance. - AABs shall issue the CBRC in accordance with the revised format attached as Appendix 12 hereof.

- a. For imports under D/A and O/A arrangements, AABs shall issue the CBRC upon receipt of the complete shipping documents (inclusive of the CRF, if applicable) and submission by the importer of the duly accomplished Record of Goods Imported (RGI) and the pertinent import permit.
- b. For imports of regulated items effected thru L/Cs, AABs shall issue the CBRC upon receipt of the complete shipping documents inclusive of the CRF, if applicable and the pertinent import permit.
- c. For imports of regulated items under D/P arrangements, AABs shall issue the CBRC upon receipt of payment for the shipment from the importer or credit extension thereto and presentation of CRF, as well as the pertinent import permits.

PART II

EXPORT TRANSACTIONS

Chapter VIII

Basic Policy

SECTION 19. General Policy. - It is the policy of CB to encourage commodity exports which generate foreign exchange earnings for the country and ensure that such earnings are remitted thru the domestic banking system. Accordingly, commodity exports are allowed without restriction except for certain commodities which are regulated for reasons of national interest.

SECTION 20. Classification of Exports:

- a. Exports with Foreign Exchange Proceeds. These are exports for which payment is made. The rules governing this type of exports are in Chapters IX-XV herein.
- b. Exports Without Foreign Exchange Proceeds. These are exports for which no payment is made. The rules governing this type of exports are in Chapter XVI herein.

Chapter IX

Export Declaration

SECTION 21. Export Declaration (ED) Required. - For every export shipment involving foreign exchange proceeds, exporters must accomplish Form CBP 6-21-02, Revised 1991 (ED With Foreign Exchange Proceeds).

Exporters to ASEAN countries must likewise accomplish this ED even if the shipment is paid for in Philippine Pesos. The duly accomplished ED shall be submitted to the AAB which shall in turn forward the same to the BOC.

SECTION 22. MED. - The use of a Monthly Export Declaration (MED) may be allowed, subject to prior CB approval, for exports that are frequent and recurring, using the same form for ED under Section 21 but adding the word Monthly to the form title. The authority to use such MED shall be valid for one (1) year.

SECTION 23. Price Declared. - The price declared in the ED should be the fair market value or current market quotation of the commodity exported on the date of sale.

SECTION 24. Registration and Issuance. - The AAB shall register all EDs it issues and shall adopt a control number for each as prescribed by CB attached herewith as Appendix 13.[*] No ED shall be issued unless the L/C, Purchase Order or Sales Contract is submitted to the AAB.

SECTION 25. Validity Period. - An ED may have a maximum validity period of 90 days from date of issue, inclusive of extensions, provided that the expiry date does not go beyond the delivery period specified in the L/C, P.O. or S.C.

SECTION 26. Amendments. - Amendments to the ED may be allowed by AABs at any time before export negotiation. However, in case of exports that require prior CB approval, amendments to the ED shall be referred to CB for approval.

SECTION 27. Cancellation of ED. - Requests for cancellation of an ED may be given due course by an AAB, without need for prior CB approval, upon surrender to the AAB of the unused original (ED1) copy of the ED.

Chapter X

Modes and Terms of Payment

SECTION 28. Authorized Modes. - The following modes of payment for exports do not need prior CB approval:

- a. Letter of Credit (L/C). - a written instrument issued by a foreign bank upon the request of its client, the foreign buyer-importer, allowing the seller-exporter to draw drafts/be paid subject to compliance with the terms and conditions stated in the written instrument;
- b. Documents Against Payment (D/P). - whereby the shipping documents are released to the buyer by the foreign bank concerned thru the exporter's bank only upon receipt of the buyer's payment for the shipment thru the former bank;
- c. Documents Against Acceptance (D/A). - whereby the shipping documents are released to the buyer by the foreign bank concerned thru the exporter's bank upon the buyer's written acceptance of the exporter's bill of exchange, obligating to pay for the shipment at some future date;
- d. Open Account (O/A). - a mode of payment whereby the shipping documents are sent and released by the exporter directly to the buyer, without coursing the documents thru the banks, upon the buyer's promise to pay at some future date after shipment;
- e. Cash Against Documents (CAD). - whereby the buyer pays the exporter upon the former's receipt of the shipping documents sent to him by the exporter either directly or thru the banks; and
- f. Prepayment/Export Advance - whereby payment is effected before shipment. If remittance is effected within 30 days before shipment, it shall be considered prepayment but if effected more than 30 days before shipment, the remittance shall be considered as an export advance and reported as such in accordance with this Circular.

These shall be subject to the following conditions:

- Upon receipt of the prepayment/export advance intended as prepayment or export advance the buyer or the exporter shall disclose to the AAB such fact and the date the shipment is to be effected;
- Bank draft/telegraphic transfer, buyer's checks, traveller's checks or acceptable foreign currency notes may be used in prepayment/export advance, but for buyer's checks, the same shall be cleared before shipment; and
- The AAB may give due course to availments by exporters of export advances from buyers, regardless of amount, under red clause or similar provisions in the L/C, P.O. or S.C. provided the maturity of said advances does not exceed 360 days from availment date. Advances over 360 days may also be allowed subject to CB approval.

Shipping Documents as used in the above definitions, shall refer to the original and all other copies of the Bill of Lading/Air Waybill, Commercial Invoice and other documents evidencing the export shipment which are needed by the buyer to take possession of the shipment at destination.

SECTION 29. Intercompany Open Account Offset Arrangement (Interco O/A). — Subject to prior CB approval, an exporter may use Interco O/A whereby the exporter offsets its payables to against its receivables from, its parent/affiliate company abroad.

Receivables shall refer to the value of exports including freight, insurance and handling therefor and other charges against the parent/affiliate for operating expenses advanced by the exporter.

Payable shall refer to the following:

- Imports of raw materials, machinery and spare parts/supplies payable within 360 days from importation;
- Cash transfers/advances payable within 360 days from availment;
- Interest and principal due on CB registered/approved foreign loans, except prepayments which shall require prior CB approval; and
- Rentals on machinery/equipment leased from parent/affiliate whose lease agreement is approved/registered with CB.

Settlement of Balances. - Full settlement thru inward-remittance of net receivable balances shall be made within ninety (90) days after each quarter and the foreign exchange shall be sold to the domestic banking system for pesos within three (3) banking days from receipt. The net receivable balance shall not be carried over into the succeeding quarter. Net payables shall not be outwardly remitted without prior CB approval.

Validity Period. - The required CB approval of the arrangement shall be valid for five (5) years.

SECTION 30. Exports on Consignment. - Exports whereby payment is contingent upon the sale to third parties abroad of the exported commodities by consignee, may be allowed without prior CB approval.

SECTION 31. Acceptable Currencies.

a. Payments for exports may be in the following currencies:

1. U.S. Dollar 13. Australian Dollar
2. Japanese Yen 14. Malaysian Dollar
3. Pound Sterling 15. Italian Lira

4. Deutsche Mark 16. Saudi Rial
5. Hongkong Dollar 17. Kuwaiti Dinar
6. Swiss Franc 18. Bahrain Dinar
7. French Franc 19. Brunei Dollar
8. Canadian Dollar 20. Indonesian Rupiah
9. Netherlands Guilder 21. Thai Baht
10. Austrian Schilling 22. Such other currencies
11. Singapore Dollar that may be declared
12. Belgian Franc

b. Payments may however be in Philippine Pesos for the following:

- Exports to ASEAN countries provided the CB shall not be asked to intervene in the clearing of any balances from this payment scheme; and
- Gold sales to CB considered as constructive exports under Section 43 herein.

SECTION 32. Inward Remittances and Payment Period. - The foreign exchange proceeds representing the full invoice value of the export shipment shall be inwardly remitted within a period of one hundred eighty (180) days from date of shipment and shall be sold for pesos to an AAB within three (3) business days from receipt thereof, except for a maximum of 40% of such proceeds which may be deposited in a Special Foreign Currency Deposit Account (SFCDA) as provided the full invoice value/balance is inwardly remitted and paid within the period required herein.

Chapter XI

Exports Requiring Approval from CB/ Government Agencies

SECTION 33. Exports Requiring Prior CB Approval. - Only the following export transactions shall require prior CB approval:

- a. Those providing for deductions of any kind from the full shipment value except when the deductions are for payment of exports advances or for the value of consigned imported inputs of the exported commodity;
- b. Those payable beyond 180 days from shipment date;
- c. Those involving the export of gold not otherwise classified as primary gold, secondary gold and gold-bearing jewelry;
- d. Those involving the export of legal tender Philippine peso notes and coins, checks, money orders and other bills of exchange drawn in pesos against Philippine banks, the total face value of which exceeds P5,000.00.

For this purpose, the ED covering aforesaid transactions shall be referred by the AAB to CB for approval prior to shipment.

SECTION 34. Exports Requiring Approval from Other Government Agencies. - Products listed in attached Appendix 14[*] require export clearance from the appropriate government agency/office indicated therein.

Chapter XII

Negotiation and Payment Procedures

SECTION 35. Negotiation. - Within ten (10) banking days from date of shipment, the exporter shall negotiate his bill of exchange/account with the AAB together with the bill of lading/air waybill, signed commercial invoice and other documents as required.

The AAB shall certify to the negotiation of the documents at the back of the negotiated copy of the ED. This shall form part of the AAB's Daily Report on Export Negotiations.

In case of availments of export advances, the AAB thru which the availment was made must be the same AAB which shall negotiate the export documents covering shipments intended as payment for the advances.

In cases where shipment is fully prepaid, or on O/A basis, the exporter may send the documents directly to the buyer, provided, that copies of each of the above-mentioned documents are submitted to the AAB within ten (10) banking days from date of shipment, for record/monitoring purposes.

SECTION 36. Payment. - Upon receipt of the export proceeds, the AAB shall certify to such receipt on the payment copy of the ED and report the same to CB under its Daily Report on Export Proceeds Received, subject to the guidelines under Appendix 15[*] of this Circular.

Chapter XIII

Export Retention

SECTION 37. Amount of Retention. - Any commodity exporter may retain a maximum of forty percent (40%) of his foreign exchange receipts from exports in a Special Foreign Currency Deposit Account (SFCDA) with any Authorized Agent Bank (AAB) in the Philippines.

SECTION 38. Use of the SFCDA. - The SFCDA may be used freely for any purpose by the exporter concerned.

SECTION 39. The AAB and the Exporter concerned shall observe the guidelines under Appendix 16[*] of this Circular.

Chapter XIV

Export Financing

SECTION 40. FCDU Loans to Exporters. - All exporters may avail themselves of FCDU loans from a U.S. Dollar-based credit facility from the Foreign Currency Deposit Unit (FCDU) of a local commercial bank up to seventy percent (70%) of L/C. P.O. or S. C. without need for prior CB approval, subject to the guidelines under Appendix 17[*] of this Circular.

SECTION 41. Rediscounting. - An AAB may rediscount with the CB eligible paper of its exporter-clients in accordance with existing CB guidelines provided only the balance of the value of the L/C. P.O. or S.C. not financed by an FCDU loan may be rediscounted.

SECTION 42. Forfeiting. - An exporter may sell to an Offshore Banking Unit (OBU) or a financial institution abroad its export bill and all its rights over an export shipment provided that:

- a. The sale shall be without recourse to the exporter and any previous holder of the obligation; and
- b. The foreign exchange proceeds of the sale shall be considered export proceeds which shall be inwardly remitted in accordance with existing rules.

Chapter XV

Gold and Constructive Exports

SECTION 43. Gold. - Primary and secondary gold may be exported provided that sixty percent (60%) of the foreign exchange from gold exports shall be sold to the CB thru the exporter's AAB which shall cause CB's designated account with a foreign bank to be credited within 24 hours from receipt of said proceeds in line with CB-prescribed guidelines attached herewith as Appendix 18[*].

For purposes of this Section, primary gold shall refer to those produced and exported by PASAR or by primary gold producers classified as such by the Bureau of Mines and Geo-Sciences.

SECTION 44. Constructive Exports. - The following are considered constructive exports and shall enjoy the benefits of regular exports:

- a. Gold sales to CB;
- b. Sales to bonded manufacturing warehouses of export oriented manufacturers, to Export Processing Zones, to BOI-registered export traders operating bonded trading warehouses supplying raw materials used in the manufacture of export products, and to diplomatic missions in the Philippines, paid in foreign currency; and
- c. Sales of/to Duty Free Philippines (DFP) paid in foreign currency.

For Constructive exports under b. above, the exporter shall accomplish an ED for each sale provided that the exporter shall submit a delivery receipt signed by buyer in lieu of the bill of lading/air waybill. For sales of DFP, an MED shall be accomplished instead of an ED, without need for prior CB approval.

Chapter XVI

Exports Without Foreign Exchange

Proceeds

SECTION 45. Export Declaration Required. - Every export shipment on no-dollar basis shall be covered by an Export Declaration Without Foreign Exchange Proceeds (ED w/o FX), issued by an AAB using CBP Form No. 6-21-04, except for household and personal effects forming part of the accompanied baggage of an outgoing passenger leaving the Philippines.

SECTION 46. MED without Foreign Exchange. - A MED without FX may be allowed for frequent and recurring no-dollar exports, subject to prior CB approval.

SECTION 47. No-Dollar Exports Requiring Prior CB Approval. - Only the following no-dollar exports shall require CB approval prior to shipment:

- a. Export samples/specimens for promotional/testing purposes whose total value exceeds US\$5,000.00 per shipment or US\$50,000.00 per year per exporter; and
- b. Other No-Dollar shipments whose value exceeds US\$2,000.00 per shipment or US\$5,000.00 per year per exporter, except the following:
 - Unaccompanied household and personal effects of a Philippine/foreign diplomatic representative with diplomatic passport;
 - Unaccompanied household/personal effects and professional instruments and tools of trade of an outgoing foreigner/Philippine emigrant/Philippine resident leaving on a foreign assignment, shipped within 90 days before or after his departure;
 - Tourist purchases by an outgoing foreign tourist/non-Philippine resident shipped within 90 days before or after

his departure;

- Items for exhibit in trade fairs abroad provided that within ninety (90) days from termination of the fair, the foreign exchange proceeds of any item sold, net of fair-related expenses, shall be inwardly remitted in accordance with existing rules and the exporter shall submit to CB, thru the AAB, a full accounting reports of the items sold and unsold;
- Items sent abroad for repair/replacement/ refill/ processing/use in projects and to be imported back to the Philippines, but exporter shall submit to CB, thru the AAB, a written undertaking to return the items to the Philippines within one (1) year from shipment date or in case of projects, upon termination of the project;
- Films previously imported under lease;
- Office reports, records and printed matter not intended for resale;
- Empty containers to be returned to owner-supplier;
- Unpaid rejected imports;
- Ship spares previously landed for repairs and left behind by ocean-going vessels; and
- Items imported on consignment under General Warehousing/Re-Export Bond returned unprocessed due to excess/order cancellation or for replacement or returned as production scraps.

Chapter XVII

Reportorial Requirements

SECTION 48. The following reports are required to be submitted to the Central Bank:

A. Import Transactions

Report Form Description Supporting Documents

a) IOS Form 1

Schedule 12 Daily Report of Regular LCs Opened Accomplished info. sheet; Copy of L/C; copy of proforma invoice

b) IOS Form 1

Schedule 13 Daily Report of
Negotiations on Regular LCs None

c) IOS Form 1

Schedule 14 Daily Report of
Confirmation/ Amendments of LCs None

d) IOS Form 1

Schedule 15 Daily Report of
DA/OA Availments Accomplished RGI;
copy of CBRC; copy of

shipping documents

e) IOS Form 1
Schedule 16 Daily Report of
DA/OA Repayments None

f) CBP Form 6-15-09
(Appendix 19)[*] Daily Report of FX Remittances Copy of CBRC (for regulated imports)
under D/P imports and copy of
complete shipping documents

The above-mentioned reports shall be submitted daily within two (2) banking days from transaction date.

B. Export Transactions

Title of Report

Submission

Frequency/Deadline

1. Daily Report on Export Negotiations
under IOS Form 1, Schedule 10 (2) banking days
after transaction date

2. Daily Report on Export Proceeds
Received under IOS Form 1, Schedule 11 Daily - within (2)
two banking days
after transaction date

3. Report on Export Declarations Issued
(With and Without Foreign Exchange Proceeds)
(Appendix 20[*] under this Circular) Monthly - Within 7
banking days from
end of reference month

4. Report on Red Clause and Other
Export Advances
(Appendix 21[*] under this Circular) Monthly - Within 7
banking days after
each report month

5. Report on SFCDA Opened, Closed and Outstanding Balance During the Report Month (Appendix 22[*] under this Circular) Monthly - Within ten (10) banking days after each report month

SECTION 49. Procedures for Reporting. - Reports shall be filed with the CICCDA or with the Export Department as the case may be or with the CB Regional Offices or by sending them by mail or special delivery, unless otherwise specified. The date of acknowledgement of receipt on the copy of the report (if filed directly) or the postmark date on the envelope or registry receipt (if mailed) shall be considered as the date of submission

SECTION 50. Fines and penalties. - (1) The following schedule of fines for late and/or incomplete submission of reports shall apply:

- P100 per banking day for the first five successive banking days of delay
- P150 per banking day for the next five successive banking days of delay
- P200 per banking day for the successive banking days of delay until the particular report has been filed

2. Manner of payment or collection of fines

- Fines shall be collected thru debit to the AAB's current account deposit maintained with the CB by the Accounting Department upon receipt of notice from CICCDA/Export Department.
- In case payment of fines is effected thru check or cash, the same shall be remitted to the Cash Department of the Central Bank thru CICCDA/Export Department.

Chapter XVIII

General Provision

SECTION 51. Post-Verification. - Post-verification of import/export transactions reported by AABs shall be undertaken by the Central Bank to verify compliance with the provisions of this Circular and for monitoring purposes.

Chapter XIX

Final Provisions

SECTION 52. Penal Sanctions. - Any person violating the provisions of this Circular shall be subject to appropriate sanctions as may be approved by the MB or under Sections 33 and 34 of RA 265, as amended as the case may be. Administrative sanctions may also be imposed upon banking institutions found violating this Circular including their directors and officers responsible for such violation.

SECTION 53. Repealing Clause. - All existing provisions of Circular 1029 dated October 12, 1984, including amendments thereto, and Central Bank issuances on export rules and regulations prior to the effectivity of this Circular as well as all other existing Central Bank rules and regulations or parts thereof which are inconsistent with or contrary to the provisions of this Circular are hereby repealed or modified accordingly.

SECTION 54. Separability Clause. - Nothing herein is intended, nor shall be construed, to repeal or amend any law or statute. Should any provisions of this Revised Manual or any part thereof, be declared unconstitutional or invalid, the remaining provisions or parts thereof shall remain in full force and effect, and continue to be valid and binding.

SECTION 55. Effectivity. - This Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Adopted: 28 July 1992

(SGD.) JOSE L. CUISIA, JR.

Governor

[*] Text available upon request at the Office of the National Administrative Register, U.P. Law Center.

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