

Central Bank of the Philippines

Manila, Philippines.

CIRCULAR NO. 20

December 9, 1949

Restrictions on Gold and Foreign Exchange Transactions

1. Pursuant to the provisions of Republic Act No. 265 (Central Bank Act) the Monetary Board, by unanimous vote and with the approval of the President of the Philippines, and in accordance with Executive and International Agreements to which the Republic of the Philippines is a party, hereby restricts sales of exchange by the Central Bank and subjects all transactions in gold and foreign exchange to licensing by the Central Bank.

2. Transactions in the assets described below and all dealings in them of whatever nature, including, where applicable, their exportation and importation, shall not be effected, except with respect to deposit accounts included in sub-paragraphs (b) and (c) of this paragraph, when such deposit accounts are owned by, and in the name of, banks.

(a) Any and all assets, provided they are held through, in, or with banks or banking institutions located in the Philippines, including money, checks, drafts, bullions, bank drafts, deposit accounts (demand, time and savings), all debts, indebtedness or obligations, financial securities commonly dealt in by bankers, brokers and investment houses, notes, debentures, stocks, bonds, coupons, bank acceptances, mortgages, pledges, liens or other rights in the nature of security, expressed in foreign currencies, or if payable abroad, irrespective of the currency in which they are expressed, and belonging to any person, firm, partnership, association, branch office, agency, company or other unincorporated body or corporation residing or located within the Philippines:

(b) Any and all assets of the kinds included and/or described in sub-paragraph (a) above, whether or not held through, in, or with banks or banking institutions, and existent within the Philippines, which belong to any person, firm, partnership, association, branch office, agency, company or other unincorporated body or corporation not residing or located within the Philippines:

(c) Any and all assets existent within the Philippines including money, checks, drafts, bullions, bank drafts, all debts, indebtedness or obligations, financial securities commonly dealt in by bankers, brokers and investment houses, notes, debentures, stocks, bonds, coupons, bank acceptances, mortgages, pledges, liens or other rights in the nature of security, expressed in foreign currencies, or if payable abroad, irrespective of the currency in which they are expressed, and belonging to any person, firm, partnership, association, branch office, agency, company or other unincorporated body or corporation residing or located within the Philippines.

3. No foreign payments may be effected, except for merchandise imports (including costs, insurance and freight) not sent on consignment or open account or against D. P. and D. A. collection bills, and provided that the provisions of Executive Order No. 295 and Central Bank Circular No. 19 of November 17, 1949 have been duly complied with.

4. (a) All receipts of foreign exchange shall be sold daily to the Central Bank by those authorized to deal in foreign exchange. All receipts of foreign exchange by any person, firm, partnership, association, branch office, agency, company or other unincorporated body or corporation shall be sold to the authorized agents of the Central Bank by the recipients within one business day following the receipt of such foreign exchange. Any person, firm, partnership, association, branch office, agency, company or other unincorporated body or corporation, residing or located within the Philippines, who acquires on and after the date of this Circular foreign exchange shall not, unless licensed by the Central Bank, dispose of such foreign exchange in whole or in part, nor receive less than its full value, nor delay taking ownership thereof except as such delay is customary; provided, further, that within one day upon taking ownership, or receiving payment, of foreign exchange the aforementioned persons and entities shall sell such foreign exchange to designated agents of the Central Bank.

(b) No person, firm, partnership, association, branch office, company or other unincorporated body or corporation residing or located within the Philippines shall purchase foreign exchange directly or indirectly, except from or through authorized agents of the Central Bank.

(c) Any person, firm, partnership, association, branch office, agency, company or other unincorporated body or corporation, residing or located within the Philippines, desiring and/or intending to export goods, merchandise and/or commodities from the Philippines, if collection of the proceeds of the sale thereof is not to be handled by or through a bank in Manila which is authorized to deal in foreign exchange, shall, prior to shipment, obtain a license from the Central Bank of the Philippines which will have the purpose of insuring the lawful disposal of the foreign exchange proceeds of the goods, merchandise and/or commodities exported.

5. No debt, obligation or liability expressed in foreign currencies, or if payable abroad, irrespective of the currency in which it is expressed, shall be incurred from the date of this Circular for the purpose of effecting a transaction or transactions other than those specifically authorized by this Circular, except that in the normal course of business such debt, obligation or liability may be incurred for imports permitted under paragraph 3 above.

6. Within 60 days after the date of issue of this Circular all persons, firms, partnerships, associations, branches, agencies, companies or other unincorporated bodies or corporations residing or located in the Philippines holding, owning or having an interest in the assets described in paragraph 2 above shall submit complete information concerning such assets to the Central Bank; those residing or located outside the Philippines shall submit this information to the Central Bank within 180 days after the date of this Circular. Appropriate forms on which to submit the required information will be issued by the Central Bank,

and notice is hereby given that this information will apply to the status of the relevant assets as of December 9, 1949.

7. All banks incorporated or licensed to operate in the Philippines are hereby designated as agents of the Central Bank and as such are hereby authorized to deal in foreign exchange as permitted by the terms of this Circular, or in those which may be issued hereafter.

8. Strict observance of the provisions of this Circular is enjoined; and any person, firm or corporation, foreign or domestic, who, being bound to the observance thereof, or of such other rules, regulations or directives as may hereafter be issued in implementation of this Circular, shall fail or refuse to comply with, or abide by, or shall violate the same, shall be subject to the penal sanctions provided in the Central Bank Act.

9. Further regulations in respect to transactions covered by this Circular will be issued separately.

FOR THE MONETARY BOARD:

(SGD.) M. CUADERNO, Sr.
Governor

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PAYMENTS FOR IMPORTS

1. This Circular supersedes and takes the place of Central Bank Memorandum on Import Bills issued December 12, 1949.
2. No foreign payments for imports may be effected except as permitted by the terms of the paragraphs below.
3. Remittances for all import bills drawn in respect to commodities which, prior to the issuance of Circular No. 20, were contracted for, in transit inland, afloat, or in docks, are hereby permitted, provided that the provisions of Executive Order No. 295 and Central Bank Circular No. 19 have been duly complied with.
4. Payments may be made for imports ordered or contracted for under a letter of credit after the issuance of Circular No. 20, provided that the provisions of Executive Order No. 295 and the provisions of Circular No. 19 have been duly complied with.
5. Banks effecting transactions permitted by this Circular shall satisfy themselves that the provisions thereof are complied with.

(Sgd.) M. CUADERNO, SR.
Governor

December 14, 1949

SALES OF DRAFTS AND CABLE TRANSFERS

ONLY commercial banks duly incorporated or licensed to do business in the Philippines, and such entities as may be designated to act as agents for the Central Bank of the Philippines may make and/or effect remittances of funds by mail, cable, or other means of communication and transmission to foreign countries and/or sell drafts, cable transfers payable outside the Philippines, and/or foreign notes and coins.

Drafts and cable transfers in amounts not exceeding US\$50 may be sold by such banks and/or duly authorized agents without specific license from the Central Bank provided that not more than one sale

may be made to any purchaser in any calendar month. The buyer shall indicate the purpose for which the draft or cable transfer is being purchased on E.C. Form No. 6 a copy of which shall be submitted to the Exchange Control Office not later than the day following the date of remittance or sale by the bank or agent making the sale.

(Sgd.) M. CUADERNO, SR.
Governor

Dec. 14, 1949

LICENSING OF ALL DEALINGS IN GOLD

ALL locally mined gold and/or gold-bearing metals and all gold and/or gold-bearing metals in any form, except jewelry, in the possession of any person, firm, association, or corporation must be reported to the Central Bank, and their disposal, either for domestic use or for export, shall be subject to license.

A license must first be secured when a person, firm, association or corporation engaged in extracting gold and/or gold-bearing metal sells the gold and/or gold-bearing metals to buyers within the Philippines or abroad. If the gold and/or gold-bearing metals are sold abroad in bullion or semi-manufactured form, the owner or seller shall deposit the foreign exchange proceeds of the sale in a bank or banks which shall be designated by the Central Bank, for the account and to the credit of the Central Bank of the Philippines and, upon receipt of the cable or mail advice from the said bank or banks, the Central Bank shall pay the owner of the gold and/or metals sold the equivalent of the foreign exchange proceeds in Philippine currency at the Central Bank's buying rate.

All persons, firms, associations, or corporations and/or dealers who are not engaged in mining and/or extracting gold and/or gold-bearing metals in the Philippines but own or possess gold and/or other gold-bearing metals shall deposit such gold and/or gold-bearing metals with the Central Bank of the Philippines which may sell such gold and/or metals for the account of the owners. In case the gold and/or metals in bullion or semi-manufactured form are sold abroad, by the owners thereof, the collection of the proceeds of the sale shall be handled by or through a bank in Manila which is authorized to deal in foreign exchange, and the owners shall, prior to shipment, obtain a license from the Central Bank, which will have the purpose of insuring the lawful disposal of the foreign exchange proceeds of the sale of such gold and/or metals. The owners shall be paid in Philippine currency the equivalent of the foreign exchange proceeds at the Central Bank's buying rate.

Imports of gold for industrial, artistic or professional uses which is not available locally may be allowed under license and shall be deposited with the Central Bank upon arrival. Withdrawals of imported gold by the owners may be made, as needed, by applying to the Central Bank.

(Sgd.) M. CUADERNO, SR.
Governor

Dec. 14, 1949

EXPORT REGULATIONS

PROCEDURE to be followed by exporters. — For every export of goods, merchandise and/or commodities from the Philippines to foreign countries the exporter is required to make a declaration on E. C. Form No. 2 to the Collector of Customs that the foreign exchange representing the fair market value of such goods, merchandise and/or commodities at the port of embarkation has been or will be disposed of in a manner approved by the Central Bank of the Philippines. In this connection, the following regulations shall be observed:

- Shipping documents must be couriered through, or entrusted to, a bank authorized by the Central Bank to deal in foreign exchange;
- Payment for the goods, merchandise and/or commodities must be received within a period of 90 days from the date of the shipment unless the Central Bank grants an extension of time for such payment; and
- Payment must be effected by drawing bills in U.S. dollars on a bank in the United States.

Bills and shipping documents lodged with or entrusted to banks and authorized dealers may be lodged or entrusted for negotiation or for collection, but in any case the proceeds must be disposed of in a manner approved by the Central Bank of the Philippines.

Without a specific license from the Central Bank no goods, merchandise and/or commodities may be shipped, forwarded, or sent direct to the exporter's head office and/or agents abroad, or to any foreign branch or agency of such exporter, which are not covered by a draft or drafts drawn in U.S. dollars representing the full value of the goods, merchandise and/or commodities being or to be shipped, forwarded, or sent abroad, and unless the collection of the proceeds of sale of such goods, merchandise and/or commodities is to be undertaken by, or entrusted to, a bank which is incorporated or licensed to do business in the Philippines.

Exporters' Declaration.—Banks shall require exporters to accomplish E. C. Form No. 2 giving full particulars of the invoice value of the shipment, the type of goods and the method by which payment is to be effected. E. C. Form No. 2 must be accomplished in quadruplicate, the first copy to be submitted to the Collector of Customs by the bank handling the shipment with its endorsement, the remaining copies to be retained by the bank along with the shipping documents. The bank will then forward the duplicate copy of E.C. Form No. 2 to the Central Bank after examination of the shipping documents to ensure



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that the particulars given in the form are correct. The next two copies must be attached to the relative shipping documents for certification by the correspondent bank in due course that payment has been received. The form will then be returned to the Central Bank of the Philippines after certification.

All commercial banks incorporated and/or licensed to do business in the Philippines are hereby designated agents of the Central Bank of the Philippines, for the purpose of these regulations, and a general license is hereby granted such banks to handle bills and shipping documents arising from the exportation of goods, commodities and/or merchandise from the Philippines to foreign countries, and/or the collection of such bills or the proceeds of sale of such goods, merchandise and/or commodities, in accordance with these regulations.

Exporters and others concerned are warned against undervaluing exports or in any way circumventing these regulations. Otherwise they will be subject to the penal provisions provided in the Central Bank Act.

(Sgd.) M. CUADERNO, SR.
Governor

Dec. 16, 1949

NOTIFICATION TO AUTHORIZED AGENTS NO. 1

Subject: *Peso Assets of Non-Residents*

This is to advise that all dealings in or with respect to assets described in Paragraph 2 of Central Bank Circular No. 20 of December 9, 1949 which are expressed in pesos and which belong to any person, firm, partnership, association, branch office, agency, company or other unincorporated body or corporation, including banks, not residing or located within the Philippines are subject to license.

(Sgd.) M. CUADERNO, SR.
Governor

December 31, 1949

NOTIFICATION TO AUTHORIZED AGENTS NO. 2

Subject: *Forward Exchange Contracts Entered Into Prior to December 9, 1949*

The position of the Exchange Control Office with respect to the fulfillment of forward exchange contracts entered into prior to December 9, 1949, is set forth in a letter dated December 29, 1949, in response to an inquiry. The relevant portions of such letter are as follows:

"It is the policy of the Exchange Control Office to permit fulfillment of forward exchange contracts entered into by Philippine residents prior to December 9, 1949. This does not mean, however, that the buyer of foreign exchange under such a contract is automatically permitted to remit the exchange abroad. As far as remittance of cost of imports, profits, etc. are concerned, you should file an appropriate application with the Exchange Control Office.

"In order to enable the Exchange Control Office to pass on your application, you should submit all relevant information such as profit and loss statements for the years 1948 and 1949 and a detailed list of all remittances made by you during those two years indicating specifically the amounts remitted to cover cost of imports, profits, etc."

(Sgd.) M. CUADERNO, SR.
Governor

December 31, 1949

NOTIFICATION TO AUTHORIZED AGENTS NO. 3

Subject: *Dividends Declared by Philippine Companies*

In the case of applications to remit to stockholders resident outside of the Philippines dividends declared by companies resident in the Philippines, it will be necessary for the companies declaring the dividends to submit the following information to the Exchange Control Office:

1. A complete list of stockholders resident outside of the Philippines to whom the dividend is payable, indicating specifically the residence of each stockholder as of December 9, 1949 and the amount of the dividend payable to each stockholder.
2. Detailed profit and loss statements and statements of the surplus account of the resident Philippine company declaring the dividend for the year in which the dividend is declared and for the two preceding years. All such statements must be signed by an authorized officer of the company. The statements for the current dividend year must also be certified by a certified public accountant.
3. The dividend rate of the dividend in question.
4. A complete list of all dividends declared in the two preceding years, indicating specifically the rate and amount of each dividend.

(Sgd.) M. CUADERNO, SR.
Governor

December 31, 1949

NOTIFICATION TO AUTHORIZED AGENTS NO. 4

Subject: *Remittance of insurance premia on non-peso life insurance policies in force as of December 9, 1949.*

It is the policy of the Exchange Control Office to grant applications for licenses to remit to non-resident life insurance companies premia payable under non-peso policies in force as of December 9, 1949. Application to remit premia should be filed with the Exchange Control Office.

All life insurance companies are required to submit to the Exchange Control Office not later than January 15, 1950 a report executed under oath containing the following information with respect to each non-peso policy in force as of December 9, 1949:

1. Name of policy holder
2. Citizenship of policy holder
3. Present residence of policy holder
4. Type of policy
5. Face amount of policy and currency in which expressed
6. Date issued
7. Amount of premium (Indicate if payable quarterly, semi-annually or annually)

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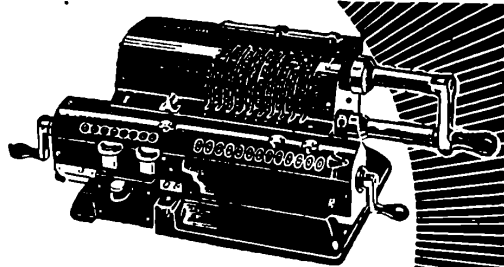
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- 8. Cash surrender value, if any
- 9. Lien on the policy on account of loans, etc.
- 10. Monthly remittances made on account of premiums on these non-peso policies from January 1, 1949 to December 9, 1949.

Attention is invited to the fact that under Central Bank Circular No. 20, dated December 9, 1949, no new non-peso policies may be written nor existing peso policies converted into non-peso life insurance policies without the prior approval of the Exchange Control Office. For the present such applications will not be entertained.

(Sgd.) M. CUADERNO, SR.
Governor

December 31, 1949

NOTIFICATION TO AUTHORIZED AGENTS NO. 5

Subject: Foreign Currency Accounts of Diplomatic Missions
Authorized agents may, without specific approval of the Exchange Control Office, open and maintain foreign currency accounts to which remittances received from abroad by embassies, legations and consulates located in the Philippines may be credited and against which official remittances by such embassies, legations and consulates may be charged. These accounts may not without prior approval of the Exchange Control Office be used in any way for receipts or disbursements for account of Philippine residents. However, foreign exchange held in any such account may be sold to an authorized agent for pesos.

Authorized agents should promptly notify the Exchange Control Office of the opening of such accounts.

(Sgd.) M. CUADERNO, SR.
Governor

December 31, 1949

NOTIFICATION TO AUTHORIZED AGENTS NO. 6

Subject: Information required in connection with application to remit cost of goods received on open, branch and/or consignment basis

All persons, firms and companies in the Philippines doing business with persons, firms and companies located outside the Philippines on open, branch and/or consignment basis who desire to apply for a license to remit the cost of such goods should submit the following information to the Exchange Control Office not later than January 15, 1950:

- A. Goods received and sold from January 1 to December 8, 1949, both dates inclusive—
 - a. Invoice date and invoice number
 - b. Description of goods received
 - c. Invoice value of goods received
 - d. Invoice value of goods sold
 - e. Sales proceeds of goods sold
 - f. A statement as to whether or not the goods are included in the list appended to Executive Order No. 295, as amended. (If included, state the amount of quota and the unused balance of quota.)
- B. Goods received from January 1 to December 31, 1949, both dates inclusive but sold after December 8, 1949 —
 - a. Invoice date and invoice number
 - b. Description of goods
 - c. Invoice value of goods on hand at the beginning of business day, December 9, 1949
 - d. Invoice value of goods received from December 9 to 31, 1949
 - e. Sales proceeds of goods sold from December 9 to December 31, 1949
 - f. Invoice value of goods on hand at the close of business, December 31, 1949
 - g. A statement as to whether or not the goods are included in the list appended to Executive Order No. 295, as amended. (If included, state the amount of quota and the unused balance of quota.)
- C. Remittances made to creditor—
 - a. Amount of each remittance made during the year 1949
 - b. Dates of such remittances
 - c. The balance owing to creditor immediately before each remittance
 - d. The bank through which the remittance was made in each case.

The information requested with respect to the period January 1, 1949 to December 8, 1949, both dates inclusive, should be reported on E. C. Form No. 301; the information with respect to the period December 9 to December 31, 1949, both dates inclusive, should be reported on E. C. Form No. 302. Any person, firm or company desiring to remit the cost of goods sold at any time during 1949 must file a report on both forms. These report forms must be executed under oath.

Copies of the forms are transmitted to you herewith. Additional copies may be obtained from the Exchange Control Office.

The Exchange Control Office will give priority to the consideration of applications to remit the cost of goods sold from December 9 to December 31, 1949, both dates inclusive.

(Sgd.) M. CUADERNO, SR.
Governor

December 31, 1949

NOTIFICATION TO AUTHORIZED AGENTS NO. 7

Subject: New Forward Exchange Contracts
Authorized agents of the Central Bank may, without the specific approval of the Exchange Control Office, enter into contracts with their customers, residing or located in the Philippines, for the forward sale of exchange provided that the following terms and conditions are complied with:

- a) In 1949, the resident customer has had one or more forward exchange contracts with the authorized agent to whom the application is made.
- b) The contract will terminate not more than 60 days from its date.
- c) The amount of the contract together with outstanding contracts with the same customer for the sale of exchange does not exceed \$25,000 or its equivalent in other foreign currencies.
- d) The contract relates to a firm commercial commitment entered into by the applicant for the purchase at a fixed or minimum price of a stated or minimum amount of goods to be imported into the Philippines on terms providing for delivery

and payment not later than the maturity of the contract, and provided that the provisions of Executive Order No. 295, as amended, and Central Bank Circular No. 19 have been complied with.

e) The contract covers not more than the overall exchange risk to which the resident would be exposed. If the customer has outstanding commitments involving both the receipt and payment of foreign exchange only the net shortage of exchange will be covered by the exchange contract.

Applications for permission to enter into forward exchange contracts shall be filed on E.C. Form No. 106. Copies of this form are attached herewith. Additional copies may be obtained from the Exchange Control Office. This form should be accomplished in quadruplicate.

A copy of each approved application should be forwarded by the authorized agent to the Exchange Control Office not later than the day following the date of approval.

Application for permission to enter into forward exchange contracts in excess of \$25,000 must be presented directly to the Exchange Control Office.

(Sgd.) M. CUADERNO, Sr.
Governor

December 31, 1949

NOTIFICATION TO AUTHORIZED AGENTS NO. 8

Subject: *Applications for License to Buy Foreign Exchange*
Effective immediately, applications for license to buy foreign exchange will be received by the Exchange Control Office only after the following have been complied with:

- A. *Applications by authorized agents to purchase exchange from the Central Bank—*
 - 1. Applications should be made on EC Form No. 101.
 - 2. Every application should be supported by the following documents:
 - a. Statement of Foreign Currency Assets and Liabilities (EC Form No. 101-A) as of the close of business on the date immediately preceding the date of application;
 - b. Schedules to support the following items in the Statement of Foreign Currency Assets and Liabilities:
 - (1) Due from correspondent banks, showing name of each bank and balance of each account.
 - (2) Due to correspondent banks, showing name of each bank and balance of each account.
 - (3) Forward purchases, showing names of sellers, amounts, and dates of delivery.
 - (4) Forward sales, showing names of buyers, amounts, and dates of delivery.
 - c. Schedule of letters of credit opened since last purchase of exchange from the Central Bank showing:
 - (1) L/C No.
 - (2) Name of applicant
 - (3) Name and address of beneficiary
 - (4) Foreign currency amount of L C
 - (5) Brief description of merchandise covered
 - (6) Amount of marginal or guarantee deposit made
 - (7) Import license number, if any
 - (8) Expiry date of import license

(Where a bank has not purchased foreign exchange from the Central Bank since December 9, 1949, only letters of credit opened since that date should be reported.)

- d. Schedule of unremitted proceeds of inward bills received for collection as of the date immediately preceding the date of application, showing:
 - (1) Name of importer, consignee or drawee
 - (2) Name of drawer
 - (3) Amount of bill in foreign currency
 - (4) Import license number, if any
 - (5) Expiry date of import license, if any
- B. *Applications for license to buy foreign exchange from authorized agents*
 - 1. *Applications for the purchase of exchange to pay for imports—*
 - a. Applications should be made on EC Form No. 102.
 - b. Each application should be accompanied by a certificate from the Import Control Board, EC Form No. 102-A.
 - 2. *Applications for the purchase of exchange for travel expenses—*
 - a. Applications should be made on EC Form No. 103-1.
 - b. Each application should be accompanied by the following:
 - (1) Itemized statement of probable expenses;
 - (2) Passport information;
 - (3) Tax Clearance Certificate from the Bureau of Internal Revenue; and
 - (4) Other pertinent data that will assist the Exchange Control Office in considering the application.
 - 3. *Applications for the purchase of exchange for educational, medical, living, and other expenses of similar nature—*
 - a. Applications should be made on EC Form No. 103-2. In this connection, attention is invited to item No. 8 in the application form which must always be filled in.
 - b. Applications for exchange for educational expenses should be accompanied by the following:
 - (1) Itemized statement of probable expenses indicating estimated periodic expenditures.
 - (2) School registration card or school attendance certificate.
 - (3) Passport information in cases where the student carries a passport.
 - (4) Other pertinent data that will assist the Exchange Control Office in considering the application.
 - c. Applications for exchange for medical expenses should be accompanied by the following:
 - (1) Itemized statement of probable expenses indicating estimated periodic expenditures.
 - (2) A statement from the attending physician as to the need for hospitalization and probable medical and/or hospital expenditures to be incurred.

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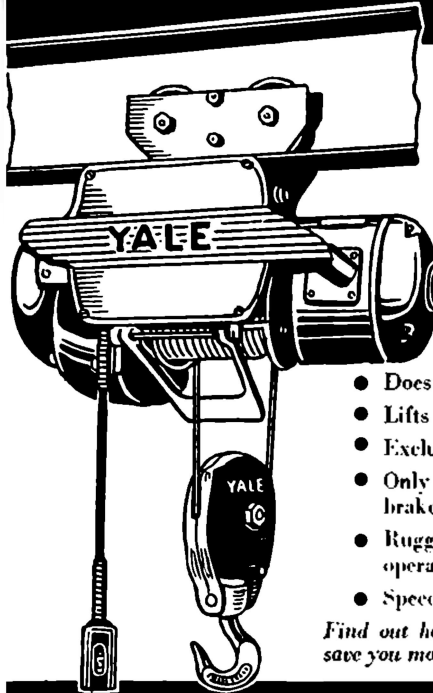
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- (3) If beneficiary is already abroad, a statement from the attending physician and/or hospital showing the itemized actual or probable expenses to be incurred during the given period.
- (4) Other pertinent data that will assist the Exchange Control Office in considering the application.
4. Applications for exchange for miscellaneous purposes—
 - a. Applications should be made on EC Form No. 104. Applications under this category should cover remittances on account of:
 - (1) Donations and gifts to persons or institutions abroad.
 - (2) Payment for miscellaneous services rendered.
 - (3) Payment of interest on obligations.
 - (4) Payment for assets acquired.
 - (5) Payment for insurance premia, loans on insurance policies, etc.
 - (6) Remission of dividends and branch profits.
 - (7) Taxes due abroad, and
 - (8) Other remittances not covered by applications under other categories.
 - b. Every application should be supported by documents, statements, and other data as required by the Exchange Control Office.
5. Applications will be received through the mails or from 9:00 A.M. to 12:30 P.M. Monday through Saturday at the Receiving Section of the Exchange Control Office.

(Sgd.) M. CUADERNO, Sr.
Governor

January 3, 1950

NOTIFICATION TO AUTHORIZED AGENTS NO. 10

Subject: *Payments for Imports*

1. This notification supersedes Central Bank Circular dated December 14, 1949 entitled "Payments for Imports", and is effective immediately.

2. Without the specific approval of the Exchange Control Office, no payment for imports may be effected except as permitted by the terms hereof.

3. Authorized agents of the Central Bank may, without the specific approval of the Exchange Control Office, sell foreign exchange needed to pay for imports in the following categories of cases and under the terms and conditions set forth herein:

A. For payment of import bills drawn in respect to imports which prior to December 9, 1949, were contracted for, in transit inland, afloat, or in docks;

B. For payment of import bills drawn under letters of credit issued from December 9, 1949 to January 7, 1950, both dates inclusive;

C. For payment of import bills drawn under letters of credit issued after January 7, 1950, in respect to articles which are subject to the provisions of the Import Control Law and the Orders and Regulations issued thereunder;

D. For payment of import bills drawn under letters of credit issued after January 7, 1950, in respect to articles which are not subject to the provisions of the Import Control Law and the Orders and Regulations issued thereunder, provided that:

(1) The letter of credit under which the import bill has been drawn was issued by an authorized agent to a customer resident or located in the Philippines who, in 1949, had obtained letters of credit from the same authorized agent, and

(2) The aggregate amount of the letter of credit under which the import bill has been drawn and of all other letters of credit issued during the same calendar month by the same authorized agent to the same customer did not exceed 6 per cent of the total amount of all letters of credit issued by the same authorized agent to the same customer during the calendar year 1949 in connection with the import of articles not subject to the provisions of the Import Control Law and the Orders and Regulations issued thereunder.

E. The following additional requirements must be complied with in connection with the classes of transactions described in sub-paragraphs A, B, C, and D above:

(1) In each case under sub-paragraphs A, B, C, and D, above, the customer purchasing foreign exchange must satisfy the authorized agent that the amount of exchange purchased does not exceed the true C. I. F. cost of the goods for which settlement is being made, that foreign exchange to pay for such goods has not otherwise been provided for, and that payment for such goods has not been made in any other manner.

(2) With respect to transactions effected under sub-paragraphs A, B, C, and D above, the authorized agents effecting such transactions are required to submit to the Central Bank separate weekly schedules with respect to each class of transactions, indicating, in the case of each transaction, the names of the importer and drawer, the amount and kind of foreign exchange in which the import bill was drawn, and the dates on which such goods were contracted for and shipped from the point of origin. In the case of transactions effected under sub-paragraphs A, B, and C, above, the schedules must also indicate the import license number and expiry date of the license if such a license was required.

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Manila

(3) Authorized agents effecting transactions permitted under sub-paragraphs A, B, and C above shall satisfy themselves that the provisions of the Import Control Law and the Orders and Regulations issued thereunder, as well as Central Bank Circular No. 19 dated November 17, 1949, have been duly complied with wherever applicable.

(4) This Notification authorizes the sale of foreign exchange only for the purpose of making settlement for imports as provided herein. It does not authorize the sale of exchange for forward delivery nor the sale of exchange in settlement for imports which are covered by exchange acquired under duly authorized contracts for forward exchange or other form of permitted settlement. (See Notifications to Authorized Agents Nos. 2 and 7, dated December 31, 1949).

Persons desiring to engage in transactions not provided for or specifically authorized by this Notification should file an application for license with the Exchange Control Office.

M. CUADERNO, SR.
Governor

January 7, 1950.

Bureau of Customs

December 12, 1949.

Circular Letter No. 444

To all Chiefs of Divisions, Manila Customhouse, Customs Brokers, Importers and Others Concerned:

There is quoted below a letter of the Commissioner of Customs dated December 5, 1949, for your information, guidance and compliance.

"The Collector of Customs

"Manila

"Sir:

"I have to quote hereunder a first indorsement of the Honorable, the Undersecretary of Finance, dated November 28, 1949, for your information, guidance and compliance, as follows.

"DEPARTMENT OF FINANCE

Manila

1st Indorsement

November 28, 1949

"Respectfully forwarded to the Commissioner, of Custom, Manila, inviting attention to the basic letter and requesting that all Collectors of Customs be circularized to the effect that in the monthly report of the value of imports and exports at their respective ports the F.O.B. as well as the C.I.F. values should be included. For this purpose, it is of extreme importance that importers and customs brokers be required to declare on their entries as separate items charges for insurance, ocean freight, etc. regardless of whether the imported goods are dutiable or not.

"Return of these papers showing action taken is desired.

(SGD.) CRISPIN LLAMADO
Undersecretary of Finance"

"As it is desired that in our monthly report of the value of imports and exports to the Central Bank of the Philippines F.O.B. as well as C.I.F. values should be included, importers and customs brokers must be required to declare on their entries as separate items charges for insurance, freight and other charges included in the F.O.B. value to make up the C.I.F. value.

"In view hereof, I feel constrained to require you that your monthly report to this Office beginning December, 1949, should include F.O.B. and C.I.F. values separately.

Respectfully,
(SGD.) ALFREDO DE LEON
Commissioner of Customs."

Compliance with the above directive is hereby required effective immediately.

MELECIO FABROS
Collector of Customs

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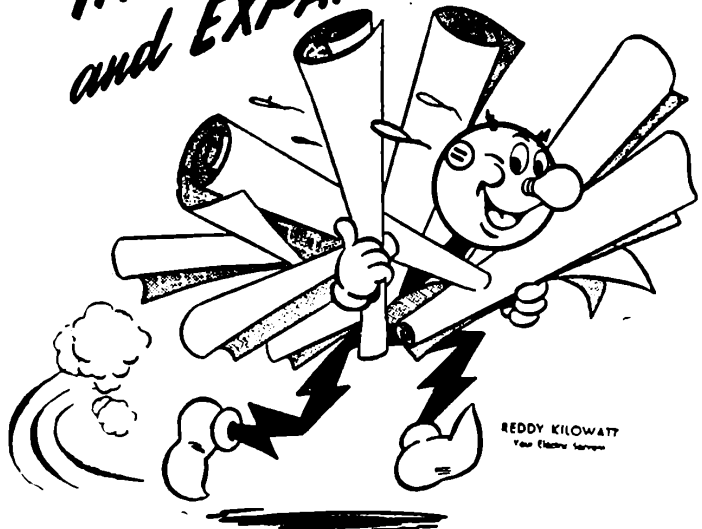
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