

[QUEDANCOR MEMORANDUM CIRCULAR No. 238, August 27, 2003]

QUEDANCOR PROGRAM FOR EXPORT PACKING CREDIT FACILITY

This program shall be in accordance with the policies of Circular No. 232 on the Consolidated Implementing Guidelines for GMA-CARES and Selected Non-GMA CARES programs except for the following salient features:

1. Definition of Terms

- 1.1 Issuing Bank - is a bank of the buyer who issues a letter of credit in favor of the seller.
- 1.2 Advising or Confirming Bank - is usually a bank in the seller's country whose primary role is to advise and confirm the transmission of credit, and by so doing, implies the authenticity of the signature of the issuing bank.
- 1.3 Buyer - refers to a person or juridical personality who is bind to buy/purchase a certain quantity of exported goods and obliged to pay a total sum of money by instructing his/her issuing bank to issue a Letter of Credit in favor of the seller.
- 1.4 Seller - refers to the exporter who bind himself to deliver or transport goods to the buyer in a specified time as stipulated in the Letter of Credit/Marketing Agreement.
- 1.5 Letter of Credit (LC) - refers to an instrument issued by a financial institution/bank certifying the credit of the bearer and allowing him or her to obtain credit or funds from another institution
- 1.6 Purchase Order (PO) - refers to a statement made by seller to buyer, confirming a purchase and requesting delivery of goods.

2. Loan Purpose

Provide financing for revolving credit line and/or marketing loan of target clients.

3. Eligible Clientele

Individual or sole proprietorship, partnership, corporation and other entities engaged or will engage in the export of various agri-fishery products.

4. Loanable Amount

The loanable amount shall be equivalent to eighty (80%) of the value of the existing letter of Credit as determined by the Quedancor Credit Assessment Group (CAG).

5. Manner of Release