[BSP CIRCULAR NO. 1291, July 02, 1991]

RULES ON SPECIAL FOREIGN CURRENCY DEPOSIT ACCOUNT FOR EXPORTERS

1. Whenever the foreign exchange receipts of an exporter reaches US$100,000 or its equivalent in foreign currencies for the calendar year immediately preceding the exporter may, upon application with the Central Bank thru the Export Department, qualify to retain a portion of said receipts in a special foreign currency deposit account (SFCDA) with AABs, provided said exporter has no overdue export accounts, based on Central Bank records, and the applicant is a Central Bank-certified export-oriented firm, or registered with the Board of Investments (BOI) or the Export Processing Zone Authority (EPZA).

2. The amount of such retention which may be deposited in the exporter's SFCDA shall be two percent (2%) of export receipts from each export shipment during the calendar year the retention authority is granted, but in no case shall the cumulative total deposits to the SFCDA for one calendar year exceed US$100,000.00.

3. Exporters authorized by the Central Bank to use an Intercompany Open Account (offsetting) Arrangement under Chapter VI-B of Central Bank Circular No. 1029 dated October 12, 1984 shall not be entitled to an SFCDA under these rules.

4. The application for retention shall be filed in letter form thru the AAB concerned and shall be supported by the following documents:

a. Articles of incorporation/partnership/registration of business name, and list of current board members' officers;

b. Latest audited financial statements showing the foreign exchange receipts from exports during the year immediately preceding the date of filing of the application; and

c. AAB certification of inward remittance of foreign exchange receipts from exports sold for pesos to the AAB concerned.

The said application shall be filed within the first ninety (90) days of a calendar year provided that for 1991, the application shall be filed within sixty (60) days from date of this Circular.

5. The SFCDA may be used to pay any or all of the following expenses:

a. commissions to agents abroad not exceeding 5% of total invoice value if supported by CB-approved commission agreement;

b. freight/insurance costs to shipping/insurance firms abroad due on export shipments on CIF or C &F basis; and