

[GTEB CIRCULAR NO. 026, October 21, 1991]

**LVA COMPLIANCE ON EQS/EAS 1991 LVA SHORTFALL
PENALTIES**

In line with GTEB Circular Nos. 002 and 007, series of 1991, dated January 18 and February 12, 1991 respectively, the Board in its meeting of October 11, 1991, resolved as follows:

1. That the LVA requirement of 90% and 39% on EQs and EAs, respectively, shall remain in force in 1991 and exemption from compliance of the same may be granted on a case-to-case basis if the reasons cited concern the following:

- a. Selected categories with cut-back on export quotas;
- b. Force majeure;
- c. Certain items (e.g.; brassieres/gloves) which by nature/style would require expensive types of imported main fabrics/leather and accessories and minimal labor with less local content.

2. That the 1991 LVA shortfall penalties shall be computed at the same rate of 10% of the actual LVA shortfall and the offsetting payment scheme (shall include exports to non-quota countries, of exempt, trigger level or non-critical categories, provided, a corresponding reduction shall be made from the firm's premiums for EA allocation purposes) may be availed by the firms on 1991 LVA shortfall penalties;

3. That for purposes of computing the 1990 Export Quotas (EQs) LVA compliance shall be computed on per category basis per the existing rules.

(Sgd.) AURORA MA. F. TIMBOL
Executive Director



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