

## **[ BSP CIRCULAR LETTER, March 31, 1998 ]**

### **SERVICING IMPORT PAYMENT BY COMMERCIAL BANKS**

1. Commercial Banks, in servicing import payments under an any mode allowed under Circular 1389, as amended, namely: LC, D/P, D/A or O/A Arrangement, shall require the presentation of the complete original shipping documents. This should be observed if the foreign exchange selling bank is at the same time the booking/remitting bank. A booking/remitting bank is one which directly effects/remits the payment of import obligations to the foreign supplier.

2. Banks other than the booking/remitting bank selling foreign exchange to importer-clients may allow the presentation of photo-copies of the shipping documents to support such sale, provided that:

a. The importer-client indicates at the back of the commercial invoice the breakdown of foreign exchange it has bought from banks and other sources indicating (1) Name of Selling Bank/Entity (2) Date of Purchases (3) Amount Purchased (4) Remaining Balance and (5) in case of D/A or O/A Arrangement the Record of Goods Imported (RGI) Number and BSP Registration Number. Said information should be certified as to its correctness by the treasurer or higher officer of the company; and

b. The selling/servicing bank shall remit the foreign exchange sold to the booking/remitting bank and shall indicate in the draft/Telegraphic Transfer/PDDTS instructions the particular invoice number covered by the sale with the corresponding RGI No. and BSP Reg. No.

3. Sale of foreign exchange for payment of a Foreign Currency Loan (the proceeds of which was used for import payment) by a bank other than the lending bank, shall be covered by the following guidelines:

a. The selling bank shall require the client-importer to indicate in his application-letter to purchase foreign exchange, the following information: (1) Name of the Lending Bank; (2) Original Loan Amount; (3) Due Date; (4) Outstanding Loan Balance; (6) Purpose of Loan and (5) Invoice No. and Amount of import bill liquidated by the proceeds of the loan. Said information should be certified as to its correctness by the treasurer or higher officer of the company.

b. The foreign exchange sold shall be remitted by the selling bank to the lending bank indicating in the draft/TT/PDDTS instructions, pertinent information on the loan account.

4. A Senior Officer of the booking/remitting bank responsible for the payment of the importation, or of the lending bank responsible for the loan account, shall certify that his bank has taken measures to ensure that the importer-client has not purchased foreign exchange from the banking system in excess of the amount of the