

[BOC MEMORANDUM, September 18, 1995]

CLARIFICATION ON AMOUNTS TO BE COLLECTED FOR REGULAR LC IMPORTATIONS

The following procedures must be followed in the declaration of duties and charges when a shipment is covered by a Letter of Credit:

1. Importer/broker shall indicate on box #28 LC as mode of payment.
2. Computation of box 44 shall be the summation of amounts indicated on box #s 45 + 46 + 47 + 48.
3. Box # 48 shall indicate the computed amount of duties payable for particular shipment at hand.

This amount should be equal to the advance duty in the IED if the latter has been properly computed at the time of LC opening. However, there are situations when the advance duty is more than the amount in box 48 as follows:

1. When the shipment at hand is just a partial shipment against a LC opened for a transaction with partial shipments allowed;
2. When the parameters of duty computation such as the rate of duty and exchange rates are higher at the time of LC opening;

There are also reverse situations, i.e., when the amount in box 48 is higher than the advance duty such as when the parameters in the computation at the time of filing of entry with the Bureau of Customs are higher.

4. The amount to be collected by the bank for final duties, taxes and charges shall be as follows:

a. For ONE-TIME SHIPMENTS (Total LC)

Box 44	xxx
* Less Advance Duty Paid	
(Per IED)	<u>xxx</u>
Net Amount to be collected	xxx

* Provided: That when box 48 is lower than the advance duty in the IED and the importer/broker wishes to charge the whole advance duty against the total amount per box # 44 which he must manifest, such will only be allowed upon submission of proof coming from the importer that there will be no other shipment against the LC, i.e., that this transaction is really a ONE TIME SHIPMENT.

b. For PARTIAL SHIPMENTS