

[BSP CIRCULAR NO. 1248, April 16, 1990]

USE OF THE PHILIPPINE PESO AND OTHER ASEAN CURRENCIES IN INTRA-ASEAN TRADE

Pursuant to Monetary Board Resolution No. 705 dated July 20, 1990, effective immediately, the following rules shall govern the use of the Philippine peso and other ASEAN currencies in the intra-ASEAN trade;

1. The Philippine peso may be used in payment of exports to or imports from any of the ASEAN countries (Brunei, Indonesia, Malaysia, Singapore, Thailand and the Philippines);
2. Other ASEAN currencies, namely, the Brunei dollar, the Indonesian rupiah, the Thai baht, the Singapore dollar and the Malaysian dollar, shall be acceptable for payment of exports or imports;
3. All transactions shall be covered by bank-documented payment forms;
4. The Central Bank shall not be asked to intervene in the clearing of any balances resulting from the operation of this scheme;
5. All transactions covered herein shall continue to be subject to existing trade regulations insofar as these do not concern currency of payment. Among other things, the classification scheme for imports and the restriction on the physical transfer of pesos by individuals shall be maintained;
6. The Central Bank shall have the right to prohibit the importation of any item for such reasons as health, safety or security;
7. All export transactions using ASEAN currencies shall be reported under IOS Form 2, Schedule 1 (Daily Report on Export Negotiations) and Schedule 2 (Daily Report on Export Proceeds Received) with footnotes indicating the specific ASEAN currency and the corresponding amount received;
8. All import transactions using ASEAN currencies shall continue to be reported under IOS Form 3, Schedule 1 (List of Regular Import L/Cs opened) and Schedule 2a (Daily Report of Negotiations on Regular Import Letters of Credit);
9. If the Philippine peso is used as payment, the following additional rules shall apply:
 - a. All import and export transactions shall be covered by letters of credit; and
 - b. Export shipments under this scheme shall be covered by an Export Declaration/Permit (With Foreign Exchange Proceeds), indicating on the face thereof