



# BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

**CIRCULAR NO. 897**

Series of 2016

**Subject: Amendment to Regulations on Clean Note and Coin Policy**

The Monetary Board, in its Resolution No. 2112 dated 18 December 2015, approved the amendments to the pertinent provisions of the Manual of Regulations for Banks (MORB) relative to the Bangko Sentral's Clean Note and Coin Policy.

**Section 1.** Subsection X950.5 of the MORB shall be amended to read as follows:

**§ X950.5 (2008 - X610.6) Clean note and coin policy.** As part of banks' duties as authorized agents of the Bangko Sentral, banks are enjoined to accept unfit Philippine currency notes and coins from the depositing public. Banks shall also accept, without handling fees or charges, non-mutilated coins for deposit, regardless of denomination, from the public. Further, banks shall re-circulate such coins received from the depositing public.

To effect an expeditious withdrawal from circulation of unfit Philippine currency notes classified under Subsec. X950.6, banks and their branches shall observe the following guidelines and procedures when making cash deposits with the Cash Department (CD) or any of the Regional Offices/Branches of the Bangko Sentral.

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d. Provincial branches of banks may make direct deposits of currency notes, duly identified and sorted, with the nearest Bangko Sentral Regional Office/Branch. In areas where there are no Bangko Sentral Regional Offices/Branches, provincial branches of banks shall arrange with their respective Head Offices the shipment of their unfit or dirty notes for deposit with the CD, Bangko Sentral in Quezon City. Cost of shipment and other related expenses to be incurred shall be solely for the account of the bank concerned.

Coins submitted by banks to Bangko Sentral for deposit/determination of redemption value shall be packed/bagged in accordance with the following procedure:

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The CD and the Regional Offices/Branches of Bangko Sentral may refuse acceptance of cash deposits that do not conform to these guidelines and procedures.

In order to ensure that banks comply with the provisions under this Subsection, banks are required to incorporate measures on the implementation thereof in their compliance program. Moreover, banks should conduct periodic compliance testing to cover their compliance with these requirements.

Section 2. Subsection X950.8 on Penalties is retitled and amended to read as follows:

**§ X950.8 (2008 - X610.8) Enforcement Actions.** Consistent with Circular No. 875 dated 15 April 2015, the Bangko Sentral may deploy enforcement actions to promote adherence to the requirements set forth in Section X950 and its subsections, and bring about timely corrective actions. The Bangko Sentral may issue directives or impose sanctions on the bank, for violation of the provisions of Section X950 and its subsections, which may include, among others, restrictions or prohibitions from certain authorities/activities. Sanctions may likewise be imposed on bank directors, officers and employees concerned.

Further, any violation of the provisions of Subsecs. X950.3 and X950.4, shall subject the offender to imprisonment of not less than five (5) years, but not more than ten (10) years. In case the Revised Penal Code provides for a greater penalty, then that penalty shall be imposed.

This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:

  
AMANDCO M. TETANGCO, JR.  
Governor

6 January 2016