



**BANGKO SENTRAL NG PILIPINAS**

OFFICE OF THE DEPUTY GOVERNOR  
SUPERVISION AND EXAMINATION SECTOR

**MEMORANDUM NO. M-2016-022**

To : **ALL BSP-SUPERVISED FINANCIAL INSTITUTIONS**

Subject : **Reminder on Handling Support for Magnetic Stripe Transactions Pending Full Compliance with EMV Migration Requirement**

Appendix 108 of the Manual of Regulations for Banks (MORB) on EMV Implementation Guidelines requires the domestic switches to ensure the following, among others:

1. Continued support to existing transaction sets and functions provided to consumers; and
2. Continued ability to support, in the interim, transactions in magnetic stripe format subject to liability shift policies acceptable to the BSP.

Issuers, on the other hand, are required to educate consumers to smoothly transition customer experience/expectations from traditional magnetic stripe to EMV chip-compliant cards.

In this regard, all concerned BSP-Supervised Financial Institutions (BSFIs) should ensure that the above requirements can be adequately fulfilled so that consumers will not be disenfranchised while transition to EMV technology is ongoing. BSFIs should likewise strengthen EMV-related consumer awareness efforts, particularly to allay fears of the consumers that their magnetic stripe cards are no longer usable come 1 January 2017.

As provided in Appendix 108, failure to comply with the above shall be subject to appropriate sanctions and penalties described in Subsection X177.9 of the MORB.

For information and guidance.

  
**NESTOR A. ESPENILLA JR.**  
Deputy Governor

**20 December 2016**