BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
SUPERVISORY EXAMINATION SECTOR

MEMORANDUM NO. M-2013-_055_

To   :   **All *PhilPaSS* Participant Banks and NBQBs**

Subject: **Standard Coding System for *PhilPaSS* Transactions**

The BSP, with its mandate to ensure a safe and efficient payments system, will be implementing a standard transaction coding system in order to properly identify the nature of banks' funds transfer and payment instructions that are coursed through *PhilPaSS* for settlement.

A.   Effective _17 February 2014_, all participating banks shall identify the RTGS transactions that will be electronically transmitted to *PhilPaSS* for settlement based on the standard coding system covering the following transactions:

1.   All payment instructions that are currently transmitted to *PhilPaSS* via MT202s and MT103s for the settlement of institutional funds transfers and customer payments, respectively.

2.   All payment instructions that will be manually processed for *PhilPaSS* settlement as may be requested and authorized by a participating bank/non-bank.

3.   Banks' remittance of revenue collections representing BIR taxes and BOC customs duties/taxes; currently transmitted via the Electronic Funds Transfer Instruction System (EFTIS).

B.   The standard *PhilPaSS* transaction codes that will be used by all participating banks shall be as follows:

Description	Standard *PhilPaSS* Transaction Code
Interbank Transactions	
Interbank Loan Grant	IBGR
Interbank Loan Payment	IBPY
Interbank Customer Payments	IBCP
Interbank Funds Transfer	IBFT
Reverse Repurchase Agreements – Onite	RRPONT
Reverse Repurchase Agreements – Term	RRPTRM
Special Deposit Account - Regular	SDAREG
SDA Trust	SDATRS
Electronic Cash Withdrawals with BSP-CD	COS
Fixed-Term Deposit with BSP-TD	FTD
Interbank Transactions	Standard *PhilPaSS*Transaction Code
Modified Disb. System (MDS) – To/From BTr	MDS
KB Funding for RB Payment of eRediscounting Loan	DLCFND

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Foreign Loan Approval and Registration System	FLARES
Fund Transfers to BSP-FAD (BSP Checkless Payment System)	FTFAD
3rd Party Transactions for Manual Settlement, as authorized	
USD Trades via PDEx	USPVP
GS Trades - Primary Auction	GPAUC
GS Trades - Secondary Market	G2DVP
GS Trades – Public Market Trades	eDVP
BancNet	BNT
Megalink	MGL
BIR/BOC Revenue Collections	
BIR Tax Collections	BIR101
BIR Creditable Withholding Tax	BIR108
BIR Own Tax Liabilities	BIR109
PAS Advance Import Duties	BOC072
PAS Final Payment-Import Duties	BOC073
PAS Import Processing Fees	BOC074
Non PAS Advance Import Duties	BOC075
Non PAS Final Payment-Import Duties	BOC076
Non PAS Import Processing Fees	BOC077
Export Documentary Stamp Fees	BOC078

C. Guidelines and Procedures

1. *Interbank Transactions and 3rd Party System Transactions*

1.1 The standard codes shall be the initial characters, as applicable, that will form part of the 16-digit Field 20 (Sender's Transaction Reference Number or TRN) of the Interbank payment (or MT202 - General Financial Institution Transfer) OR Customer payment (or MT103– Single Customer Credit Transfer) instruction for the intended transaction.

1.2 The standard codes shall be strictly followed by participating banks in order that the covered transactions will be properly classified in the *PhilPaSS* database – the source of reports that will be generated by the system.

1.3 The standard *PhilPaSS* transaction codes will be mapped and built-up in the system database – to serve as the roster of transactions that can be transmitted for settlement.

1.4 Any settled payment instruction bearing a transaction code other than any of those listed in the system database roster will be automaticallyreversed by debiting the DDA of the receiving bank and crediting the DDA of the paying bank. An electronic notification will be generated via SWIFT or PhilPaSSParticipant Browser, as applicable, to inform on the reversal of the transaction, if any. Therefore, in order to minimize the reversal of transactions, utmost care should be observed in assigning the TRN for each transaction to be transmitted for settlement.

2. *Remittance of BIR/BOC Collections*

2.1 To eliminate dial-up system connectivity problems, the transmission by Authorized Agent Banks (AABs) of all BIR/BOC revenue collections will be migrated - from using the Electronic Funds Transfer Instruction System (EFTIS) terminal to the initiation of an MT202using either

SWIFT, PPS-Front-End-System or the *PhilPaSS* Participant Browser (PPB), as may be applicable.

2.2 The TRN (Field 20) as described in Item 1.1 (above) will be *mapped/paired* with the Transaction Code (Field 72) in the system to guide and ensure that the bank is transmitting the correct BIR/BOC remittance transaction.

2.3 Failure to indicate and match the required information in the Field 20 (TRN) and Field 72 will trigger the automatic reversal of the payment by returning the funds to the remitting bank. Please be guided on sample scenarios below in order to avoid rejection and (automatic) reversal of debit/credit entries:

a. Invalid TRN (Field 20)
b. Unmatched Code in Field 20 and Field 72
c. No Transaction Code indicated in Field 72
d. No Collection date indicated in Field 72
e. Invalid Field 72 format, includingdate format

If a BIR/BOC remittance instructionwill be rejected/reversed, an email message will be automatically sent to the paying bank –stating the reason for such rejection/reversal.

2.4 Information on collection date(s) for BIR/BOC revenue collections shall strictly be inputted under Field 72 (Sender to Receiver Information), regardless if SWIFT or the *PhilPaSS*Participant Browser (PPB) will be used by the participating bank/non-bank. Details of the required information in Field 72 will be as follows:

MT 202 via SWIFT or PPB
Sender : Bank Identifier Code (BIC)
Receiver : BIC of BTr
Field 20: <u>BIR 101</u>
Field 72:
//(<u>BIR101</u>)
//Collection date - ddmmyyyy -ddmmyyyy

2.5 A Daily BIR/BOC Remittances and Other Funds Transfers reports will be generated for the Bureau of Treasury (BTr), Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC); based on the standard *PhilPaSS* codes as well as input details in MT202 Field 20 <u>and</u> Field 72.

For compliance.

NESTOR A. ESPENILLA, JR
Deputy Governor

<u>01</u> December 2013

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