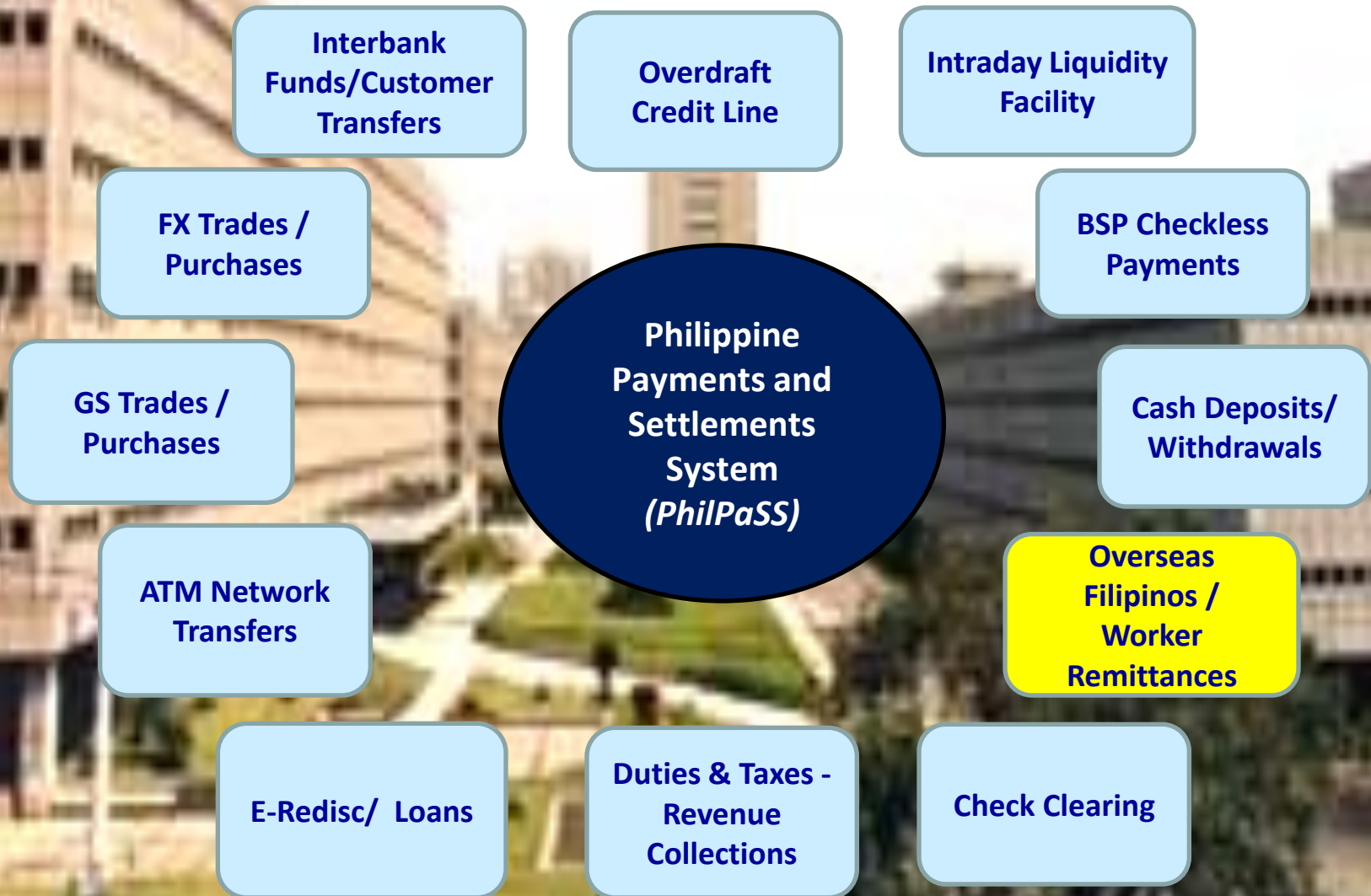


PAYMENTS AND REMITTANCES



Payments and Settlements Office
BANGKO SENTRAL NG PILIPINAS

The Philippine Payments System



The *PhilPaSS*

PhilPaSS stands for Philippine Payment and Settlement System.
It is the name of the Philippine's RTGS system

RTGS refers to a real time gross settlement system

An automated facility owned and operated
by the BSP

Settlements are against the banks' demand deposit accounts
(DDA) maintained with the BSP



BANGKO SENTRAL NG PILIPINAS

PhilPaSS Participants

FINANCIAL INSTITUTIONS

- 38 COMMERCIAL BANKS
- 3 SPECIALIZED GOVT BANKS
- 43 THRIFT/SAVINGS
- 74 RURAL BANKS
- 10 NBQBs

THIRD PARTY SYSTEM PROVIDERS

- Phil Clearing House Corp
- Bureau of the Treasury
- MEGALINK/
- BANCNET
- Phil Securities and Settlement Corp

BSP DEPT/OFFICES

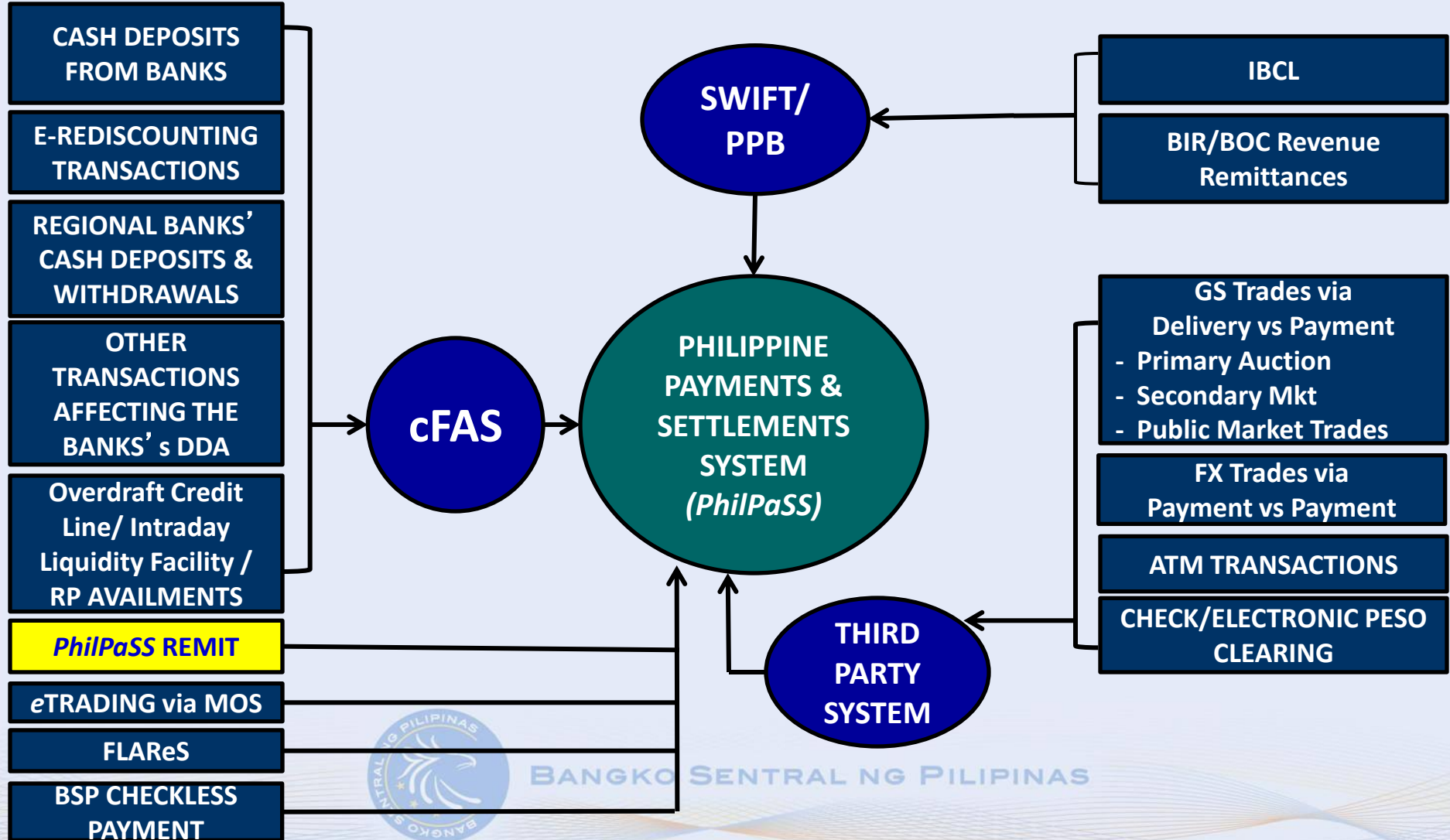
- Treasury Dept.
- Provident Fund Office
- Dept. of Loans and Credits
- Financial Accounting Dept
- Cash Dept.
- Intl Operations Dept
- Security Plant Complex



Transactions Processed by *PhilPaSS*

BSP INTERNAL SYSTEMS

BANKS/NON BANKS & SIPS



Benefits in Using *PhilPaSS*

Banks can manage its Demand Deposit Account (DDA) more effectively

Online, real time access and settlement of high-value and customer/corporate payments to/from banks

Safe and efficient settlement through central bank money

Average speed of settlement per transaction processed in *PhilPaSS* is 3 to 5 seconds

Minimum transaction fee of Php5.00 and a maximum fee of Php400.00 depending on the amount of transaction

A better alternative payment mode vs. check payments (3 processing days)



THE *PhilPaSS* REMIT SYSTEM



BANGKO SENTRAL NG PILIPINAS

4 Modes of Money Remittance Transmission in the Phils.

1. *Credit to Own* – both OFW remitter and the OFW beneficiary use the SAME bank
2. *Advise and Pay* – beneficiary has no bank account and prefers to pick up the remittance from the nearest bank branch
3. *Door-to-Door* – remitter uses courier services for the physical delivery of remittances to its beneficiaries
4. *Credit to Other Banks* – remitter uses a bank or remittance agent to transmit proceeds to beneficiaries maintaining accounts in a different bank



PhilPaSS REMIT

Background:

- Increasing volume of OFW remittances
- Phil. banks' presence abroad
 - overseas branches
 - tie-up/partnerships with Remittance Agencies
- Implemented in May 2010
- Participants: Commercial Banks, Thrift Banks, Rural Banks
- Settlement System: **PhilPaSS**



OFW Remittances via *PhilPaSS* REMIT

Overseas Branch/
Remittance
Partner Abroad

Participating
Bank (A) in the
Philippines

Features:

- Rules are covered by a MOA between BSP, BAP, CTB, RBAP and ABROI,
- Same day Bank-to-Other-Bank settlement
- Lower costs
- Effective feedback mechanism
- Safe and smooth operations



PhilPaSS



OFW Beneficiary Account
with Bank B



BANGKO SENTRAL NG PILIPINAS *PhilPaSS* SETTLES the Funds BANGKO SENTRAL NG PILIPINAS

Transfer from Participating Bank A
to Bank B

Roles of Participating Banks in *PhilPaSS* REMIT

- **Remitting/Sending Bank** – the bank that sends or transmits the proceeds of remittances to *PhilPaSS* for *credit to* the receiving bank (HO)
- **Beneficiary/Receiving Bank** – the HO-bank that receives the funds from the remitting bank.
 - The HO further credits the beneficiary bank where the OFW beneficiary maintains an account with.



Benefits of *PhilPaSS* REMIT

- Lower cost of remittance (front end fees abroad: same)
 - Php 5.00 (trans fee) - Remitting Bank
 - Php 50.00 (back-end proc. Fee) - Beneficiary Bank
- Safer and faster credit to beneficiary-accounts
- Efficient feedback mechanism
 - earliest - Same Day (1) settlement
 - latest - Day 2 settlement
- Elimination of related risks/costs (courier series, fraud, theft)
- Promotes financial inclusion for the unbanked beneficiaries



Feedback Mechanism

- Beneficiary Banks are on required to electronically indicate the posting status of each remittance transaction received
- Accounts of ultimate beneficiaries should be credited on Same Day or up to 4:00PM on Day 2 (*due to technical deficiencies*)
Ex. invalid acct number, closed or dormant account or other erroneous parameters
- Non-indication of posting status up to 4:00PM (Day 2) will trigger the System's cancellation of the remittance and automatic return of funds to the Remitting Bank.
- Failure to submit posting status will be subject to penalty for every day of delay.



PhilPaSS REMIT Timelines

- **Cut-off for Remitting Banks to send files to *PhilPaSS* :**
9:00 am to 3:00 pm
- ***PhilPaSS* settlement window:**
9:00 am to 5:45 pm
- **For Beneficiary Banks to indicate posting status on OF Bene Account:**
9:00 am to 5:45 pm (same day)
- **Cut-off time for Beneficiary Banks to indicate posting status of invalid or “Cannot be Posted” transactions:**
Up to 4:00 pm (Day 2)



BSP as Enabler of *PhilPaSS* REMIT

- Provides for system connectivity
 - File Structure Templates
 - Virtual Private Connection (VPN)/
PKI Connectivity
 - Technical support
- NO access/connectivity fees
- Smart cards for Authorized Users

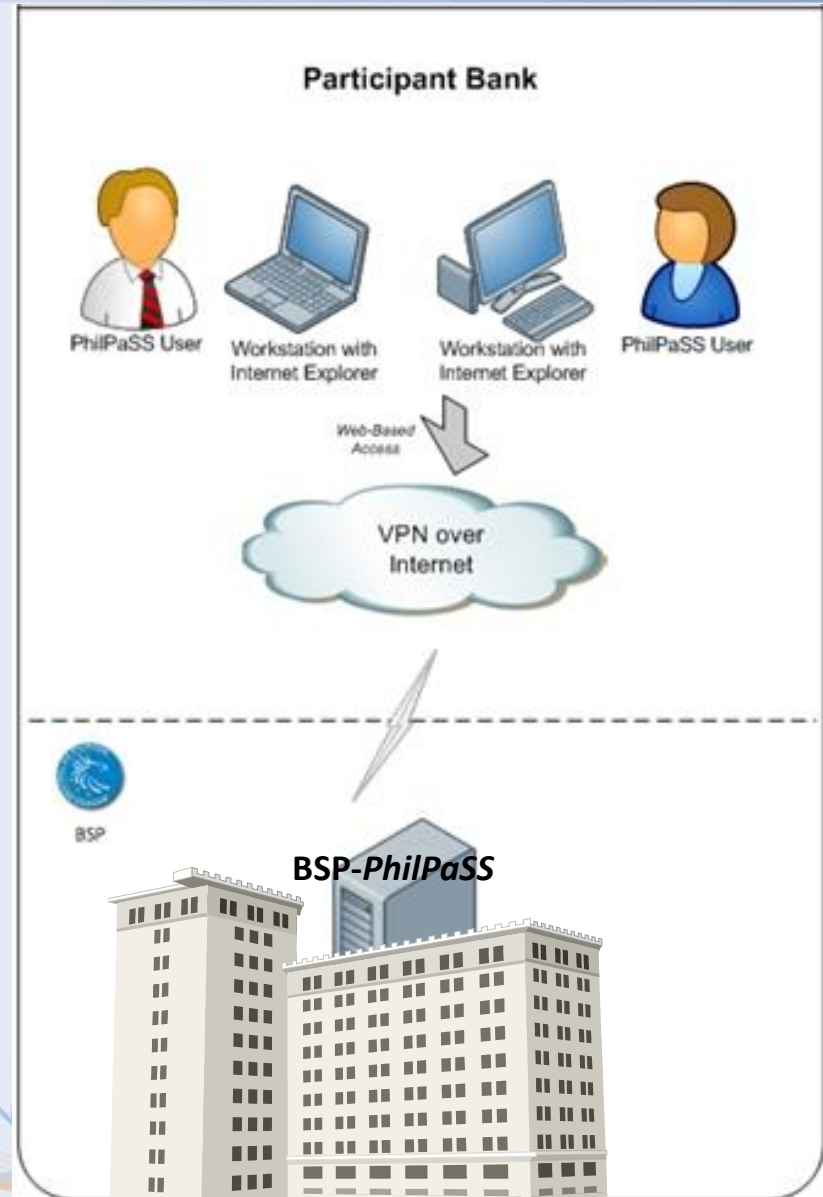


Access to PhilPaSS

Use of *PhilPaSS* Participant Browser (PPB)

Features:

- Safe, secure and Real time settlement of transactions
- Simple client configuration
- Web-based (Access is via internet browser)
- Reliable connection via internet VPN



BANGKO SENTRAL NG PILIPINAS

PhilPaSS REMIT Member Banks



12 Commercial Banks:



Philippine National Bank



***PhilPaSS*: Requirements for Participation**

Submission of Documentary Requirements to BSP-PSO:

- Letter of Application (PSO Form No. 01-002)
- Participation Agreement (PSO form No. 01-003)
- Member-Certification from BAP/CTB/RBAP/PFA
- *PhilPaSS* Participant Browser User Registration Form
- VPN Connectivity Registration Form
- PPB BIC1 Registration Form
- Certified true copy of bank's Board Resolution or Secretary's Certificate with the list of authorized officers with their Specimen Signatures



BANGKO SENTRAL NG PILIPINAS

PhilPaSS Application: Processing Procedures

- Applicant-bank submits documentary requirements to the BSP Payments and Settlements Office (BSP-PSO) for assessment.
- BSP-PSO evaluates the completeness of documents submitted.
- BSP-PSO transmits to ITSS the VPN Connectivity Registration Forms to facilitate coordination with applicant-bank re VPN configuration and connectivity testing
- BSP-PSO notifies bank (phone/e-mail) on receipt documents and instructs the bank to contact BSP-ITSS for VPN configuration/testing.
- In case of incomplete documents, BSP-PSO issues a letter addressed to the applicant-bank; notifying the deferment of application-processing (PSO Form No. 01-008).
- After completion of VPN testing and PPB user-enrollment, PSO and ITSS conducts Briefing and Hands on Training Sessions for registered users of the system.



PhilPaSS REMIT: Requirements for Participation

1. Bank must be a *PhilPaSS* participant.
2. Bank must participate in the technical and business briefing
3. Bank must submit letter of intent to participate in REMIT
4. BSP-ITSS thru PSO will provide CD KIT
5. Bank must submit the participation documents downloadable via the BSP website, namely:
 - a. *Participation Agreement*
 - b. *Form No. 1 – Transaction Security Agreement Form (Notarized)*
 - c. *Form No. 2 – Participating Bank 's Public Key*
 - d. *Form No. 3 - BSP Public Key*
 - e. *Form No. 4 - Participating Bank Account Registration*
6. Bank must submit to PSO via e-mail .asc file(s) of public keys generated from the GPG software.
7. Bank must coordinate with BSP-PSO and IT for availability of schedule.
8. Bank must perform all system/user testing required.

CUSTOMER SERVICE

PhilPaSS Help Desk Nos.

(02) 400-7071

(02) 400-7073

(02) 400-7024

(02) 708-7697

E-mail us at:

Payments_Unit@bsp.gov.ph

PhilPaSS_Helpdesk@bsp.gov.ph



BANGKO SENTRAL NG PILIPINAS



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