

# The Philippine Payment and Settlement System (*PhilPaSS*)

**RBAP's 62<sup>nd</sup> Charter Anniversary Symposium**  
**Manila Hotel, 07 November 2019**



**Payments and Settlements Office**  
**BANGKO SENTRAL NG PILIPINAS**

# What is *PhilPaSS*?

**It is a real time gross settlement system (RTGS)**

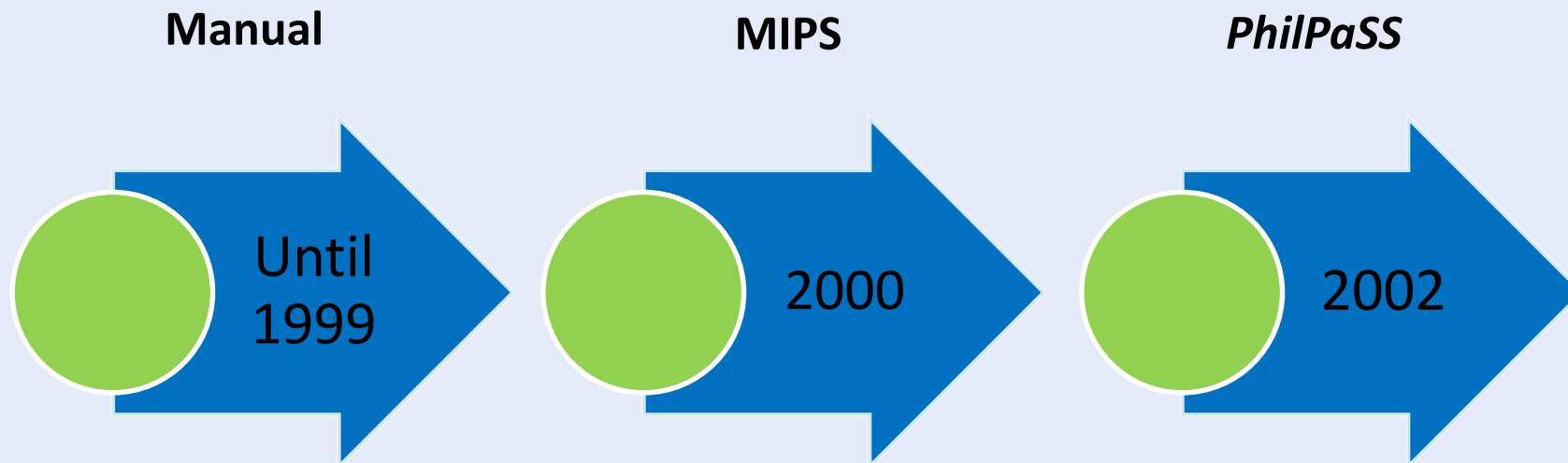
**An automated facility owned and operated by the BSP**

**It settles interbank fund transfers against the DDA of the participant banks and financial institutions maintained by the BSP**



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# Brief History of *PhilPaSS*



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# Then vs. Now

**Per transaction**

**Real-time**

**Gross basis**

**Final and irrevocable**



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# Transactions Settled in *PhilPaSS*

- ✓ Interbank and customer payments
- ✓ Revenue collections (BIR and BOC)
- ✓ Checks
- ✓ ATM
- ✓ Repo
- ✓ Peso & USD trades
- ✓ Government securities
- ✓ BSP transactions
- ✓ InstaPay and PESONet



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# Rural Bank Transactions in *PhilPaSS*

- ✓ Interbank and customer payments
- ✓ Checks
- ✓ ATM
- ✓ Deposits to RDDA
- ✓ Withdrawal of excess funds in RDDA
- ✓ InstaPay and PESONet



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# Benefits in Using *PhilPaSS*

- ✓ Online access to bank's Demand Deposit Account (DDA) maintained with BSP
- ✓ Real time settlement of high-value interbank and customer /corporate payments
- ✓ Real time and near real time settlement of retail payments coursed through designated Automated Clearing Houses (ACH)
- ✓ Settlement using central bank money
- ✓ Average speed of settlement per transaction processed in *PhilPaSS* is 3 to 5 seconds
- ✓ Minimum transaction fee of Php5.00 to a maximum fee of Php400.00 (depending on the amount of the transaction)
- ✓ An alternative payment vs. checks
- ✓ **Membership is FREE**



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# The Next Generation *PhilPaSS<sup>plus</sup>*

- ✓ Solution provider is CMA Business Co.
- ✓ Full swing will start on December 2019
- ✓ 16 to 18 months development
- ✓ Finish product ready for use by RBs
- ✓ Trainings will be conducted
- ✓ ISO20022 - compliant RTGS
- ✓ Customer Payment / MT103 = PACS 008
- ✓ Interbank Transfer / MT202 = PACS 009
- ✓ Full system implementation is Q2 2021



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# The Next Generation *PhilPaSS<sup>plus</sup>*

- ✓ Transactions in *PhilPaSS<sup>plus</sup>* is compliant to the soon to be implemented messaging standard which is ISO20022
- ✓ End-to-end tracking mechanism of transactions in *PhilPaSS<sup>plus</sup>* is possible
- ✓ Adoption of feedback mechanism requiring beneficiary bank to immediately credit beneficiary account
- ✓ Promotes interoperable payment systems domestically and even cross-border
- ✓ Richer information and details of transaction in each payment message
- ✓ Use of Purpose Code for BSP-PSOD and AMLC requirements



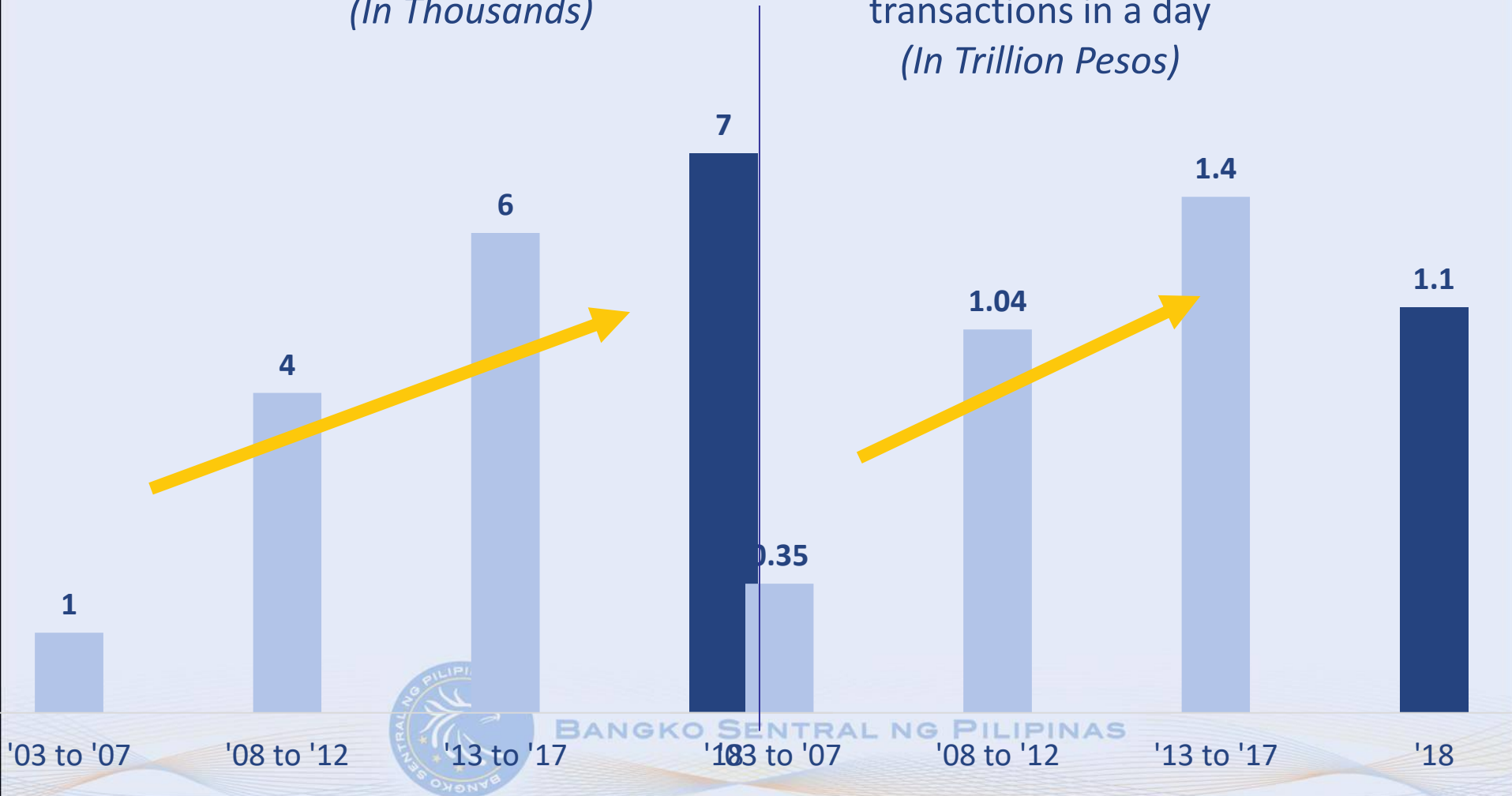
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# Statistics

## Volume and Value

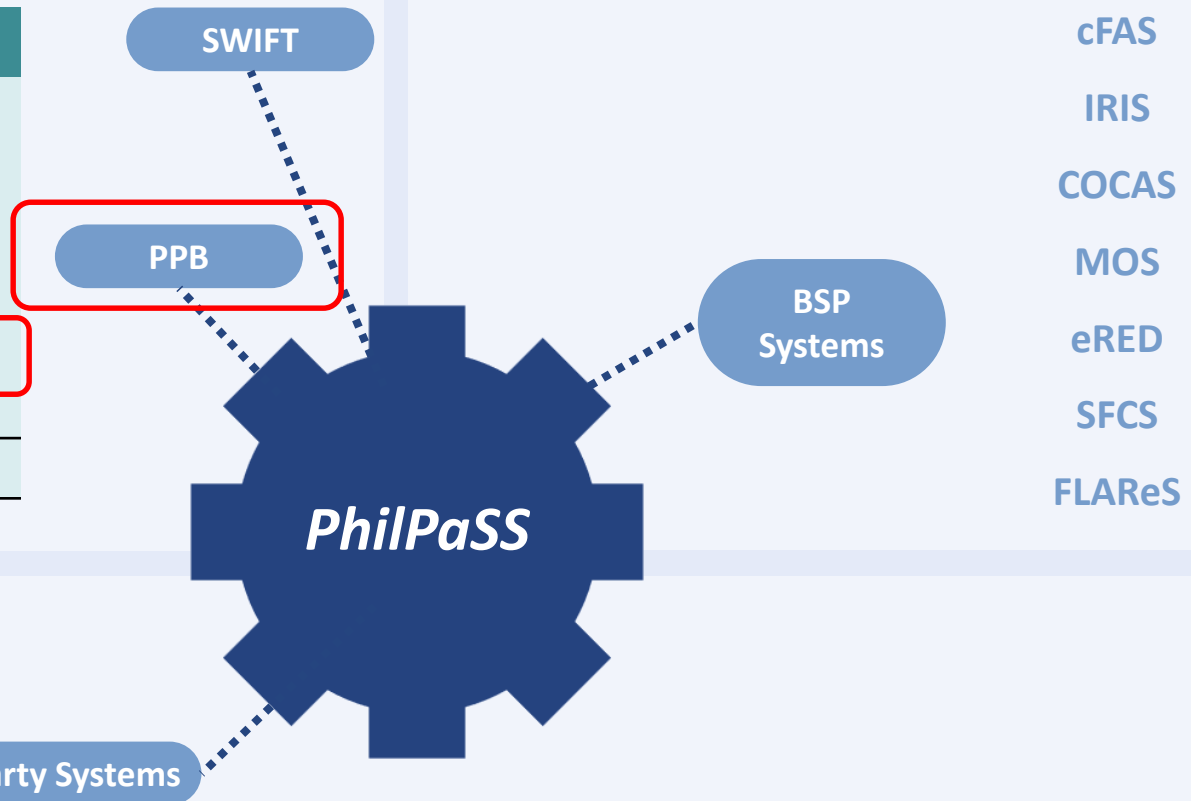
Average **volume** of transactions in a day  
(In Thousands)

Average **value** of transactions in a day  
(In Trillion Pesos)



# System Components & Participants

Direct Participants	
Universal/Commercial Banks	43
Thrift Banks	38
Specialized Gov't Banks	3
NBQBs	8
<b>Rural Banks</b>	<b>75</b>
BSP Units/ External Institutions	4
<b>Total</b>	<b>171</b>



InstaPay  
ATM Networks

PESONet  
Check Clearing

GS Trades  
eDVP / Repo

FX Trades

Third Party Payment  
System Providers

BancNet

PCHC

BTr

PDS Group

# The *PhilPaSS* Participant Browser (PPB)

- It is a modern, browser-based interactive interface for use by staff in the payments department of a participant bank
- Access is real time
- Simple client configuration
- Easy to use (web browser)
- Information at your finger tips (e.g. inquiry)
- Reliable connection (e.g. VPN)
- Accessible to participants



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- Access to the *PhilPaSS<sup>plus</sup>* Participant Browser (PPB)

Live System



### **PhilPaSS Participant Browser Workstation**

Username

Password

Logon

Clear



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# PhilPaSS Participant Browser

- Sample Account Monitor of a Rural Bank






## Account Monitor







Account Id	PHCBPHMD00000022004001000000000000 	
Primary Participant BIC	PHTBPHM1XXX	
Current Balance	500,000.00	
Projected End Of Day Balance	0.00	
Available Funds	500,000.00	
Account Limit	0.00	
Account Limit Type	Overdraft	
Account Suspension Status	Active	
Queue Blocked Indicator	Clear 	
Ready Debits	Number	0
	Value	0.00

# PhilPaSS Participant Browser

- Own debit inquiry


## Find Own Debits

Payment Details	
Credit Party	<input type="text"/> 
Debit Party	<input type="text"/> 
TRN 	<input type="text"/>
Priority	<input type="text"/>
Original Message Type	<input type="text"/> 
Payment Status	<input type="text"/> 
Amount	From <input type="text"/> To <input type="text"/>

Dates and Times	
Value Date	<input type="text"/>  
Receipt Date	<input type="text"/>  
Receipt Time	From <input type="text"/> To <input type="text"/>
Status Change Date	<input type="text"/>  
Status Change Time	From <input type="text"/> To <input type="text"/>

Search

Reset



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# PhilPaSS Participant Browser

- Settled credits inquiry


## Find Settled Credits

 Text Size 

### Payment Details

Debit Party

Credit Party

TRN 



Priority

Original Message Type

Amount From



To

### Dates and Times

Receipt Date   

Receipt Time From

To

Status Change Date   

Status Change Time From

To

**Search**

**Reset**



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# *PhilPaSS* Requirements for Participation

**Letter of Application (PSO Form No. 01-002)**

**Participation Agreement (PSO form No. 01-003)**

**Member - Certification from RBAP**

***PhilPaSS* Participant Browser User Registration Form**

**VPN Connectivity Registration Form**

**SWIFT - Issued Bank Identifier Code (BIC1)**

**Certified true copy of bank's Board Reso or Sec Cert w/  
list of authorized officers signatures**



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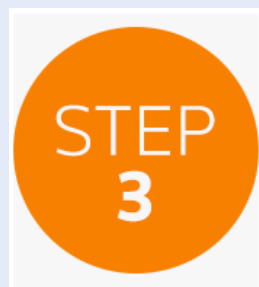
# *PhilPaSS* Application Procedures



**Applicant-bank's submission of required documents to BSP – Payments and Settlements Office (PSO)**



**BSP-PSO evaluation of completeness of documents submitted**

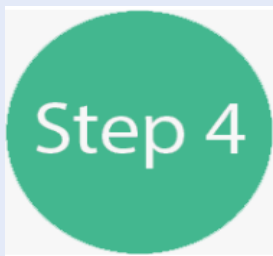


**In case of incomplete documents, BSP-PSO will issue a letter addressed to the applicant-bank, notifying the deferment of application processing**



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# *PhilPaSS* Application Procedures



**Transmission to BSP-IT of the VPN Connectivity Registration Forms to facilitate VPN configuration and connectivity testing**



**BSP-ITO will notify the applicant-bank (via phone or e-mail) regarding VPN configuration/testing**



**After completion of VPN testing and PPB user-enrollment, BSP-PSO to conduct PPB Briefing Session for registered users of the system**



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# *PhilPaSS* Application Procedures



**Welcome to *PhilPaSS*!**



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# 2019 *PhilPaSS* Information Campaign

- ✓ Tacloban City
- ✓ Cebu City
- ✓ Manila
- ✓ Butuan
- ✓ Cauayan City
- ✓ *Cagayan de Oro City on Nov. 8*
- ✓ *Dumaguete City on Nov. 11*
- ✓ *Iloilo City on Nov. 21*
- ✓ *Dipolog on Nov. 22*



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# National Retail Payment Links to *PhilPaSS*

- Designation of *PhilPaSS* as the settlement system for automated clearing house (ACH) transactions under NRPS
  - ✓ Safety – settlement in central bank money
  - ✓ Efficiency – *PhilPaSS* settlement in real-time and near real-time for retail payments
  - ✓ “Earmarking” of funds for real-time payments
  - ✓ Multiple-batch settlements for near real-time transactions



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# PESONet (Batch Settlement)

PESONet is a batched retail payment ACH

- Payment is credited to the payee's account after settlement in *PhilPaSS* is confirmed
- No SSA provision
- No limit of amount per transaction
- Can be initiated anytime → multi-clearing for settlement
- Payment modes: P2P, P2B, P2G, B2P, B2B, B2G, G2P, G2B, G2G
- No limit on number of transactions per day
- Fee: Bank Fee Policy Structure
- Designated Clearing Switch Operator: **PCHC**



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# InstaPay (Real Time Settlement)

InstaPay is a real time retail payment ACH

- Can be initiated anytime (24x7x365) through a Secured Settlement Account (SSA) maintained with BSP
- Payment is immediately credited to the payee's account
- Amount per transaction -- up to P50,000.00
- Payment modes: P2P, P2B, P2G, B2P, B2B, B2G, G2P, G2B, G2G
- Communicated to the payer through a payment advice
- No limit on number of transactions per day
- Fee: Bank Fee Policy Structure
- Designated Clearing Switch Operator (CSO): **BancNet**



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# Secured Settlement Account (SSA)

- An account other than the Regular DDA (RDDA) that guarantees continuous clearing of InstaPay transactions by the CSO on a 24 x 7 basis.
- DDA2 or SSA shall be prefunded so that every participant in the InstaPay ACH is assured of settlement.
- $RDDA + SSA = \text{Legal Reserves with BSP}$



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# InstaPay and PESONet Members

	InstaPay	PESONet
Commercial Banks	20	37
Thrift Banks	16	9
Specialized Banks	2	3
Rural Banks	6	3



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# Operational Requirements

## ➤ Banks

- ✓ Membership in *PhilPaSS*
- ✓ Membership in Philippine Payments Management, Inc. (PPMI)
- ✓ Participation Agreement with InstaPay ACH
- ✓ Participation Agreement with PESONet ACH
- ✓ Access to the *PhilPaSS* Participant Browser (PPB)
- ✓ API availability of InstaPay and/or PESONet in banks' front-end systems



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# PhilPaSS Fees

	<b>PhilPaSS Transaction Fees</b> <b>MBR No. 1403 (2007); MBR No. 47 (2008)</b>	
<b>Types of Transaction</b>	<b>Transaction Value</b>	<b>Fee Per Transaction</b>
<b>1. Interbank (Debits)</b>	<b>1.00 - 100.00</b>	<b>FREE OF CHARGE</b>
	<b>101.00 - 500,000</b>	<b>Php5.00</b>
<b>2. FX Trades (via Payment vs. Payment (PvP))</b>	<b>500,001.00 - 1,000,000</b>	<b>Php10.00</b>
	<b>1,000,001 - 39,999,999.99</b>	<b>Ad Valorem Fee = Trans. Value x .00001 (Round to nearest Peso)</b>
<b>3. GS Trades (via Delivery vs. Payment (DvP))</b>	<b>40,000,000 and Above</b>	<b>Php400.00</b>
<b>4. Check Clearing (Win/Loss)</b>		
<b>5. Megalink/BancNet</b>		
<b>6. Electronic Fund Transfer Instruction System (EFTIS)</b>		
<b>7. Manual processing of interbank transactions</b>	<b>Php1,000.00 + Ad Valorem Fee = TV x .00001 OR          Php5,000 whichever is LOWER</b>	

# BSP Website (www.bsp.gov.ph)



**BANGKO SENTRAL NG PILIPINAS**  
Pananalaping Matatag, Bansang Panatag



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## Payments and Settlements

- Overview
- Laws and Regulations
- Principles for Financial Market Infrastructure
- Roles of the BSP in Payment and Settlement Systems
- PhilPaSS**
  - PhilPaSS Statistics
  - PhilPaSS Advisories/Broadcast
  - PhilPaSS Forms**
  - PhilPaSS Manuals and Guides
  - PhilPaSS Frequently Asked Questions
- National Retail Payment System

## PhilPaSS Forms

PhilPaSS Forms (Available in PDF format)

### I. Application for Participation in PhilPaSS

- Application Letter
- PhilPaSS Participation Agreement
- PPB Form 1 - PPB User Registration Form
- Updated List of Authorizing Officers with Specimen Signatures certified by the Board Secretary
- VPN Connectivity Form
- PPB BIC1 Registration Form

### II. Required Documents for Issuance of PhilPaSS Smart Card

- Secretary's Certificate
- Special Power of Attorney
- Release, Waiver and Quitclaim
- Smart Card Renewal Form

### III. Request for Manual Settlement

- PhilPaSS – COB Manual Settlement Form 1
- PhilPaSS – COB Manual Settlement Form 2



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  - PhilPaSS Frequently Asked Questions

- PPB Module 2 - User Manual
- PPB Payment by File Description
- Sample PPB Payment by File
- MT 103 (Customer Payments) - Required Message Fields for PhilPaSS
- MT 202 (Interbank) - Required Message Fields for PhilPaSS
- Sample Transactions
  - a. SAMPLE MT103 (DLCFND) via Browser
  - b. SAMPLE MT103 (IBCP) via Browser
  - c. SAMPLE MT103 (IBCP to SWIFT Bank) via SWIFT
  - d. SAMPLE MT103 (IBCP to NonSWIFT) via SWIFT
  - e. SAMPLE MT202 (COS) via Browser
  - f. SAMPLE MT202 (IBFT) via Browser
  - g. SAMPLE MT202 (IBFT to SWIFT Bank) via SWIFT
  - h. SAMPLE MT202 (IBFT to NonSWIFT) via SWIFT
  - i. SAMPLE MT202 (CTF) via Browser
  - j. SAMPLE MT202 (TOFA) via Browser



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# *PhilPaSS Helpdesk*

**PhilPaSS Helpdesk: 02-8400 7024**

**Numbers                      02-8400 7071**

**02-8400 7073**

**02-8708 7540**

**02-8708 7694**

**02-8708 7697**

**E-Mail Address        : [Payments\\_Unit@bsp.gov.ph](mailto:Payments_Unit@bsp.gov.ph)**  
**[PhilPaSS\\_Helpdesk@bsp.gov.ph](mailto:PhilPaSS_Helpdesk@bsp.gov.ph)**



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