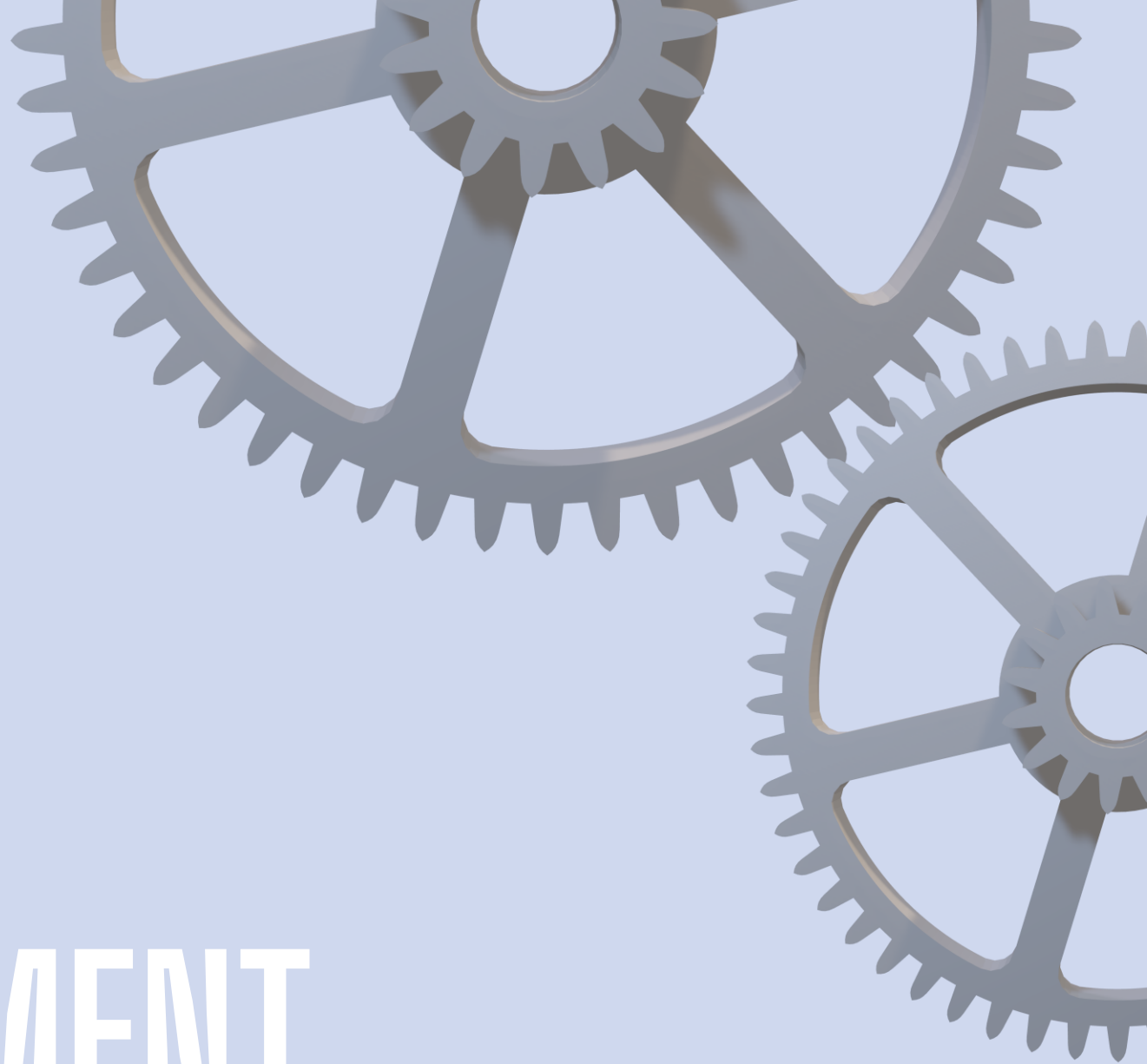


PESO
REAL
TIME
GROSS
SETTLEMENT
PAYMENT SYSTEM



BRIEF HISTORY



Manual

Until 1999 to 2000

Settlements were manual intensive

Batched settlement was adopted

Reports generated were limited



MIPS

2002 to 2021

System was highly automated

Settlements were real-time or near real-time

More system generated reports were available



PhilPaSS



PhilPaSS^{plus}

2021 to Present

Greater settlement capacity

Stronger security features

Higher settlement efficiency

Broader access channels

Better interoperability

Richer payment information

WHY THE RTGS IS IMPORTANT



A **Real Time Gross Settlement (RTGS) system** provides instant settlement of payments, transfer instructions, or other obligations individually on a transaction-by-transaction basis¹. The lone Peso RTGS system in the Philippines is the *PhilPaSS^{plus}*, which is owned and operated by the Bangko Sentral ng Pilipinas (BSP) in accordance with its authority under the National Payment Systems Act.

The *PhilPaSS^{plus}* enables efficient and low-risk settlement of large value funds transfers between financial institutions. It also facilitates the settlement of fixed income security trades, FX trades, and other financial market transactions. By settling retail payment clearing results, the *PhilPaSS^{plus}* ensures that individuals, businesses and the government can securely send and receive money through several channels – check, ATM, InstaPay and PESONet.

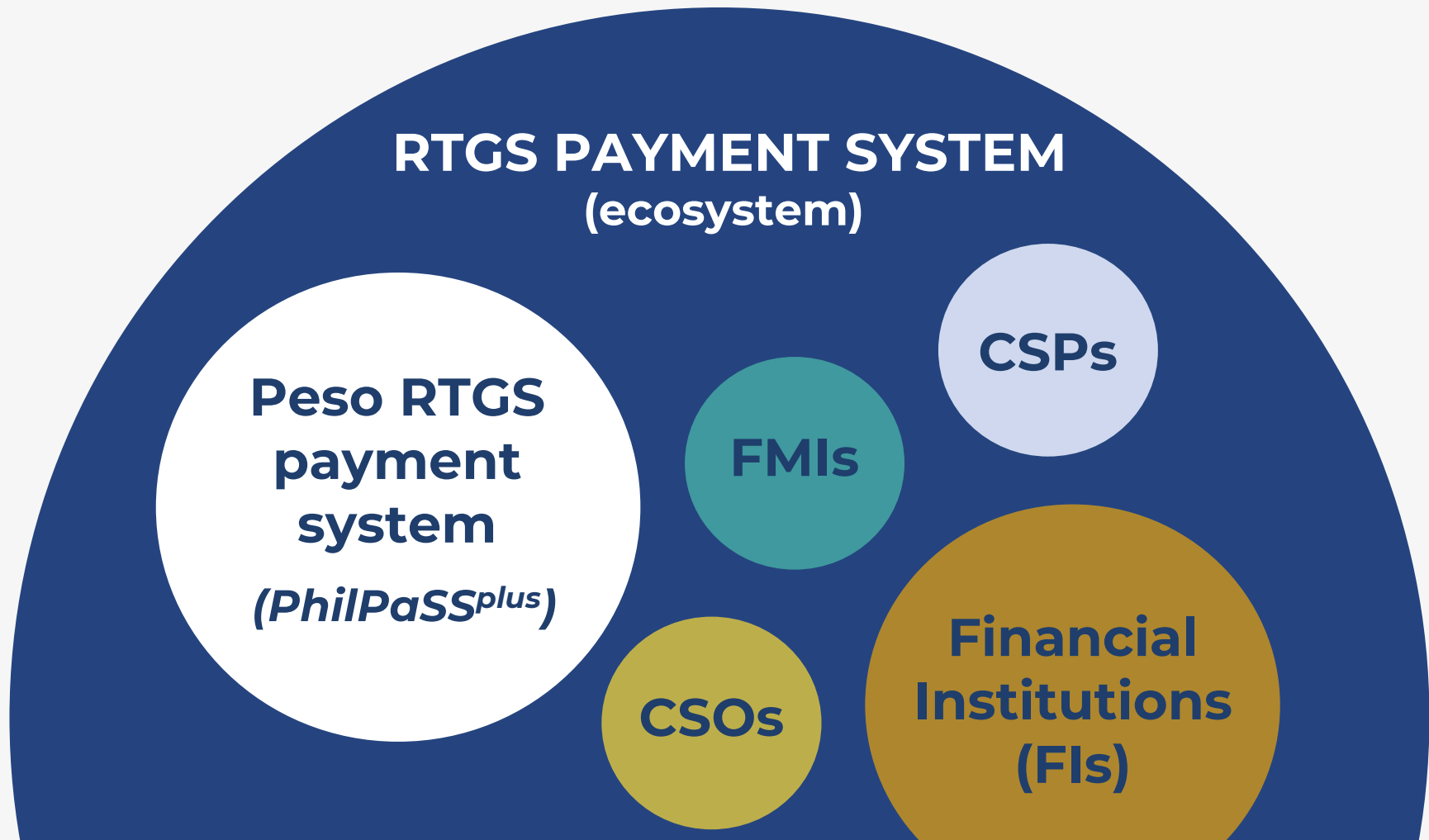
¹ Definition is mainly drawn from the document *A glossary of terms used in the payments and settlement systems (2016)* published by the Committee on Payments and Market Infrastructures (CPMI).

RTGS System Features

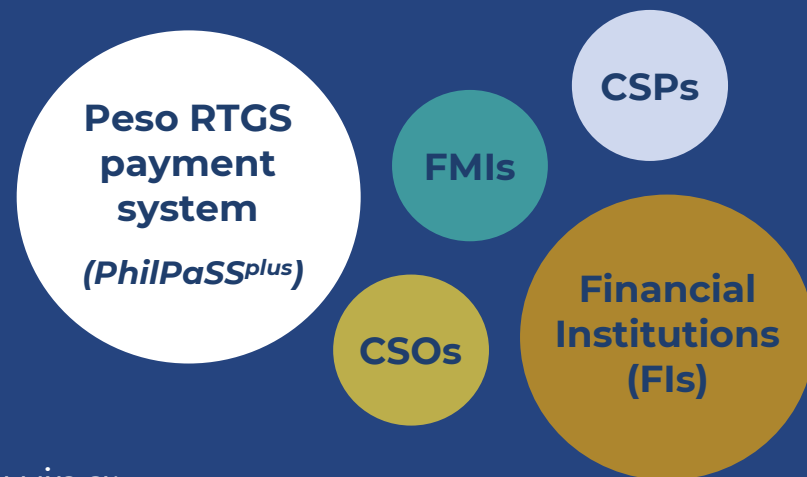
PAYMENT QUEUEING & REPRIORITIZATION	Instructions that cannot be settled due to insufficient funds are held on queue until funds are made available.
PAYMENT WAREHOUSING	Participants can warehouse transactions up to four (4) calendar days.
GRIDLOCK RESOLUTION	The system initiates a gridlock resolution whenever two (2) or more instructions remain unsettled.
TRANSACTION VALIDATION	Payment instructions are subject to validation.
REPORTING	Participants may generate various reports, such as account balance report, statement of account, transactions summary, and others.
AUDIT TRAIL	The system maintains audit records.
PAYMENT STATUS VALIDATION	Participants can verify the settlement status of their transactions.
SYSTEM INQUIRIES	Participants can send inquiries and/or requests through the system.
ISO 20022-COMPLIANT	NEW! The system and its participants are compliant with the ISO 20022 international messaging standard, which facilitates interoperability with domestic and international payment systems.
INTRADAY SETTLEMENT FACILITY (ISF)	NEW! This facility may be used by participants needing additional liquidity during daily operations. Availments must be settled by the end of the day the ISF was availed to avoid incurring charges.

GOVERNANCE STRUCTURE

The BSP, through its **Peso RTGS Management Committee**, operates the Peso RTGS payment system. This Committee is composed of a Chairperson and the heads of the BSP units that are involved in sustaining the sound and smooth functioning of this payment system.



PARTICIPANTS



PhilPaSSplus participants are comprised of the following:

<p>PARTICIPANTS WITH SETTLEMENT ACCOUNTS</p>	<p>These include banks, non-bank financial institutions with quasi-banking functions, non-bank electronic money issuers, and government agencies, as well as Bangko Sentral departments that conduct monetary operations and those responsible for disbursing and receiving funds on behalf of the Bangko Sentral.</p>
<p>SPONSORED PARTICIPANTS</p>	<p>These are financial institutions sponsored into settlement by participants with settlement accounts through the RTGS system.</p>
<p>FINANCIAL MARKET INFRASTRUCTURES (FMIs)</p>	<p>These are infrastructures that are interlinked with the RTGS system to enable settlement of security, foreign exchange (FX), and other financial market transactions in accordance with the DvP and PvP mechanisms, which minimize the principal risk associated with such transactions.</p>
<p>CLEARING SWITCH OPERATORS (CSOs)</p>	<p>These are clearing organizations that are permitted to interconnect with the RTGS system for purposes of settling retail payments in accordance with the National Retail Payment System regulatory framework.</p>
<p>CRITICAL SERVICE PROVIDERS (CSPs)</p>	<p>These are technology companies that provide solutions which are vital to the operation of the RTGS PS.</p>

TRANSACTIONS SETTLED

The following transactions are settled through the *PhilPaSS^{plus}*:

- Movements of funds between the individual participants' proprietary accounts
- Interbank/inter-institution transfers for proprietary transactions
- Interbank/inter-institution transfers for further credit to customer accounts
- Government collections
- Withdrawals from and deposits into the accounts maintained with the BSP
- The money settlement leg of security trades
- The Peso leg of FX trades
- Settlements related to the BSP's ILF
- Transactions with the BSP Financial Markets, including placements in deposit facilities and maturities of deposits, availments and maturities of the Overnight Lending Facility, and purchase or sale of FX and securities
- Clearing results for checks, automated teller machine (ATM) transactions, digital payments, and other types of retail payments
- Other large value transactions or those that are not considered as retail payments under BSP regulations

MESSAGING CHANNELS



An internationally accepted messaging system that runs through a leased line

PARTICIPANT BROWSER

A web-based messaging system provided by the BSP to certain RTGS PS participants

VPN-STP GATEWAY

VIRTUAL PRIVATE NETWORK -
STRAIGHT THROUGH PROCESSING

A communication module that provides a means of message exchanges between the RTGS system and the participants' platforms via VPN

FEE STRUCTURE

Types of Fees		Fees	
A. Transactions Fees		Transaction Value (TV)	Fee per Transaction
1. Interbank Fund Transfer			
	Transaction Type	Participant Billed	
a.	Customer Credit Transfer (pacs.008)	Debit	
b.	Financial Institution Credit Transfer (pacs.009)	Debit	
2. Transactions of Financial Market Infrastructures (FMIs) / Clearing Switch Operators (CSOs)			
a.	Peso-Leg of USD/PHP Trades (Payment vs Payment)	Debit	
b.	Government Security Transactions (Delivery vs Payment) except those listed under Item C.5	Debit	
c.	Corporate Security Transactions (E-Delivery vs. Payment)	Debit	
d.	Check Clearing Transactions (Net Results)	Debit and Credit (DDA)	
e.	ATM Network Transactions	Debit	
f.	InstaPay Transactions (Net Results)	Debit and Credit (DDA)	
g.	PESONet Transactions (Net Results)	Debit and Credit (DDA)	
B. Settlement-related Fees			
1. Manual Processing of Interbank Settlements		PhP1,000.00 +	
2. Reversal of settlement which was erroneously sent to a participating BSP Department		Ad Valorem Fee (TV x 0.0001)	
3. Cash Withdrawals transmitted beyond prescribed cut-off		OR PhP5,000, whichever is LOWER	
C. Fee-exempt Settlements			
1. Settlements with value of P10,000.99 and below			
2. Intra-account fund transfers			
a. Own account transfers			
b. Secured Settlement Accounts Defunding and Top-up			
3. Settlements initiated by the Bureau of the Treasury (BTr) and BSP Departments/Units (e.g. Financial Markets, Provident Fund Office, etc.)			
4. Settlements involving BSP Departments; Regional Offices, and Branches as a counterparty such as:			
a. Annual Supervisory Fees		d. Credit transfers to the BSP-Provident Fund Office accounts	
b. Open Market Operations – Placements, Maturities, and Penalties		e. Cash Withdrawals within cut-off	
c. Settlements through the Integrated Cash Management System (ICMS)		f. Credit transfers to the BSP-Department of Loans and Credit accounts	
5. Settlements from the National Registry of Scripless Securities (NRoSS)			
a. NRoSS Monthly Billing			
b. Redemption			
D. Other Charges			
1. Smart Card Kit (valid for 3 years)		P1,800 per kit	

OPERATING HOURS



The *PhilPaSS^{plus}* operates daily from 9:00AM to 5:45PM, Mondays through Fridays.



DID YOU KNOW?

The Peso RTGS PS has been designated as a **Systemically Important Payment System (SIPS)** by the Monetary Board because of its critical role in the efficient and secure movement of funds in the financial system and the economy in general. As SIPS, the Peso RTGS PS is subject to closer supervision by the BSP for the protection of the participating institutions and financial consumers.



**WANT TO KNOW MORE
PESO RTGS RULES?**

**WANT YOUR INSTITUTION
TO BECOME A MEMBER?**

