

Guidelines for Admission to the Philippine Payments and Settlements System(*PhilPaSS*)

I. Policy

- A. All banks and non-banks with quasi-banking licenses maintaining a demand deposit account with the Bangko Sentral ng Pilipinas (BSP) shall be allowed to participate in *PhilPaSS*.
- B. Application for Participation shall be processed by the BSP's Payments and Settlements Office based on the guidelines approved by the Monetary Board
- C. In processing applications, certificate of good membership standing from the association where the institution is affiliated (such as the Bankers Association of the Philippines, the Chamber of Thrift Banks, Rural Bankers Association of the Philippines, Investment House Association of the Philippines , Philippine Finance Association), where applicable shall be required.
- D. An application for participation may be accepted or deferred.
 1. If accepted, the applicant institution shall be advised to undergo mandatory system testing, user training and briefing.
 2. If deferred, the applicant institution shall be advised to complete the documentary requirements.
- E. After successful completion of mandatory system testing, user briefing and training, the applicant institution shall be informed of its readiness to participate in *PhilPaSS*; BSP and applicant bank shall agree on the effectivity date of its *PhilPaSS* participation.
- F. All *PhilPaSS* participants shall be advised formally on the participation of a new institution and its effectivity date.

II. Membership Requirements

All Banks and Non-Bank Institutions with quasi-banking functions applying for membership to *PhilPaSS* shall duly accomplish and submit to BSP-Payments and Settlements Office the following documents. The forms are available for download at the BSP website-www.bsp.gov.ph

- Letter of Application
- Participation Agreement
- Certification from RBAP, CTB, IHAP, PFA
- *PhilPaSS* Participant Browser User Registration Form
- Connectivity Registration Form
- Certified true copy of bank's Board Resolution or Secretary's Certificate with the list of authorized officers and their specimen signatures to validate/approve *PhilPaSS* transactions

III. Processing of Application

The Payments and Settlements Office (PSO) shall process the application of the bank/financial institution and shall undertake the following:

- A. Review and evaluate the documents submitted by banks
- B. Check submitted documents for accuracy and completeness
 - If documents submitted are complete and accurate, the BSP-PSO shall:

- ✓ Notify the applicant-bank by phone and/or e-mail of receipt of documents and advise bank to complete documents required
 - ✓ Advise bank to coordinate with BSP-ITSS for VPN configuration and testing
 - ✓ Transmit Bank's Connectivity Registration Form to ITSS for VPN configuration and testing
 - ✓ Enroll participant in Central Accounting System (CAS) Test Environment
 - ✓ Register individual users and grant access rights to each authorized user as requested
 - ✓ Register users with authorizer access in PKI (Public Key Infrastructure)
 - ✓ Issue smart cards to users registered in PKI
 - If documents received are incomplete, issues letter of notice of deferment to bank
- C. Coordinate with BSP-Information Technology Sub-Sector (ITSS) on the progress of the VPN Configuration and testing
- D. Receive notice from ITSS on bank's successful VPN Connectivity Testing with BSP
- E. Conduct a briefing and hands-on training sessions for banks' authorized users
- F. Notify bank on the activation of its participation in *PhilPaSS* and transmit to bank the following:
- Letter of Notice of Activation
 - Copy of User Acceptance Test Form
 - User IDs and Passwords of registered users
 - Copy of Connectivity Registration Form
 - Signed *PhilPaSS* Participation
 - Copy of *PhilPaSS* Rules and Regulations
- G. Enroll participant organization in CAS Live Environment/Set live implementation date
- H. Issue a broadcast advisory addressed to all Participants re: effectivity date of bank's participation in *PhilPaSS*, copy furnished BSP operating departments and external stakeholders (PCHC, BTR, Megalink, BancNet, PDS) as applicable.
- I. Monitor/Ensure settlement of the (new) participants live implementation

IV. Membership Suspension/Termination/Reinstatement

The BSP, BAP, CTB, IHAP or RBAP, may suspend and/or terminate a Participant's *PhilPaSS* membership for a specified or indefinite period of time under the following circumstances:

- A. The Participant shall be subject to the prudential supervision of the BSP and recommendation for a bank's suspension shall be requested by the BSP's Supervision and Examination Department
- B. The Participant has formally requested BSP for the suspension or termination of the *PhilPaSS* membership based on valid reasons presented
- C. The Participant has declared and filed insolvency proceedings in court and with the BSP.

A suspended or terminated Participant, however, may request for the reinstatement of its membership in *PhilPaSS*; however, the Participant shall submit a justification for reinstatement. Upon BSP's approval, all *PhilPaSS* Participants shall be advised accordingly to allow the processing of transactions of the reinstated member.