

LOCATIONS AND SERVICES

1. *Where are the BSP regional offices and branches located?*

The BSP's three (3) regional offices are located in San Fernando City (La Union), Cebu City, and Davao City.

The 19 BSP branches are situated in Batac City (Ilocos Norte), Tuguegarao City (Cagayan), Dagupan City (Pangasinan), Cabanatuan City (Nueva Ecija), San Fernando City (Pampanga), Lucena City (Quezon), Naga City (Camarines Sur), Legazpi City (Albay), Dumaguete City (Negros Oriental), Bacolod City (Negros Occidental), Iloilo City (Iloilo), Roxas City (Capiz), Tacloban City (Leyte), Butuan City (Agusan del Norte) Cagayan de Oro City (Misamis Oriental), Ozamiz City (Misamis Occidental), Cotabato City, General Santos City (South Cotabato), and Zamboanga City (Zamboanga del Sur) (see *Branch Directory*).

2. *What banking services are available in the BSP regional offices and branches?*

BSP regional offices perform currency management operations, cash administration, gold buying operations (Davao only), and bank supervision (through the Supervision and Examination Sector staff in Cebu and Davao only).

BSP branches, on the other hand, perform currency operations, cash administration, and in certain areas, gold buying operations (Naga and Zamboanga branches, and through the gold buying station in Baguio City).

While regional offices and branches observe a standardized set of operations, there may be areas with expanded functions, or specialized BSP desks, depending on the specific central banking needs of the region.

3. *Do the BSP regional offices and branches accept exchange of foreign currency to pesos?*

No. The BSP has authorized commercial, thrift, and rural banks, to engage in foreign exchange transactions with the general public. Through their provincial branch networks, these "authorized agent banks" of the BSP make banking services, such as exchange of foreign currency, widely accessible, even in remote areas of the country.

4. *Can provincial branches of commercial banks deposit foreign currencies with BSP regional offices/branches?*

The BSP no longer accepts foreign exchange (FX) swap arrangements with commercial banks. However, banks may sell their excess FX holdings to the BSP through the regional offices/branches, for credit to their respective peso demand deposit accounts.

5. Do BSP regional offices and branches accept deposits from the public?

No. The BSP does not accept deposits from the general public.

6. Can the public exchange unfit or mutilated banknotes/coins at the BSP regional offices/branches?

Yes, the unfit/mutilated banknotes and coins issued by the BSP may be exchanged/redeemed by the general public at the regional offices and branches. This is provided that the specimen notes/coins meet the stipulations in Chapter V (“Replacement and Redemption of Legal Tender Philippine Currency Notes and Coins Considered Mutilated or Unfit for Circulation”) of BSP Circular No. 829, series of 2014.

Additionally, only unfit/mutilated notes and/or coins that are classified as *simple* or *moderate* cases (i.e., specimens whose genuineness and redemption value can easily be determined) may be exchanged/redeemed on the spot at the regional offices/branches. Specimens classified as *complex* cases, on the other hand, shall be forwarded to the BSP Currency Issue and Integrity Office in Manila for analysis and determination of value, before subsequent redemption at the same regional office/branch, if applicable.

7. Are BSP regional offices and branches open to students and researchers?

Yes. BSP regional offices and branches maintain Economic and Financial Learning Centers (EFLCs), which make copies of BSP issuances, publications, and other reference materials in money, credit, banking and related subjects, available to students and other researchers. The regional EFLCs also provide visitors internet access for research purposes.

8. Can amortization payments for the rediscounting loan obligations of banks with the BSP be made through the regional offices and branches?

Yes. In addition to the BSP head office, its regional offices and branches are authorized to accept amortization payments for rediscounting loans and other obligations of banks and non-banks with the BSP.

BRANCH ESTABLISHMENT

9. How does the Bangko Sentral ng Pilipinas (BSP) determine where to establish its branches?

The BSP uses economic factors in a particular area as the bases for the establishment and operationalization of a branch. These factors include:

- Magnitude of economic activity

This is indicated by the presence of banks and non-bank financial institutions whose aggregate number comprise of:

- a. at least 15 bank branches;
- b. at least 20 non-bank financial institutions; and
- c. at least ₱5.0 billion deposit base.

These are not limited to the specific site where the branch is to be opened, but also take into account the economic situation in the entire area to be serviced by the branch to be established.

- Presence of significant industry and services sector activity such as:
 - a. commercial business establishments;
 - b. access to health services and other public institutions; and
 - c. schools, colleges and universities.
- Local government unit should have an economic development plan for the area
- Infrastructure support
 - a. regular land, air and water transport facilities; and
 - b. reliable telecommunications facilities.
- Safety and security
 - a. absence of pervading threats to physical security; and
 - b. ready access to law enforcement services.
- Proximity to existing BSP regional offices/branches

To avoid overlapping coverage, branches to be opened should be *beyond* 100 kilometers (road distance) from any existing BSP regional office or branch.

10. What criteria are used in selecting sites for prospective BSP branch buildings?

The following requirements/criteria are observed in selecting possible branch sites:

- Lot size/area – at least 4,000 square meters
- Frontage
 - At least 70 meters. However, in areas where no other suitable sites are available, a frontage of at least 50 meters may be considered;
 - Should be along a major road or thoroughfare, preferably with a secondary access road

- Lot configuration
 - Regular in shape;
 - Elevation must not be more than 0.30 meter below street level;
 - Lot shall abut street on one (1) or two (2) sides; and
 - No public utilities should traverse the lot
- Location
 - Presence of major roads leading to the lot;
 - Reasonable proximity to banks and financial institutions in the area;
 - Reasonable proximity to the commercial center;
 - Access to local airport and/or seaport (if applicable), and police headquarters;
 - Access to utilities such as power, water, telephone, and drainage;
 - Preferably, **not**:
 - along heavy traffic-prone areas;
 - within the vicinity of industrial establishments, warehouses, depots and factories that emit smoke, fume and odor;
 - along riverbanks and waterways;
 - adjacent gasoline stations, cemeteries, mortuaries, bus/jeepney stations;
 - within close vicinity of communication or power towers.
- Site condition
 - Site should be free of protected vegetation/foilage;
 - Must not be covered by special access agreements or right of way requirements of the locality;
 - Must lie on stable ground/soil condition;
 - Must be classified as commercial/institutional area;
 - Proximity to establishments such as public buildings, cultural buildings, office blocks, parks and similar sites; and
 - Location should offer minimum risks.

GOLD BUYING SERVICES

11. *Other than the Security Plant Complex in Quezon City, where can gold producers/traders and small-scale miners sell their gold?*

Gold producers/traders and small-scale miners can sell gold to the BSP's regional office and branches Gold Buying Stations in Baguio, Davao, Naga, and Zamboanga.

12. What laws authorize the BSP to buy gold from the public?

Article II, Section 69 of R.A. No. 7653 (the New Central Bank Act of 1993) provides that “The Bangko Sentral ng Pilipinas may buy and sell gold in any form, subject to such regulation as the Monetary Board may issue.” The Act also provides that the international reserves of the BSP may include, but shall not be limited to, gold and assets in foreign currencies. Hence, BSP’s purchase of gold helps bolster the country’s international reserves.

Section 17 of R.A. No. 7076 (An Act Creating a People’s Small-scale Mining Program, otherwise known as the People’s Small-scale Mining Act of 1991), on the other hand, states that “all gold produced by small-scale miners in any mineral area shall be sold to the Central Bank (Bangko Sentral), or its duly authorized representatives, which shall buy it at prices competitive with those prevailing in the world market regardless of volume or weight.”

13. Who are considered as “small-scale miners”?

Section 3(c) of R.A. No. 7076 defines “small-scale miners” as “Filipino citizens who, whether individually or in the company of other Filipino citizens, voluntarily form a cooperative duly licensed by the Department of Environment and Natural Resources (DENR) to engage, under the terms and conditions of a contract, in the extraction or removal of minerals or ore-bearing materials from the ground.”

14. What are the documentary requirements for selling gold to the BSP?

Gold sellers/small-scale miners/traders/panners intending to sell gold to the BSP shall accomplish a Letter of Delivery and Sale (LDS) to be presented to the Head of the Gold Buying Station (GBS). The LDS shall clearly indicate that gold is offered for sale for valuation on the delivery date, and may be received by the BSP not later than 2:00 p.m. of the advice date. Advices received after 2:00 p.m. shall be for valuation on the following business day.

In compliance with the London Bullion Market Association (LBMA) Responsible Gold Guidance (RGG), gold sellers/small-scale miners/traders/panners intending to sell gold to BSP shall be required to annually accomplish the prescribed Customer Information Packet and to signify conformance to the BSP Responsible Gold Sourcing Policy. They shall also be required to accomplish a “Risk Assessment Checklist for Source of Origin” for every gold sale transaction with BSP.

If the sale of gold to GBS will be made through a representative, a “Letter of Authorization” indicating the name/s of authorized representative/s, with their signature/s, shall be accomplished by the gold seller and a “Secretary’s Certificate or Board/Cooperative Resolution” (for corporation/cooperative) shall be submitted to GBS. For any subsequent change in authorized representative/s, the seller shall accomplish a new “Letter of Authorization” and a new “Secretary’s Certificate or Board/Cooperative Resolution”. Sellers and authorized representative/s, if any, shall be required to submit two (2) 1 ½” x 1 ½” size ID pictures (not more than 6 months old photo) each for the Customer Information Packet and Letter of Authorization.

Gold sellers/miners/traders/panners, and/or their representative/s, shall likewise be required to submit photocopies of their government issued identification and Tax Identification Number (TIN).

Forms for the “Letter of Delivery and Sale”, “Customer Information Packet”, “Risk Assessment Checklist for the Source of Origin”, and “Letter of Authorization” shall be provided by BSP.

15. *What specifications does BSP observe for its gold purchases?*

Gold being offered for sale to the BSP should meet the following requirements:

- Physical form:
 - a. In bar or disc form only (grains, powder, nuggets, and flakes are not accepted);
 - b. Does not contain mercury or amalgam in any quantity;
 - c. Free of slags and other foreign matter;
 - d. No sign of metallic segregation/layering or poured shortness; and
 - e. Not damp or wet.
- Maximum dimensions:
 - a. Bar: 6.5” long x 3.0” wide x 1.5” thick
 - b. Disc: 4.0” diameter x 2.0” thick
- Maximum weight:
 - a. Maximum weight of bar or disc shall be 5 kilograms
 - b. Maximum weight per lot shall be 10 kilograms
- Minimum gold assay of 30 percent

16. *Why is the BSP strict in rejecting gold containing mercury or amalgam?*

Mercury is a highly toxic chemical that is harmful to people and can damage equipment being used in the refinement process. Also, the use of mercury in the gold refinement process is prohibited under Executive Order No. 79, “Institutionalizing and Implementing Reforms in the Philippine Mining Sector, Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources”

17. *What is the buying price for gold?*

Gold sold to the BSP is paid in Philippine pesos based on the gold price and foreign exchange rate set by the BSP Treasury Department on a daily basis, subject to the relevant taxes. The gold price is determined based on the international market price at the start of each day.

18. Are there limits to the amount of gold that can be sold to the BSP?

Gold may be sold in any quantity provided that the material conforms to the BSP's requirements for acceptance, and that the seller complies with the procedural, documentary, and other applicable requirements.

19. What payment scheme does the BSP follow in buying gold?

The BSP pays an initial amount equivalent to 99% of the value of gold delivery, based on the as-received weight and an initial assay using the specific gravity method. This initial amount, net of the applicable income and excise taxes, is paid to the seller not later than the business day following the date of delivery and sale to BSP.

Final settlement of the balance shall be paid upon completion of the evaluation and final assay, normally within thirty (30) calendar days from delivery date and sale. For large volume transactions and complex cases, however, additional processing time may be required.

20. Will the sellers pay for the processing cost of gold and metal recovery factor?

Yes. The following schedule shall be followed in assigning deductions for processing cost and metal recovery factor:

Bar Assay/Gold Fineness	Processing Cost* (PhP/troy ounce of material received)	Metal Recovery Factor (%) Metal Recovery Factor (%)
995 and above	34.00	99.8
900 to less than 995	37.77	99.3
700 to less than 900	39.37	99.0
500 to less than 700	42.17	98.9
300 to less than 500	45.67	98.6

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Silver Recovery - 97% for assay of 1 percent and higher; no recovery for assay below 1 percent

*Minimum charge of PhP 1,600.00 per delivery per lot

21. What formula is used by the BSP to compute its buying price of gold?

Assuming the gold is 24 karat or with fineness of 999.9, the formula used is:

$$\text{Gold Price (PhP/gram)} = \frac{\text{Gold Buying Rate}^{**} \times \text{Exchange Rate}^{***}}{31.1034809 \text{ grams per troy ounce}}$$

** Gold Buying Rate - price set by BSP Treasury Department on a daily basis

***PhP per USD (T/T) Buying

22. Does the BSP withhold any taxes in gold transactions?

As required by law, the BSP withholds the applicable excise tax and creditable withholding tax from all its gold purchases.

23. Does the export of gold require prior approval or authority from BSP?

The BSP does not regulate the exportation of gold, per se. However, we reiterate that as stipulated under Section 17 of R.A. No. 7076, all gold produced by small-scale miners in any mineral area must be sold to the central bank.

24. Can Gold Bullion Accounts be maintained at the BSP?

Gold Bullion Accounts cannot be maintained at the BSP. Thus, the BSP does not issue "Certificate of Gold Bullion Deposits" or "Safekeeping Receipt" or "Bond Guarantee".

Anyone presenting such documents for any purpose, should be reported to the Investigation Staff of the Currency Issue and Integrity Office at the Security Plant Complex in Quezon City through Tel. No. (02) 926-5092 or (02) 988-4833.

25. Is the BSP required under law to accept gold from treasure-hunting activities?

No. Gold extracted from archaeological excavation activities, such as treasure-hunting and the like, are not within the purview of R.A. No. 7076. Accordingly, BSP is not under any legal obligation to buy such gold.

DIRECTORY

BSP Regional Offices		
Luzon	Visayas	Mindanao
La Union Regional Office Quezon Ave., San Fernando City, La Union (072) 888-2083	Cebu Regional Office Osmeña Blvd. & P. del Rosario Sts., Cebu City (032) 254-09-73	Davao Regional Office Quirino Avenue, Davao City (082) 227-90-51

BSP Branches			
Northern Luzon	Southern Luzon	Visayas	Mindanao
Batac Branch National Highway, Quiling Norte, Batac City (077) 792-2103	Legazpi Branch Barangay 18 Rizal ,St. Cabagñan, Legazpi City (052) 480-5519	Bacolod Branch Lacson & Luzuriaga Sts., Bacolod City (034) 434-7755	Butuan Branch J.C. Ave., Brgy. Libertad, Butuan City (085) 815-1502
Cabanatuan Branch Del Pilar & Paco Roman Sts. Cabanatuan City (044) 463-1735 to 36	Lucena Branch Quezon Avenue, Lucena City (042) 373-7323	Dumaguete Branch North Road, Daro, Dumaguete City (035) 422-9326	Cagayan de Oro Branch National Highway & Velez Sts., Cagayan de Oro City (088) 857-4179 to 81
Dagupan Branch Tondaligan, Bonoan Guesset, Dagupan City (075) 653-1026	Naga Branch Roxas Avenue, Diversion Road, Barangay Triangulo, Naga City (054) 473-9895	Iloilo Branch BSP Bldg., Solis St., Iloilo City (033) 335-1180	Cotabato Branch Quezon & Sinsuat Ave., Cotabato City (064) 421-7370
San Fernando Branch Greenfields Subd., MacArthur Highway, Sindalan, San Fernando City (045) 455-4014		Roxas Branch Arnaldo Boulevard, Barangay Baybay, Roxas City (036) 621-7823	Gen. Santos Branch Pendatun and Daproza Sts., General Santos City (083) 552- 1905
Tuguegarao Branch Regional Government Center, Tuguegarao City (078) 844-4755		Tacloban Branch Airport Road, San Jose, Tacloban City (053) 888-0676	Ozamiz Branch Circumferential Road, Ozamiz City (088) 521-0979 (088) 521-0782
			Zamboanga Branch N. S. Valderosa St.,Pettit Barracks, Zamboanga City (062) 991-21-51