

P A R T II
BORROWING OPERATIONS

A. – J. (RESERVED)

Sections 4201P – 4284P (Reserved)

K. OTHER BORROWINGS

Section 4285P SEC Registration of Borrowing. Borrowing by any pawnshop through the issuance of any instrument shall be subject to the registration provisions of Section 8 of the Securities Regulation Code (SRC) and the applicable implementing rules and regulations of the Securities and Exchange Commission. While borrowing from 19 individuals or less is exempt from the registration requirement under Sec. 10 of the SRC, Rule 10-1 of the SEC implementing rules and regulations still requires SEC to be notified of the issuance of the debt instrument.

Section 4286P Borrowing Constituting Quasi-Banking Functions. Borrowing from twenty (20) or more lenders for the purpose of relending or purchase of receivables or other obligations constitutes quasi-banking. A pawnshop cannot engage in quasi-banking unless it meets the pre-qualification requirements under the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) - Quasi-Banks and obtains authority or a separate license to engage in quasi-banking from the BSP.

Sections 4287P – 4298P (Reserved)

Section 4299P General Provision on Sanctions. Any violation of the provisions of this Part may be a ground for the revocation of the AOR that shall require the winding down of the pawnshop business and shall be subject to the applicable sanctions under Section 36 and 37 of R.A. No. 7653 (New Central Bank Act) and/or R.A. No. 8799 (Securities Regulation Code).

P A R T III

LOANS AND INVESTMENTS

A. LOANS IN GENERAL

Section 4301P Grant of Loans. The following regulations shall be observed in the grant of loans by pawnshops.

§4301P.1 General guidelines. A pawnshop shall extend a loan only if such is secured by personal property that could be physically delivered to the control and possession of the pawnshop.

Before accepting articles as pawn, the pawnshop must ascertain whether the pawner is the true owner of the article offered as pawn. In the conduct of business, a pawnshop shall be guided by the standard of diligence that is expected of “a good father of a family”, ensuring always that there is no ground to suspect that the article/s offered as pawn was an object of robbery or theft.

§4301P.2 Prohibitions. Pawnshop owners/managers/officers/directors/employees shall not:

- a. Use pawned articles for themselves or allowing employees to use said articles for any purpose without the express consent or authority of the pawner unless continued use is necessary to preserve the pawn;
- b. Grant loans to minors or incompetent persons; or
- c. Re-pledge/re-pawn the pawned article in his possession to another pawnshop or lending entity.

§4301P.3 Know your pawner. Pawnshops who transact with any pawner for the first time shall require the pawner to present the original and submit a clear copy of at least one (1) valid photo-bearing identification document (ID) issued by an official authority.

The valid ID should indicate the address where the pawner resides, otherwise, pawner shall be required to present, together with the valid ID, a barangay certification or a copy of a billing statement that indicates the address where the pawner resides.

For this purpose, the term “official authority” shall refer to any of the following:

- (i) Government of the Republic of the Philippines;
- (ii) its political subdivisions and instrumentalities;
- (iii) Government-owned and/or controlled corporations (GOCCs); and
- (iv) private entities or institutions registered with or supervised or regulated either by the BSP or the SEC or the Insurance Commission (IC).

Valid IDs include the following:

- Passport
- Driver’s License
- Professional Regulation Commission (PRC) ID
- National Bureau of Investigation (NBI) Clearance
- Police Clearance
- Postal ID
- Voter’s ID
- Barangay Certification
- Government Service Insurance System (GSIS) e-Card
- Social Security System (SSS) Card
- Senior Citizen Card
- Overseas Workers Welfare Administration (OWWA) ID
- OFW ID
- Seaman’s Book
- Alien Certification of Registration/Immigrant Certificate of Registration
- Government Office and GOCC ID, e.g., Armed Forces of the Philippines (AFP ID), Home Development Mutual Fund (HDMF ID)
- Certification from the National Council for the Welfare of Disabled Persons (NCWDP)
- Department of Social Welfare and Development (DSWD) Certification
- Integrated Bar of the Philippines ID
- Company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, SEC or IC

The foregoing shall be in addition to the customer identification requirements under Rule 9.1.c of the Revised Implementing Rules and Regulations (RIRRS) of R.A. No. 9160, as amended (Anti-Money Laundering Act), which requires pawnshop to obtain the following minimum information/documents from pawners:

- (1) Name;
- (2) Present address;
- (3) Permanent address;
- (4) Date and place of birth;
- (5) Nationality;
- (6) Nature of work and name of employer or nature of self-employment/business;
- (7) Contact numbers; and
- (8) Specimen signature.

A copy of the ID, barangay certificate and/or billing statement shall be kept by pawnshops for convenience of the pawner who continues to transact with the pawnshop but said documents should be updated at least every three (3) years.

Pawnshops shall post excerpts of the above requirements conspicuously in its principal place of business and branches. The poster (shown as Appendix 7) shall not be smaller than 8.5 x 11 inches.

§4301P.4 Sanctions. Any pawnshop that violates any of the foregoing provisions as determined by BSP in the spot checking of pawnshops or whenever a complaint brought to the attention of BSP is found to be true, shall be imposed the following sanctions:

- a. Fine of ₱500.00 for each of the first three (3) offenses;
- b. Fine of ₱1,000.00 for the next three (3) offenses;
- c. For subsequent violation, cancellation of BSP Acknowledgement of Registration (AOR) or Authority to Operate (AO) issued to the pawnshop head office or branch, as the case may be, and issuance of a letter to the concerned city or municipality advising them of the cancellation of the BSP AOR/AO and recommending the revocation of their business/mayor's permit(s). It is understood that if the AOR of the HO is cancelled, the AO of the branch/es is/are likewise cancelled; and

d. Such other sanctions as the Monetary Board may deem warranted.

A pawnshop that fails to post the requirements of §4301P.3 as determined in the spot checking done by BSP shall be imposed the following sanctions:

- a. Warning for the first three (3) offences;
- b. Penalty of ₱300.00 each for the succeeding three (3) offenses;
- c. Penalty of ₱750.00 each for the next three (3) offenses; and
- d. Cancellation of the AOR or AO, for a subsequent offense. Once the AOR of the main office is cancelled, the Authority to Operate (AO) of the branch/es is/are likewise cancelled.

Section 4302P Loan Limit. Pawnshops may grant such amount of loans as may be agreed upon between the parties. The amount of loan shall in no case be less than thirty percent (30%) of the appraised value of the security offered, unless the pawner manifests in writing that he is applying for a lesser amount. Pawnshops shall not under-appraise the security offered for the loan to circumvent the restriction prescribed by this Section.

§4302P.1 Sanctions. Any pawnshop that violates the foregoing provisions as determined by BSP in the spot checking of pawnshops or whenever a complaint brought to the attention of BSP is found to be true, shall be imposed the following sanctions:

- a. Fine of ₱500.00 for each of the first three (3) offenses;
- b. Fine of ₱1,000.00 each for the next three (3) offenses;
- c. For subsequent violation, cancellation of BSP Acknowledgement of Registration (AOR) or Authority to Operate (AO) issued to the pawnshop head office or branch, as the case may be, and issuance of a letter to the concerned city or municipality advising them of the cancellation of the BSP AOR/AO and recommending the revocation of their business/mayor's permit(s). It is understood that if the AOR of the HO is cancelled, the AO of the branch/es is/are likewise cancelled; and
- d. Such other sanctions as the Monetary Board may deem warranted.

Section 4303P Interest and Surcharges. The rate of interest including surcharges on any loan or forbearance of money extended by a pawnshop shall not be subject to any ceiling. However, pursuant to a decision of the Supreme Court (case of Medel, et al vs Court of Appeals, GR No. 131622 dated 27 November 1998) the interest rate shall not be iniquitous, unconscionable, or contrary to morals, if not against the law as may be determined by the Court.

No pawnshop shall collect interest on loans in advance for a period of more than one (1) year.

§4303P.1 Rate of interest in the absence of stipulation. The rate of interest for a loan or forbearance of money in the absence of an expressed contract as to such rate of interest, shall be twelve percent (12%) per annum.

§4303P.2 Other Charges. In addition to interest, pawnshops may impose a maximum service charge of five pesos (₱5.00), but in no case to exceed one percent (1%) of the principal loan. No other charges, such as but not limited to insurance premium for the safekeeping and conservation of the pawned item, shall be collected.

§4303P.3 Posting of Interest Rate and Other Charges. Pawnshops shall post conspicuously in its principal place of business and branches the interest rate in percent, specifying therein if such interest rate is yearly, monthly or daily, as well as the other charges, if any, to be charged by the pawnshop. The poster shall not be smaller than 8.5 x 11 inches.

§4303P.4 Sanctions. Any pawnshop that violates the foregoing provisions as determined by BSP in the spot checking of pawnshops or whenever a complaint brought to the attention of BSP is found to be true, shall be imposed the following sanctions:

- a. Fine of ₱500.00 for each of the first three (3) offenses;
- b. Fine of ₱1,000.00 for the next three (3) offenses;
- c. For subsequent violation, cancellation of BSP Acknowledgement of Registration (AOR) or Authority to Operate (AO) issued to the pawnshop head office or branch, as the case may be, and issuance of a letter to the concerned city or municipality advising them of the cancellation of the BSP AOR/AO and recommending the

revocation of their business/mayor's permit(s). It is understood that if the AOR of the HO is cancelled, the AO of the branch/es is/are likewise cancelled; and

d. Such other sanctions as the Monetary Board may deem warranted.

A pawnshop that fails to post the interest rate and other charges pursuant to Subsection 4303P.3 as determined in the spot checking done by BSP shall be imposed the following sanctions:

- a. Warning for the first three (3) offenses;
- b. Penalty of ₱300.00 each for the succeeding three (3) offenses;
- c. Penalty of ₱750.00 for the next three (3) offenses; and
- d. Cancellation of the AOR or AO, for a subsequent offense. Once the AOR of the main office is cancelled, the Authority to Operate (AO) of the branch(es) is/are likewise cancelled.

Section 4304P (Reserved)

Section 4305P Past Due Accounts; Renewal. A loan may be renewed for such amount and period as may be agreed upon between the pawnshop and the pawner, subject to the same conditions provided in this Part for new loans.

No loan shall be renewed or its maturity date extended unless a new pawn ticket as defined in Section 4102 shall be issued indicating the new term of the loan agreed upon by the pawnshop and the pawner.

§4305P.1 Right of pawner to redeem pawn within 90 days from maturity. A pawner who fails to pay or renew his loan with a pawnshop on the date it falls due shall have ninety (90) days from the date of maturity of the loan within which to redeem the pawn by paying the principal amount of the loan plus the amount of interest that shall have accrued thereon. The amount of interest due and payable after the maturity date of the loan shall be computed upon redemption based on the sum of the principal loan and interest earned as of the date of maturity. The procedures to be followed in case the pawner fails to redeem his pawn are prescribed in Sec. 4324P.

If the maturity date of the loan or expiry date of redemption period falls on the pawnshop's non-business day, a regular holiday or a special non-working holiday in the locality, then the maturity date of the loan or expiry date of redemption period shall be on the next business day.

If the pawnshop is closed on the maturity date of the loan or expiry of the redemption period, with or without prior notice to the pawner, then the maturity date of the loan or expiry of redemption period shall be on the next business day and the pawnshop shall not charge additional interest or surcharge to the pawner.

If the pawnshop is closed due to a robbery, then the maturity date of the pledge or expiry of redemption period shall be on the next business day when the pawnshop opens for business and the pawnshop shall not charge additional interest or surcharge to the pawners.

§4305P.2 Sanctions. Any pawnshop that violates the foregoing provisions as determined by BSP in the spot checking of pawnshops or whenever a complaint brought to the attention of BSP is found to be true, shall be imposed the following sanctions:

- a. Fine of ₱500.00 for each of the first three (3) offenses;
- b. Fine of ₱1,000.00 each for the next three (3) offenses;
- c. For subsequent violation, cancellation of BSP Acknowledgement of Registration (AOR) or Authority to Operate (AO) issued to the pawnshop head office or branch, as the case may be, and issuance of a letter to the concerned city or municipality advising them of the cancellation of the BSP AOR/AO and recommending the revocation of their business/mayor's permit(s). It is understood that if the AOR of the HO is cancelled, the AO of the branch/es is/are likewise cancelled; and
- d. Such other sanctions as the Monetary Board may deem warranted.

Section 4306P Interest Accrual on Past Due Loans. Interest income on past due loans arising from discount amortization (and not from the contractual interest of the account) shall be accrued as provided in PAS 39. (Circular No. 494 dated 20 September 2005).

Sections 4307P – 4320P (Reserved)**B. LOAN COLLATERAL/SECURITY**

Section 4321P Kinds of Security. Only personal property that is capable of being physically delivered to the control and possession of the pawnshop shall be accepted as security for loans. Certain specified chattels, such as guns, knives, or similar weapons, whose reception in pawn is expressly prohibited by other laws, decrees, or regulations, shall not be accepted by pawnshops as security for loans.

Except for bulky pawns, pawns shall be placed in a tamper-proof sealed plastic envelop or bag which must be kept inside the safe or concrete vault. Bulky pawns may be placed outside the safe or vault but within the pawnshop premises.

Pawnshop owners shall be liable for any pawned item lost or destroyed arising out of their negligence, fault, delay in delivery or willful violation of the loan agreement.

Section 4322P Redemption of Pawns. A pawnshop shall not release any pawn without first requiring the pawner to present and surrender the corresponding pawn ticket. If the pawn ticket was lost and could not be presented or surrendered, the pawnshop shall require the owner-pawner to execute and submit an affidavit of loss and shall ascertain the identity of the pawner, to ensure that the pawned item is released only to the owner-pawner.

The pawnshop shall return the pawn in the same condition when they were first pawned by pawner, upon full settlement of the loan.

§4322P.1 Sanctions. Whenever a pawnshop allows redemption of pawned items without the surrender of the corresponding original pawn ticket/affidavit of loss, the pawnshop shall be imposed the following sanctions:

- a. Fine of ₱500.00 for each of the first three (3) offenses;
- b. Fine of ₱1,000.00 for each of the next three (3) offenses;

c. For subsequent violation, cancellation of BSP Acknowledgement of Registration (AOR) or Authority to Operate (AO) issued to the pawnshop head office or branch, as the case may be, and issuance of a letter to the concerned city or municipality advising them of the cancellation of the BSP AOR/AO and recommending the revocation of their business/mayor's permit(s). It is understood that if the AOR of the HO is cancelled, the AO of the branch/es is/are likewise cancelled; and

d. Such other sanctions as the Monetary Board may deem warranted.

Section 4323P Pawn Ticket. Pawnshops shall at the time of the loan, deliver to each pawner a pawn ticket which shall contain the following:

a. The business/registered name, address, tax identification number, business days and hours, of the pawnshop. The business name indicated in the pawn ticket shall be in accordance with the provision of Section 4181P.2;

b. Name of pawner;

c. Pawner's residential address;

d. Pawner's telephone/mobile phone number and/or e-mail address, if applicable;

e. Preferred mode of notification (telephone, mobile phone, email or mail);

f. Description of the pawner (sex, date of birth, nationality, height, weight)

g. Date the loan was granted;

h. Amount of the principal loan and net proceeds;

i. Interest rate in percent, indicating if daily, monthly or annually;

j. Interest in absolute amount;

k. Service charge in amount;

l. Penalty interest in percent, if any;

m. Appraised value of pawn;

n. Period of maturity;

o. Description of the pawn;

p. Expiry date of the redemption period;

q. Signature of the pawnshop's authorized representative;

- r. ID presented; and
- s. Such other terms and conditions as may be agreed upon between the pawnshop and the pawner.

No other document or instrument shall be used/issued by a pawnshop for any loan granted by it to a pawner/borrower.

§4323P.1 Additional Regulations on Pawn Ticket.

The contents on the face of the standard pawn ticket, prescribed for pawnshops pursuant to the requirements of P.D. No. 114, and the terms and conditions thereof, are in Appendices P-4 and P-4a. Unnecessary data shall be avoided.

Additional terms and conditions which pawnshops may wish to incorporate shall be subject to prior approval by the appropriate supervising and examining department of the BSP.

Pawn ticket shall not be smaller than 8 x 11”.

Pawn tickets shall at least be in duplicate. The first copy shall contain the word “Original” which shall be given to the pawner when the loan is granted and surrendered upon redemption of pawn, while the second copy shall be marked “Duplicate” which shall remain on file with the pawnshop.

Pawn tickets shall be serially numbered.

Pawnshops may choose the color or quality of the paper used as pawn ticket.

Standard Additional Stipulations and Stipulations not allowed in pawn tickets are in Appendices P-4-b and P-4-c.

§4323P.2 Sanctions. Any pawnshop which violates or fails to comply with the requirements of Subsec. 4323P.1 shall be imposed the following sanctions:

- a. Fine of ₱500.00 for each of the first three (3) offenses;
- b. Fine of ₱1,000.00 for each of the next three (3) offenses;
- c. For subsequent violation, cancellation of BSP Acknowledgement of Registration (AOR) or Authority to

Operate (AO) issued to the pawnshop head office or branch, as the case may be, and issuance of a letter to the concerned city or municipality advising them of the cancellation of the BSP AOR/AO and recommending the revocation of their business/mayor's permit(s). It is understood that if the AOR of the HO is cancelled, the AO of the branch/es is/are likewise cancelled; and

d. Such other sanctions as the Monetary Board may deem warranted.

The owner, partner, manager, or officer-in-charge of the pawnshop responsible for the violation or non-compliance shall be jointly liable with the pawnshop.

Section 4324P Reminder to Pawner; Notice to the Public. At least thirty (30) days before the expiration of the ninety (90)-day grace period allowed in Section 4305P, the pawnshop shall duly notify the pawner in writing that the pawn shall be sold or otherwise disposed of in the event that the pawner fails to redeem the pawn within the ninety (90)-day grace period, specifying in the same notification the date, hour and place where the sale shall take place.

The notice shall be sent through the preferred mode of notification indicated by the pawner in the pawn ticket at the time the loan was granted which may be through text/SMS message, electronic mail, or by mail to the residential address. If sent through text/SMS, the pawnshop shall obtain a report from the appropriate Telecommunications Company (TELCO) indicating that a text/SMS message was sent to the mobile phone number given by the pawner. The report of the TELCO shall be made available to BSP upon request.

If upon the expiration of the ninety (90)-day grace period, the pawner fails to redeem his pawn, the pawnshop may sell or dispose of the pawn only after it has published a notice of public auction of unredeemed articles held as security for loans in at least two (2) newspapers circulated in the city or municipality where the pawnshop has its place of business, six (6) days prior to the date set for the public auction.

The notice shall be in English, and in either Filipino or the local dialect and shall contain the following:

a. Name and address of the owner of the pawnshop; and

b. Date, hour and place of the auction sale.

In remote areas where newspapers are neither published nor circulated, the publication requirement shall be complied with by posting notices at the city hall or municipal building of the city or municipality and in two (2) other conspicuous public places where the pawnshop has its place of business.

§4324P.1 Poster. Pawnshops shall post conspicuously in the principal place of business and branches an abstract of the provision of Section 4324P (Appendix P-7) which shall be not be smaller than 8.5 x 11 inches.

§4324P.2 Sanctions. Any pawnshop which violates or fails to comply with the requirements of Subsec. 4324P.1 shall be imposed the following sanctions:

- a. Fine of ₱500.00 for each of the first three (3) offenses;
- b. Fine of ₱1,000.00 for each of the next three (3) offenses;
- c. For subsequent violation, cancellation of BSP Acknowledgement of Registration (AOR) or Authority to Operate (AO) issued to the pawnshop head office or branch, as the case may be, and issuance of a letter to the concerned city or municipality advising them of the cancellation of the BSP AOR/AO and recommending the revocation of their business/mayor's permit(s). It is understood that if the AOR of the HO is cancelled, the AO of the branch/es is/are likewise cancelled; and
- d. Such other sanctions as the Monetary Board may deem warranted.

The owner, partner, manager, or officer-in-charge of the pawnshop responsible for the violation or non-compliance shall be jointly liable with the pawnshop.

A pawnshop that fails to post the abstract of Section 4324P as may be determined in the spot checking done by BSP shall be imposed the following sanctions:

- a. Warning for the first three (3) offenses;
- b. Penalty of ₱300.00 each for the succeeding three (3) offenses;
- c. Penalty of ₱750 each for the next three (3) offenses; and

d. Cancellation of the AOR or AO, for a subsequent offense. Once the AOR of the main office is cancelled, the Authority to Operate (AO) of the branch(es) is/are likewise cancelled.

Section 4325P Public Auction of Pawns. No pawnshop shall sell or otherwise dispose of any article or thing received as security for a loan except by public auction at any of the following places:

a. Pawnshop's place of business; or

b. Any public place within the territorial limits of the municipality or city where the pawnshop conducts its business.

The auction shall be conducted under the control and direction of a duly licensed auctioneer. In cities and municipalities where there is no duly licensed auctioneer, the public auction may be conducted by a notary public of the city or province where the pawnshop has its place of business.

The Auction Sheet/Book containing entries of auctioned pawned articles duly signed by the auctioneer or notary public under oath shall be maintained by the pawnshop.

§4325P.1 Auction of pawned items covered by a single pawn ticket. If one pawn ticket covers two or more pledged articles, and only one of the articles was sold during the auction, the pawnshop shall allocate the loan value for each article based on their appraised value.

Sections 4326P – 4335P (Reserved)

C. – J. (RESERVED)

Sections 4336P – 4395P (Reserved)

K. MISCELLANEOUS

Sections 4396P – 4398P (Reserved)

Section 4399P General Provision on Sanctions. Any violation of the provisions of this part shall be subject to Section 18 of P.D. No. 114.

The imposition of administrative sanctions pursuant to Section 17 of PD No. 114 for violation of the provisions of this Part shall be without prejudice to the imposition of other administrative sanctions and to the filing of a criminal case as provided for in other provisions of law.

P A R T I V

Sections 4401P – 4499P (Reserved)

PART V

Sections 4501P – 4599P (Reserved)

P A R T V I

MISCELLANEOUS

A. (RESERVED)

Section 4601P – 4650P (Reserved)

B. SUNDRY PROVISIONS

Section 4651P Visitatorial Powers of the Bangko Sentral. Pursuant to Section 17 of PD No. 114 granting the BSP visitatorial powers, the head of the appropriate supervising and examining department of the BSP and his duly designated representatives are authorized to conduct an examination, spot-checking, inspection, or investigation of the books, records, business affairs, administration, and financial condition of any pawnshop, whenever said official deems it necessary for the effective implementation of PD No. 114, and other pertinent rules and regulations. Said official and his duly designated representatives may administer oaths to any director, officer, or employee of the pawnshop.

For purposes of this Section and its Subsections, the words “examination”, “spot-checking”, “inspection” and “investigation”, may be used interchangeably.

If, upon such examination, the official or deputies shall establish that the pawnshop is violating or is not complying with the requirements of PD No. 114 and of the provisions of other pertinent rules and regulations, said official shall immediately inform the Monetary Board of his findings and recommendations, and the Monetary Board shall take appropriate action to stop such violation or non-compliance, and punish the pawnshop and/or the persons responsible.

Any business establishment which represents itself as a pawnshop and/or regularly grants loans against pawns/collaterals physically delivered to the establishment or is suspected to be a pawnshop may be subject to the visitatorial authority of the BSP to determine whether the establishment is engaged in the business of a pawnshop or in pawnbrokering.

Any establishment that is found to be operating as a pawnshop illegally shall be reported to the office of the city or municipal mayor where the establishment is

located, for appropriate action, without prejudice to whatever legal action that the BSP may take against the owners and operators of the establishment.

§4651P.1 Refusal to Permit Examination. Refusal to permit examination shall mean any act or omission which impedes, delays or obstructs the duly authorized BSP officer/examiner/employee from conducting an examination, including the act of refusing to accept or honor a letter of authority to examine presented by any officer/examiner/employee of the BSP and the act of refusing to present pawnshop's vital records referred to in Section 4102 upon request by any officer/examiner/employee of the BSP.

§4651P.2 Sanctions. Whenever a pawnshop refuses to permit a BSP examination, the BSP officer/examiner/employee shall report the matter to the head of the appropriate supervising and examining department of the BSP, who shall then make a written demand upon the pawnshop concerned for such examination.

If the pawnshop continues to refuse said examination without any satisfactory explanation, the said department head shall recommend to the Monetary Board the revocation of the registration of the pawnshop's AOR or AO, as the case may be. The Office of the Mayor of the concerned city or municipality shall be informed of the revocation to take appropriate action on the pawnshop without prejudice to whatever legal action that the BSP may take against the owners, operators and officers of the pawnshop.

An establishment which represents itself as a pawnshop or is suspected to be engaged in the business of a pawnshop or in pawnbrokering that refuses to permit BSP examination shall be subject to whatever legal action that the BSP may take against the owners, operators and officers of the establishment.

Sections 4652P - 4656P (Reserved)

Sec. 4657P Batas Pambansa Blg. 344 – An Act to Enhance the Mobility Of Disabled Persons by Requiring Certain Buildings, Institutions, Establishments and Public Utilities to Install Facilities and Other Devices. In order to promote the realization of the

rights of disabled persons to participate fully in the social life and the development of the societies in which they live and the enjoyment of the opportunities available to other citizens, no license or permit for the construction, repair or renovation of public and private buildings for public use, educational institutions, airports, sports and recreation centers and complexes, shopping centers or establishments, public parking places, workplaces, public utilities, shall be granted or issued unless the owner or operator thereof shall install and incorporate in such building, establishment or public utility, such architectural facilities or structural features as shall reasonably enhance the mobility of disabled persons such as sidewalks, ramps, railings and the like. If feasible, all such existing buildings, institutions, establishments, or public utilities may be renovated or altered to enable the disabled persons to have access to them.

Sections 4658P - 4659P (Reserved)

Sections 4658P – 4690P (Reserved)

Section 4691P Anti-Money Laundering Regulations.

Banks, offshore banking units (OBUs), quasi-banks (QBs), trust entities, non-stock savings and loan associations (NSSLAs), pawnshops, and all other institutions, including their subsidiaries and affiliates supervised and/or regulated by the BSP, otherwise known as “covered institutions” shall comply with the provisions of R.A. No. 9160, as amended, otherwise known as the “Anti-Money Laundering Act of 2001” and its Implementing Rules and Regulations (IRRs) in Appendix P-6 and those in Appendix P-5.

§4691P.1 Required Seminar/Training. Pawnshop personnel directly involved in pawnshop operations shall attend a seminar on the requirements of the anti-money laundering law, particularly on customer identification, record keeping and reporting of covered and suspicious transactions, to be conducted by the Anti-Money Laundering Council (AMLC) or by any of its recognized accredited service providers. The provisions of this subsection shall also apply to officer(s) of the branch(es).

The officer(s) in-charge and the personnel who have attended the required seminar may echo the said training to all employees within thirty (30) calendar days from such attendance or as new employees are hired.

In case of pawnshops belonging to the same group of related companies, the training/seminars may be cascaded to other pawnshops within the group, subject to the following conditions:

- 1) training officers shall have attended the AMLA lectures conducted by the AMLC;
- 2) lecture materials to be used by training officers should be approved by the AML Examination Group of the BSP; and
- 3) training officers shall submit to the BSP, the list, under oath, of pawnshop personnel who have attended the lectures.

§4691P.2 Anti-Money Laundering Program. Every pawnshop is required to formulate an anti-money laundering prevention program as prescribed in Appendix 5 and to submit a plan of action to comply with anti-money laundering requirements within thirty (30) business days from opening of a pawnshop.

§4691P.3 – 4691P.8 (Reserved)

§4691P.9 Sanctions and penalties

a. Whenever a covered institution violates the provisions of Section 9 of R.A. No. 9160 of this Section, the officer(s) or other persons responsible for such violation shall be punished by a fine of not less than ₱50,000 nor more than ₱200,000 or by imprisonment of not less than two (2) years nor more than ten (10) years, or both, at the discretion of the court pursuant to Section 36 of R.A. No. 7653, otherwise known as “The New Central Bank Act”.

b. Without prejudice to the criminal sanctions prescribed above against the culpable persons, the Monetary Board may, at its discretion, impose upon any covered institution, its directors and/or officers for any violation of Section 9 of R.A. No. 9160, the administrative sanctions provided under Section 37 of R.A. No. 7653.

Sections 4692P - 4698P (Reserved)

Section 4699P Administrative Sanctions. The Monetary Board shall impose upon pawnshops, their owners, partners, directors and officers for any violation of the provisions of the rules on pawnshops, P.D. No.

114, pertinent laws or any order or instruction of the Monetary Board or its authorized official; or any commission of irregularities in the conduct of its business, the following administrative sanctions:

a. For a violation consummated at a single instance and not punishable on a per day basis, a fine of not more than ₱500.00; or for a violation which is continuing and punishable on a per-day basis, a fine of not more than ₱600.00 for every day of violation or non-compliance; and/or

b. Suspension or, after due hearing, removal of managing proprietor/managing partners/directors or officers. Provided that, in case the removal of managing proprietor/managing partners shall cause the dissolution of the proprietorship or partnership, the pawnshop shall be delisted from the BSP List of Registered Pawnshops as prescribed in Subsection 4183P.2.

For purposes of this Section, the phrase any commission of irregularities in the conduct of its business shall include any act or omission described hereunder.

1. Failure to produce pawn upon redemption or in any other case where the pawnshop has the obligation to produce the pawn.

2. Allowing the redemption of pawn without the surrender of the corresponding original pawn ticket/substitute pawn ticket/affidavit of loss.

3. Falsifying pawn tickets.

4. Actual collection of interest in advance and or service charges without reflecting the same on the pawn ticket.

5. Tampering or substitution of pawn.

6. Failure to issue official receipts for amounts collected.

7. Any other act or omission analogous to the above-enumerated acts and omissions.

The imposition of administrative sanctions pursuant to Section 17 of PD No. 114 for violation of the provisions of this Part shall be without prejudice to any action that may be taken under Section 18 of P.D. No. 114.