



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2018- 034

To : **ALL BANKS**

Subject : **BSP Foreign Currency Banknote Purchases from Banks**

In view of the recent developments on the banks' sale of foreign currency notes to the Bangko Sentral, the Monetary Board, in its Resolution No. 1231 dated 26 July 2018, approved the following guidelines:

1. Authorized Agent Banks (AABs) within the National Capital Region (NCR) may continue to sell foreign currency notes to the Bangko Sentral Cash Department (CD) until **26 July 2019**. Proceeds of the transactions of the AABs with the BSP shall be credited to the peso demand deposit accounts of the AABs.

- a. In line with the BSP CD's enhanced cash management (ECM) services in processing and storing FX notes from banks, a service charge of Php2.00 per piece of foreign currency note deposited by banks to CD shall be applied.¹
- b. The service fee of Php2.00 per piece shall be deducted from the proceeds of the peso equivalent of the sale.

2. Effective immediately, however, the Bangko Sentral Regional Offices and Branches (ROBs) shall discontinue accepting foreign currency notes from branches of AABs. Branches of AABs covered by BSP ROBs shall course the shipments of their foreign currency banknotes to the head offices of AABs, for exchange with other authorized AABs or to be credited to their demand deposit accounts with the BSP.

3. Henceforth, after 26 July 2019, banks will no longer be allowed to sell foreign currency notes to the Bangko Sentral.


NESTOR A. ESPENILLA, JR.
Governor

03 December 2018

¹ Service fees on deposits of all types of currencies under the BSP's ECM services are subject to withholding tax.