



## BANGKO SENTRAL NG PILIPINAS

### MEMORANDUM

To : **ALL AUTHORIZED AGENT BANKS IN THE GREATER MANILA AREA**

Subject: **Acceptance of Mutilated/Doubtful Currencies by Banks from the Public in the Greater Manila Area in the Midst of Covid-19 Pandemic**

In the midst of Covid-19 pandemic, the BSP reiterates for all authorized agent banks (AABs) to accept mutilated/doubtful currencies from the public for referral/transmittal to the BSP pursuant to BSP Circular 829 Series 2014. This is to facilitate the submission and the processing of the general public's holdings of mutilated peso notes/coins and doubtful Philippine/foreign currencies. To ensure expediency of BSP service, particularly on the redemption of simple case of mutilation, banks in the Greater Manila Area shall be guided by the following procedures:

1. *Accept from the public any amount of mutilated Peso/doubtful currencies. Segregate currencies, if applicable, in accordance with the following classification: simple case with redemption value, simple case without redemption value and highly technical case. Please see Annex A.*

**Simple case with redemption value** - mutilated peso notes and coins that are readily identifiable as to genuineness/series/denomination, can be easily segregated/counted and most importantly, have met the following requirements for redemption pursuant to Section 56 of R.A. 7653.

Requirements for redemption:

- a) For banknotes (All items are required)
  - must be legal tender;
  - with at least sixty percent (60%) remaining surface area;
  - with at least a portion of the signature of the President of the Philippines or of the BSP Governor;
  - with intact security thread; and
- b) For coins (one or both, but must be legal tender and without any sign of perforation/filing/clipping)
  - bent or twisted out of shape; and/or
  - defaced or considerably reduced in weight by natural abrasion/wear and tear.

**Simple case without redemption value** – mutilated peso notes and coins that can be easily identifiable/segregated and are found to be:

- a) Banknotes that show any of the following:
  - Less than 60% of its surface area
  - No signature
  - Sign of willful/intentional removal of Security Thread

- b) Coins with signs of filing, clipping and perforation;
- c) Demonetized notes/coins; and
- d) Specimen banknotes.

**Highly Technical case** – doubtful Philippine /foreign currencies and heavily damaged peso currency notes and coins whose genuineness/series/denomination and/or number of pieces cannot be readily and clearly determined/identified. Doubtful currencies are notes/coins whose genuineness/legal tender status is questionable, and in addition, in the case of foreign currencies, the exchangeability to Philippine peso.

2. *For simple case with redemption value.* Submit to the Cash Department (CD) at a maximum of two (2) bundles per bank per day for credit to the AAB's demand deposit account (DDA) with the BSP.
3. *For highly technical case and simple case without redemption value.* Submit for further analysis/examination by the Currency Issue and Integrity Office (CIIO), through CD in sealed packages/boxes. These shall be accompanied by two (2) appropriately filled out Application for Examination of Mutilated/Doubtful Currency (AEC) form, Annex B<sup>1</sup> (one copy to be placed inside the package/box and another copy for presentation to CD). The result of examination shall be forwarded/sent to the bank's official email address. Proceeds of claims found to have redemption value shall be credited to the claimant bank's DDA.

This shall take effect immediately.

  
**BENJAMIN E. DIOKNO**  
Governor  


12 September 2020

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<sup>1</sup> Sample AEC Form of the BSP, Cash Department