

**A. Currency Issuance****1. *Under what authority does the Bangko Sentral ng Pilipinas (BSP) issue currency?***

Section 50 of Republic Act (R.A) No. 7653, otherwise known as The New Central Bank Act, as amended by RA 11211, stipulates that the BSP shall have the sole power and authority to issue currency within the territory of the Philippines. It also issues legal tender commemorative notes and coins.

**2. *How does the BSP determine the volume/value of notes and coins to be issued annually?***

The Monetary Board approves the volume/value of notes and coins to be issued annually, upon the recommendation of the Currency Management Committee (CUMC).

The CUMC recommendation is based on a forecasting methodology approved by the MB, which incorporates macro-economic factors that determine demand for currency. These include the movements in Gross Domestic Product (GDP), inflation dynamics, and currency handling practices of banks.

**3. *How is currency issued to the public?***

Currency is issued by the BSP to the public through Universal, Commercial, Specialized Government, Thrift and Rural Banks with Demand Deposit Account at the BSP.

**4. *What is the volume/value of currency notes and coins in circulation?***

As of end-June 2021, about 4.3 billion pieces of notes valued at PHP 1.8 trillion and 36 billion pieces of coins valued at PHP 49.7 billion are in circulation.

**B. Legal Tender Power of Currency and Demonetization****1. *What does “legal tender power” of a currency mean?***

Legal tender power of a currency derives from the explicit recognition by law on its use in the settlement of financial obligations within a specific jurisdiction.

In the Philippines, the BSP has the sole power and authority to issue currency. All notes and coins issued by the BSP are fully guaranteed by the Government of the Republic of the Philippines, pursuant to Section 52 of RA 7653, as amended by RA 11211.

In the case of coins, BSP Circular No. 537, Series of 2006 provides that -1-, 5-, and 10-piso shall be legal tender in amounts not exceeding PHP1,000.00 while 1-, 5-, 10- and 25-sentimo shall be legal tender in amounts not exceeding PHP100.00.

## **2. *What is demonetization of currency?***

Demonetization is the process of removing the monetary value of a legal tender currency by the issuing authority. When a currency is demonetized, it shall no longer be accepted for payment of goods and services.

Section 57 of the New Central Bank Act, as amended by Republic Act No. 11211, provides that the BSP may call in for replacement notes of any series or denomination which are more than five (5) years old and coins that are more than ten (10) years old.

The New Design Series (NDS), which was issued in 1985 until 2015, was the most recent banknote series demonetized by the BSP and whose exchange period ended on 29 December 2017, per BSP Circular No. 977, Series of 2017.

## **C. The New Generation Currency Series**

### **1. *What are New Generation Currency banknotes?***

The New Generation Currency (NGC) banknotes comprise the series of Philippine banknotes issued by the Bangko Sentral ng Pilipinas (BSP) starting in 16 December 2010. The NGC Banknotes Series feature the BSP logo, iconic figures, Philippine natural wonders, and native fauna, consistent with the design of the NGC Coin Series that highlights Philippine flora. These are now in circulation, having replaced the demonetized NDS described in the immediately preceding item.

The enhanced NGC banknotes (e-NGC) was launched on 29 July 2020. These can be used alongside NCC banknotes in the payment of goods and services. The images and description of e-NGC banknotes are found in <https://www.bsp.gov.ph/SitePages/CoinsAndNotes/NewGenerationCurrencyBanknotes.aspx>

**2. Why did the BSP enhance the design of the NGC banknotes?**

The recent enhancement of NGC banknotes was intended to incorporate latest available anticounterfeiting technology and improve the visual and tactile differentiation of each denomination.

The design and security features of banknotes and coins are regularly assessed by central banks to protect currency integrity.

**3. What are the enhancements on the design and security features of the NGC banknotes?****3.1 Security Thread**

For 100-, 200-, 500- and 1000-Piso, the vertical windowed security thread (WST) shows movements of designs and color when viewed at different angles. The WST features indigenous weave design and bears the alphanumeric denominational value and "BSP" text in repeated series. For 1000-Piso the thread is wider by 1mm while the width for other denominations has been retained at 4mm.



- **1000-Piso** - *T'nalak* weave design with movements of design patterns, color and micro-optic features.
- **500-Piso** - Weave design from southern Philippines with 3-D and holographic features and color shifting from gold to jade, and vice versa
- **200-Piso** - Indigenous textile design handcrafted in the Visayas with 3-D and holographic features and color shifting from green to blue, and vice versa.
- **100-Piso** - Indigenous textile design handcrafted in the Bicol region with 3D and holographic features and color shifting from violet to bronze, and vice versa

### 3.2 Optically Variable Ink (OVI)

For 1000-Piso, the embossed “1000” denominational value at the lower right corner of the face of the note changes color from green to magenta when viewed at different angles.

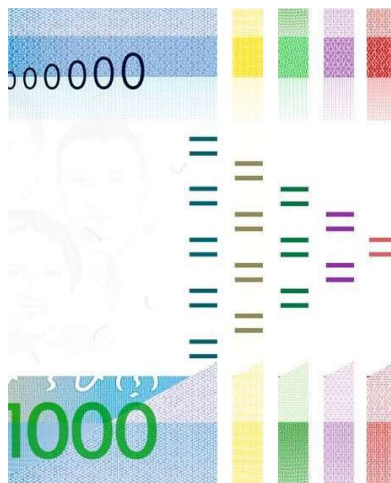


For 500-Piso, a mark with stylized Philippine flag design changes color from gold to green when viewed at different angles, and vice-versa.



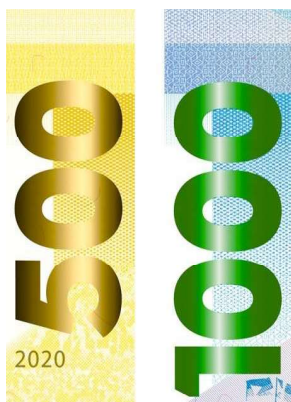
### 3.3 Tactile Marks

To assist the elderly and visually impaired in the identification of banknote value or denomination, pairs of short horizontal lines are printed in intaglio at the extreme right and left sides of the note (5 pairs for 1000-Piso, 4 pairs for 500-Piso, 3 pairs for 200-Piso, 2 pairs for 100-Piso, and 1 pair for 50-Piso).



### 3.4 Enhanced Value Panel for 1000-Piso and 500-Piso

The value panel at the upper left corner of the 1000-Piso and 500-Piso banknotes has been enhanced by adding a rolling-bar effect when tilted from left to right, and vice versa.



### 4. *What will happen to the NGC banknotes currently in circulation?*

The NGC banknotes currently in circulation will co-exist with the enhanced NGC banknotes.

### 5. *Why did the BSP issue a new coin series and what are its features?*

The NGC Coin Series, issued by the BSP in 2018, resulted from the assessment made by the BSP on the need to improve the design and security features of the NGC coins. Specifically, the metallic composition contributes to improve wear and corrosion resistance. The series features historical figures and native flora. The 10-, 5-, 1-Piso and 25-, 5-, and 1-Sentimo NGC coins were released in March 2018. The 20-Piso NGC coin was released in December 2019.

The images and description of NGC coins are found in <https://www.bsp.gov.ph/Pages/CoinsAndNotes/Coins/NewGenerationCurrencyCoinSeries.aspx>

**6. *What are the reasons for the conversion of the 20-Piso banknote into coin?***

The 20-piso banknote, being the most circulated denomination among the banknotes, changes hands more often. Thus, it is more prone to wear and tear and needs to be replaced more often. These findings were confirmed by a study conducted by the University of the Philippines. The issuance of a coin in lieu of a banknote, as recommended by the Committee on Currency Design and Enhancement (CCDE), is more cost-efficient in the long run since coins last longer than the banknotes.

**7. *What are the design and security features of the new 20-Piso coin?***

The 20-Piso NGC coin retains the major elements in the 20-Piso NGC banknote. The portrait of the first President of the Philippine Commonwealth, Manuel L. Quezon, who advocated for the adoption of the national language and worked passionately to regain Philippine independence, is prominently featured on the obverse of the coin, together with the markings: “Republika ng Pilipinas”, the denomination “20 Piso”, microdots, microtext “Republika ng Pilipinas”, year mark, and mint mark.

The reverse side features the BSP logo and the Malacañan Palace, the official residence of the President of the Philippines. Consistent with the theme of the NGC Coin Series, a native flora is featured in the 20-Piso coin – the Nilad, which is believed to be the origin of the name of the country’s capital city, Manila. The star-shaped flowers of the Nilad plant were said to be once clustered in abundance along the banks of the Pasig River, where the Malacañan Palace is situated. President Manuel L. Quezon was the first Philippine president to reside here.

As with the other denominations in the NGC Coin Series, the 20-Piso coin has microprints and identifiable edge to deter counterfeiting. The BSP has conscientiously studied available materials and technology in the market to come up with a durable and secure 20-Piso coin.

**8. *What will happen to the 20-Piso banknotes currently in circulation?***

The new 20-Piso NGC coin shall co-exist with the 20-Piso NGC banknote as legal tender.

**9. *What is the enhancement in the 5-Piso coin?***

The 5-Piso NGC coin was enhanced in December 2019 to make it more distinct from other denominations in the NGC Coin Series. The enhanced 5-Piso NGC coin has nine sides with plain coin edge.

**10. *What will happen to the round 5-Piso NGC coin?***

The round 5-Piso NGC coins shall co-exist with the enhanced 5-Piso NGC coins with nine sides.

**11. *What will happen to the BSP Coin Series currently in circulation?***

The BSP Coin Series shall remain to be legal tender and can be used alongside the NGC Coin Series.

**D. Currency Integrity****1. *How does the BSP preserve and maintain the integrity of the currency?***

The BSP undertakes a regular review of the design and security features of the Philippine currency. It implements policies and programs such as Clean Note and Coin Policy and Coin Recirculation Program, aimed at preserving the integrity of the currency. It also conducts anti-counterfeiting operations pertaining to currency counterfeiting or any criminal activities that undermine the integrity of the currency.

Public information campaigns are regularly organized to educate the public on the design, security features, proper handling of Philippine currency, and relevant laws, policies, and programs.

**2. *How can the public determine the genuineness of enhanced NGC banknotes?***

The public can check the security features using feel-look-tilt approach as illustrated below:



Feel	Look	Tilt
1. Security Paper	4. Watermark	8. Security Thread
2. Embossed Prints	5. Security Fiber	9. Concealed Value
3. Tactile Marks	6. Asymmetric Serial Number	10. Optically Variable Ink (1000-piso and 500-piso)
	7. See-through Mark	11. Optical Variable Device Patch
		12. Enhanced Value Panel (1000-Piso and 500-Piso)

### 3. What should the public do with suspicious banknotes and coins?

The public is advised to bring suspicious banknotes and coins to any bank which shall subsequently forward these banknotes and coins to the Currency Policy and Integrity Office (CPID) through BSP Regional Offices/Branches for examination as to authenticity. The receiving bank shall issue the banknote or coin holder an acknowledgment receipt in exchange for the banknotes/coins. The result of BSP examination shall then be forwarded by the CPID to the bank/ROBs which received the banknotes/coins submitted by the public.



**4. Does the BSP offer reward for information on counterfeiting activities?**

Yes, monetary rewards are provided to persons who provide definite and sworn information on currency counterfeiting activities and/or willful mutilation and destruction of Philippine currency banknotes and coins. Details are available in <https://www.bsp.gov.ph/Pages/CoinsAndNotes/PoliciesAndPrograms/RevisedRewardSystem.aspx>

**5. What is unfit currency?**

A *currency note* shall be considered unfit for circulation when:

- a. It contains heavy creases which break the fiber of the paper and indicate that disintegration has begun;
- b. It is badly soiled/contaminated and/or with writings even if it has proper life or sizing; or
- c. It presents a limp or rag-like appearance.

A *currency coin* shall be considered unfit for circulation when:

- a. It is bent or twisted out of shape or defaced or show signs of corrosion, but its genuineness and/or denomination can still be readily and clearly determined/identified; or
- b. It has been considerably reduced in weight by natural abrasion/wear and tear.

**6. What should the public do with unfit banknotes and coins?**

The public is advised to exchange or deposit unfit banknotes and coins with any bank.

**7. What is mutilated currency?**

A *currency note* shall be considered mutilated when:

- a. Torn parts of banknotes are joined together with adhesive tape; or
- b. The original size of the note has been reduced/lost through wear and tear or has been otherwise torn, damaged, defaced or perforated through action of insects, chemicals or other causes; or
- c. It is scorched or burned; or
- d. It is split edgewise; or
- e. It has lost all the signatures inscribed thereon; or

- f. The embedded Security Thread or Windowed Security Thread placed on the banknote is partially or completely lost.

A *currency coin* shall be considered mutilated when:

- a. It shows signs of filing, clipping, or perforation; or
- b. It shows signs of having been burned or has been so defaced, that its genuineness and/or denomination cannot be readily and clearly identified.

**8. *What should the public do with mutilated banknotes and coins?***

The public is advised to present mutilated banknotes and coins to any bank which will subsequently forward these banknotes and coins to the Bangko Sentral ng Pilipinas (BSP) for analysis and determination of redemption value. To avoid disintegration or further deterioration while in transit, mutilated currency are best placed in appropriate containers.

For mutilated notes, these shall be valid for redemption only if all the following requirements are met:

- a. The remaining surface area is no less than 3/5 of the original size of the banknote;
- b. A portion of any one of the signatures of the President of the Philippines or the Governor of the BSP remains; and
- c. Presence of the Embedded Security Thread (EST) or Windowed Security Thread (WST), unless the same has been lost or damaged due to fire, water, chemical or bitten by termites/rodents and the like. A note whose EST or WST has been willfully removed shall not be valid for redemption.

For mutilated coins, these shall be valid for redemption only if the coins do not show any signs of willful mutilation such as: perforation/filing/clipping.

**9. *What does the BSP do with unfit and mutilated currency?***

Unfit and mutilated currencies are withdrawn by the BSP from circulation through nationwide implementation of “Clean Note and Coin Policy”. These currencies are replaced with clean and fit banknotes/coins, provided however, that for mutilated banknotes/coins, replacement of the same shall be governed by the rules on redemption, as enumerated in item no. 7.

The unfit and mutilated banknotes are properly disposed of to ensure that they are not recirculated. The disposal entails shredding, crushing, and briquetting. The briquettes are collected by local cement manufacturers for fabrication into alternative fuel source.

Examined unfit and mutilated coins are transferred to the Currency Retirement Unit for storage in the CRU Vault, until the coin defacement project becomes fully operational.

**10. *Is it advisable to sanitize notes and coins to prevent transmission of COVID-19?***

No. Sanitizing notes and coins by soaking them in water, soap/detergent, alcohol, bleach, and other disinfectants/chemicals may be considered acts of mutilation and are punishable by a fine of not more than PHP20,000.00 and/or imprisonment of not more than five years, pursuant to Presidential Decree No. 247. The BSP instead encourages the public to observe frequent hand washing and to avoid touching the face after handling any surface, including notes and coins.

**E. Other Relevant Laws and Regulations**

**1. *What is the restriction on currency import/export for Philippine Peso notes and coins?***

A person may import or export, bring in or take outside of the country, or electronically transfer legal tender Philippine notes and coins, checks, money orders or their bills of exchange in amounts not exceeding PHP50,000. Prior authorization from the BSP's International Operations Department is required when the export or import of Philippine currency exceeds this amount.

**2. *Is there a penalty if a person is caught mutilating the banknotes?***

Yes. It is unlawful to willfully deface, mutilate, tear, burn or destroy, in any manner whatsoever, currency notes and coins issued by the BSP, pursuant to Presidential Decree No. 247. Any person who violates this Decree shall be fined in the amount of not more than P20,000 and/or imprisoned for a period of not more than five years.