



# BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

## CIRCULAR NO. 1215 Series of 2025

**Subject: Regulations on the Temporary Holding of Funds Subject of Disputed Transactions and Coordinated Verification Process**

The Monetary Board, in its Resolution No. 523 dated 22 May 2025, approved the adoption of the Regulations on the Temporary Holding of Funds Subject of Disputed Transactions and Coordinated Verification Process to implement Sections 7 to 11 of Republic Act (R.A.) No. 12010 or the "Anti-Financial Account Scamming Act (AFASA)," and accordingly approved the constitution of new provisions and/or amendments to the relevant provisions of the Manual of Regulations for Banks (MORB), the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), and the Manual of Regulations for Payment Systems (MORPS).

**Section 1. Temporary Holding of Funds Subject of Disputed Transactions and Coordinated Verification Process.** Section 1006/1006-Q/1105, and Appendices 160/Q-104/1105-1 (*Annex A of this Circular*), 161/Q-105/1105-2 (*Annex B of this Circular*), and 162/Q-106/1105-3 (*Annex C of this Circular*), of the MORB/MORNBFI/MORPS shall be created to read as follows:

### 1006/1006-Q/1105 TEMPORARY HOLDING OF FUNDS SUBJECT OF DISPUTED TRANSACTIONS AND COORDINATED VERIFICATION PROCESS

**Policy Statement.** The State recognizes the vital role of banks, non-bank financial institutions, other payment service providers, and the general banking public in promoting and maintaining a stable and efficient financial system. The State also acknowledges that with the increased use of electronic commerce and digital financial services, there is a need to promote awareness on the proper use of financial accounts and to protect the public from cybercriminals and criminal syndicates who target financial accounts or lure account owners into becoming accessories or perpetrators of fraudulent activities. The State shall undertake measures to protect all persons from cybercrime schemes by regulating the use of financial accounts and preventing their use in fraudulent activities.

**Scope and Applicability.** This Section applies to all *Bangko Sentral-Supervised Institutions (BSIs)* that shall pursue the coordinated verification of disputed transactions as defined under this Section, regardless of whether the funds remain in the financial system or not.

Temporary holding of disputed funds as defined under this Section shall apply to electronic transfer of funds from one financial account to another financial account.

This Section shall not apply to erroneous transactions. These regulations shall likewise not apply to credit card transactions, except insofar as credit cards are used to perform electronic fund transfers through Automated Clearing House (ACH).

Obligations of BSIs with respect to erroneous transactions shall be covered by Section 1003/1003-Q of the MORB/MORNBFI (*Consumer Protection Standards of Conduct*).

The provisions on unauthorized transactions and liability for losses arising from unauthorized transactions under Section 1003/1003-Q of the MORB/MORNBFI (*Consumer Protection Standards of Conduct*) are hereby supplemented.

Further, this Section shall not restrict or limit the application of anti-money laundering laws, rules, and regulations.

**Definition of Terms.** For purposes of this Section, the following definitions shall apply:

- a. *Account Owner* - refers to the person, natural or juridical, to whom a financial account belongs or under whose name the account was opened or registered.
- b. *Automated Clearing House (ACH)* - refers to a multilateral agreement among ACH participants governing the clearing and settlement of payment orders for a specific payment stream.
- c. *ACH Participant* - refers to a financial institution duly licensed by the *Bangko Sentral* that is a Payment System Management Body member, and undertakes clearing in, and is a signatory to, at least one ACH.
- d. *Bangko Sentral-Supervised Institution (BSI)* - refers to a person, natural or juridical, that provides financial products or services under the jurisdiction of the *Bangko Sentral*, as provided in existing laws, rules and regulations. This covers banks, non-banks, payments and other financial service providers, including ACH participants and CSOs, under the jurisdiction of the *Bangko Sentral*. Further, for purposes of this Section, BSIs may refer to originating financial institutions (OFIs), receiving financial institutions (RFIs), or subsequent receiving financial institutions (Subsequent-RFIs) as defined herein.
- e. *Beneficiary Account* - refers to a financial account where disputed funds have been credited, whether total or partial, and regardless of the fact that the funds may have been subsequently transferred or exfiltrated to a different financial account, within the same or different BSI, or withdrawn from the financial system.
- f. *Beneficiary Account Owner* - refers to the owner of the beneficiary account based on the BSI's records.
- g. *Clearing Switch Operator (CSO)* - refers to the party designated which provides clearing switch services by acting as the operator of a payment system to be used by the ACH

participants in accordance with the guidelines and principles set forth in related ACH documents.

- h. *Coordinated Verification Process* - refers to a systematic sharing of information and coordination among BSIs, including ACH participants and CSOs, and account owners to track and determine the legitimacy of a disputed transaction.
- i. *Day* - refers to twenty-four (24) hours. In computing a period, the first day shall be excluded, and the last day included.
- j. *Disputed Funds* - refer (1) to the funds or equivalent amounts subject of a disputed transaction, or (2) to the funds or equivalent amounts, whether total or partial, that originated from a disputed transaction and moved through various financial accounts within the same or different BSIs.
- k. *Disputed Transaction* - refers to a financial transaction that occurs after the effectivity of the AFASA,<sup>1</sup> where a BSI has reasonable grounds to believe, based on an information obtained from another BSI, a complaint from an aggrieved party, or a finding under its own FMS, that such transaction appears to be any of the following:
  - (1) *Unusual*. A transaction is considered unusual when it shows patterns that are inconsistent with the account owner's usual behavior, is not commensurate with the known business or financial capacity of the account owner, or deviates from the account owner's profile. It also covers transactions that are inconsistent in amount, origin, destination, or type with an account owner's known legitimate business or activities or are significantly larger than the typical transactions of an account owner.
  - (2) *Without clear economic purpose*. This covers transactions that have no underlying legal or trade obligation, purpose, or economic justification. It also includes transactions that appear to be out of the normal course for industry practice, do not appear to be economically viable for the account owner, are unnecessarily complex for their stated purpose, are without business explanation for their size, or are not commensurate with the business size and without reasonable justification.
  - (3) *From an unknown or illegal source, or unlawful activity*. A source is unknown if the clear and legitimate source cannot be established or does not match the BSI's information on the account owner's profile. This includes situations where there is insufficient or no documentation to support the origin of funds. A transaction is considered to be from an illegal source when it arises from, or uses the proceeds of, an unlawful activity. Unlawful activity refers to any act or omission, or series or combination thereof, that violates a provision of law or constitutes a criminal offense. Prior conviction is not necessary to consider an act or activity as unlawful or criminal.

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<sup>1</sup> 13 August 2024.

- (4) *Facilitated through social engineering schemes.* A transaction is considered facilitated through social engineering schemes when sensitive identifying information of another person is obtained through deception or fraud resulting in unauthorized access and control over a financial account. The scheme may be performed by any of the following acts: misrepresenting oneself as acting on behalf of a BSI; making false representations to solicit another person's sensitive identifying information; or using electronic communications to obtain another person's sensitive identifying information.
- l. *Disputed Transaction Chain* - refers to a series or sequence of linked transactions involving funds that originated from a disputed transaction and moved through various financial accounts with RFIs and/or subsequent-RFIs to a final destination, including cash out or cash withdrawal.
  - m. *Domestic Remittance* - refers to a transfer of funds between a sender/remitter and a beneficiary who are both within the Philippines and that is not covered by electronic payment transactions as defined under the National Retail Payment System Framework.
  - n. *Electronic Fund Transfer (EFT)* - refers to transfers of funds between two financial accounts in the same or different BSIs which are initiated and received using electronic devices and channels to transmit payment instructions. This is synonymous to electronic payments and excludes domestic remittance transactions under existing *Bangko Sentral* regulations.
  - o. *Erroneous Transaction* - refers to an incorrect electronic fund transfer or domestic remittance as a result of any of the following circumstances: sending to an incorrect beneficiary account due to the erroneous encoding of account number by the sender; and sending to a beneficiary account an incorrect amount due to erroneous encoding by the sender.
  - p. *Extended Holding* - refers to the holding of disputed funds for not more than twenty-five (25) calendar days after the lapse of the initial holding period, in accordance with this Section.
  - q. *Extended Holding Request* - refers to a request initiated by the OFI to extend the initial holding of disputed funds for an additional period of not more than twenty-five (25) calendar days.
  - r. *Financial Account* - refers to an account used to avail of products or services offered by BSIs, such as interest or non-interest bearing deposit, trust, investment, or credit card account; other transaction account maintained with a bank, non-bank, or financial institution; e-wallet; and any other account used to avail of financial products or services defined under Section 3(c) of R.A. No. 11765. The term is synonymous with transaction account, as used and defined under the MORPS.

- s. *Financial Consumer Protection Assistance Mechanism (FCPAM)* - refers to the first-level recourse mechanism for financial consumers who are dissatisfied with a financial product or service of a BSI.
- t. *Fraud Management Systems (FMS)* - refers to a comprehensive set of automated and real-time monitoring and detection systems to identify and block disputed, suspicious, or other similar online transactions, pursuant to *Bangko Sentral* regulations on information technology risk management.
- u. *FMS Finding* - refers to an FMS notification or alert flagging a transaction as a disputed transaction.
- v. *Industry Protocol* - refers to the protocols, conventions, or mechanisms that BSIs shall develop and adopt to effectively undertake temporary holding of disputed funds and coordinated verification, as well as operationalize the provisions of this Section. The protocols shall, at a minimum, meet the expectations set forth under this Section and ensure their effective application.
- w. *Initial Holding* - refers to the holding of disputed funds for not more than five (5) calendar days, in accordance with this Section.
- x. *Initial Holding Request* - A request initiated by an OFI to initially hold disputed funds for a period of not more than five (5) calendar days.
- y. *Originating Financial Institution (OFI)* - refers to a BSI that transmits funds subject of a disputed transaction from one financial account to another financial account within the same or different BSI. The OFI holds the source account of the fund transfer.
- z. *Receiving Financial Institution (RFI)* - refers to a BSI that receives or accepts funds subject of a disputed transaction from an OFI. The RFI holds the beneficiary account of the fund transfer.
- aa. *Sensitive Identifying Information* - refers to any information that can be used to access an individual's financial account, such as usernames, passwords, bank account details, credit card, debit card, and e-wallet information among other electronic credentials, and other confidential and personal information.
- bb. *Source Account* - refers to the financial account where the disputed funds originated.
- cc. *Source Account Owner* - refers to the owner of the source account based on the OFI's records.
- dd. *Subsequent Receiving Financial Institution (Subsequent-RFI)* - refers to any BSI, other than the OFI and RFI, that receives or accepts funds in the disputed transaction chain. The subsequent-RFI holds the beneficiary account of the subsequent fund transfer.

- ee. *Temporary Holding of Disputed Funds* - refers to the authority and responsibility of BSIs to hold disputed funds for a period of not more than thirty (30) calendar days, consisting of the initial and extended holding periods, in accordance with this Section.

**Financial Account Protection and Security.** BSIs must actively and regularly engage with their client account owners on proactive measures to safeguard their personal and financial information, and ensure the security and integrity of their financial accounts. BSIs must provide regular updates on security best practices, alerts on potential threats, and guidance on how to respond to suspicious activities, including information on proper reporting procedure and channels.

- a. BSIs' communications with their account owners may include the following:

- (1) Account owners shall take reasonable steps to protect their sensitive identifying information, including usernames, user IDs, passwords, personal identification numbers (PINs), one-time passwords/PINs, and other account credentials or authentication factors. These include using strong and unique passwords, refraining from sharing credentials, using secure devices and secure connections, and exercising caution to avoid falling victim to social engineering schemes. Account owners are strongly encouraged to regularly update their account credentials, including passwords and PINs, and to do so immediately if there is any suspicion of compromise of their financial account.
- (2) Account owners shall immediately report any disputed transaction to their BSIs to facilitate the investigation and perform necessary steps to protect the financial account.
- (3) Account owners shall cooperate with BSIs in the investigation and verification of disputed transactions. This includes providing any requested information or documentation necessary to support the investigation and mitigate further risk.
- (4) Account owners shall comply with the security practices recommended by BSIs, including activating available features, such as transaction limits, real-time alerts, and multi-factor authentication, to enhance the security of their accounts.
- (5) Account owners shall promptly notify BSIs of any changes to their account information, such as contact details, security preferences, or other relevant details, to ensure that account records remain accurate and up to date.
- (6) Account owners shall regularly read and monitor notifications from BSIs. This includes reviewing, in a reasonable and prudent manner, statements of account, BSI alerts, transaction records, and any communication regarding account security to promptly identify potential issues or unauthorized activities.

b. In addition to their obligations under laws and *Bangko Sentral* regulations, BSIs shall safeguard the personal and financial information of account owners, and ensure the security and integrity of the account owners' financial accounts through the following:

- (1) Conduct regular monitoring and performance assessment of outsourcing arrangements providing direct or indirect access to personal and financial information; and
- (2) Identify the types of customers who are more vulnerable to social engineering schemes and who may need a more robust engagement.

***Industry Protocol for Temporary Holding of Disputed Funds and Coordinated Verification of Disputed Transactions.*** BSIs shall collaborate and establish an integrated and holistic industry protocol for the temporary holding of disputed funds and coordinated verification of disputed transactions in accordance with law and the rules and regulations issued by the *Bangko Sentral*.

BSIs shall subscribe and adhere to the industry protocol to ensure timely, efficient, and effective temporary holding of disputed funds and coordinated verification of disputed transactions. The industry protocol shall:

- a. Contain clear and specific roles and responsibilities of BSIs in the temporary holding of funds and the coordinated verification process, provided that the minimum requirements set forth in this Section are complied with.
- b. Enable timely and streamlined systems and procedures for the temporary holding of funds and the accurate and efficient coordinated verification of disputed transactions, including the maintenance of time logs for the entire process.
- c. Implement mechanisms and safeguards to prevent abuse and malicious use of the temporary holding and coordinated verification process.
- d. Require prompt notifications to source and beneficiary account owners whose financial accounts are affected by the temporary holding of funds and the coordinated verification process.
- e. Identify the minimum documents that are required to initiate, continue, or conclude temporary holding and coordinated verification process among BSIs, and the exceptional instances when these documents may be dispensed with, taking into account the amount of disputed funds, the personal circumstances of the account owners, and other relevant considerations.
- f. Institutionalize a secure, real-time or near-real-time, automated system for tracing disputed transactions, with capability to generate and record a visible disputed transaction chain, trigger the temporary holding of disputed funds, and induce timely alerts for involved BSIs.

- g. Implement strong measures to safeguard the confidentiality and integrity of information disclosed and shared during coordinated verification and to ensure that use and access to the same is limited to authorized persons and for authorized purposes under this Section.
- h. Incorporate a clearly defined mechanism for settling disputes and determining liability for losses among BSIs that may arise from the temporary holding, coordinated verification, and release of disputed funds, and other rules on shared accountability.
- i. Include a regular communication plan to inform account owners about the basic responsibilities of parties, the timelines applicable to the temporary holding of disputed funds and the coordinated verification process, among other key messages, to manage expectations of account owners and the general public.
- j. Include provisions requiring BSIs to advise their account owners that cooperation in the coordinated verification process is part of their responsibilities under the AFASA, and that the prohibition on waiver of consumer rights under R.A. No. 11765 remains in force.
- k. Contain other rules, procedures, and systems necessary to seamlessly conduct an industry-wide temporary holding of funds and coordinated verification process, as well as to operationalize the provisions of this Section.

Prior to its implementation, the industry protocol shall be reviewed by the *Bangko Sentral* to ensure compliance with existing laws, rules and regulations.<sup>2</sup>

**Responsibility of BSIs to Temporarily Hold Disputed Funds and Conduct Coordinated Verification.** BSIs shall have the authority to temporarily hold disputed funds for a period of not more than thirty (30) calendar days, inclusive of the initial and extended holding periods defined in this Section. The period to hold disputed funds under this Section may be further extended only by a court of competent jurisdiction.

Once the disputed funds in the beneficiary accounts have been held, the equivalent amount shall be considered credited but cannot be withdrawn during the holding period.

Simultaneously with the temporary holding of disputed funds, BSIs and account owners shall initiate a coordinated verification process to validate a disputed transaction.

For this purpose, all BSIs shall establish and implement their own policies, systems, and procedures for verification of disputed transactions, provided that the same are compliant with the requirements set forth in this Section and conform with the agreed industry protocol. Mechanisms must also be in place to prevent the malicious and abusive use of the temporary holding process.

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<sup>2</sup> The industry protocol must be fully operational within one (1) year from the effectivity of this Circular.

In accordance with the abovementioned policies, systems, and procedures, involved account owners shall cooperate with BSIs in the investigation and verification of disputed transactions by timely providing requested information and documentation necessary to support the investigation, prove the legitimacy of the transaction, and mitigate further risk.

***Initiating the Temporary Holding of Disputed Funds and Coordinated Verification Process.*** The temporary holding of disputed funds and coordinated verification process are initiated through any of the following triggers:

- a. Complaint-initiated holding - a complaint filed by the source account owner, through the 24/7 fraud reporting channel of the OFI's FCPAM, which the OFI shall handle in accordance with the procedures hereunder.
- b. FMS-initiated holding - an OFI or RFI's FMS finding.
  - (1) For FMS findings involving outgoing transactions, the OFI which flagged the disputed transaction shall proceed in accordance with the procedures hereunder.
  - (2) For FMS findings involving incoming transactions, the RFI which flagged the disputed transaction shall proceed in accordance with *Appendix 160/Q-104/1105-1*.
- c. Request-initiated holding - an initial holding request from an OFI to an RFI or subsequent-RFI.
  - (1) For initial holding requests based on complaints or FMS findings involving outgoing transactions, the OFI shall proceed in accordance with the procedures hereunder.
  - (2) For initial holding requests based on the OFI's fraud investigation and/or risk management policies and procedures that are not covered by any complaint or FMS findings, the OFI shall proceed in accordance with *Appendix 161/Q-105/1105-2*.

BSIs shall keep logs of the actual date and time of receipt of any of the foregoing triggers. These logs shall be used as basis to determine timely compliance by BSIs of their obligations under this Section and liabilities for failure to temporarily hold disputed funds or improper holding of disputed funds, among others.

***Procedure for Initial Holding of Disputed Funds.*** Immediately from receipt of a complaint or FMS finding involving an outgoing transaction, the OFI shall, in accordance with the turnaround time prescribed under the industry protocol, simultaneously:

- a. Verify the information received to enable it to identify the disputed transaction and the disputed funds to be subjected to initial holding and coordinated verification process. At the minimum, the BSI shall confirm the unique transaction reference number or transaction identifier, the source account owner and number, the amount of disputed funds, the mode of transfer or payment transaction, the date and time of the disputed transaction, the RFIs and/or subsequent-RFIs

involved, and the beneficiary account owner and number, if known.

For complaint-initiated holding, the OFI shall additionally verify the identity of the person making the complaint and confirm that such person is the source account owner or the latter's authorized representative, in accordance with the OFI's standard operating procedures and the agreed industry protocol.

- b. Prepare a disputed transaction report documenting the minimum information necessary to identify the disputed transaction, the disputed funds, and the reasons why the transaction appears to be a disputed transaction.
- c. When applicable, perform actions necessary to preserve the integrity of the source account, such as disabling access and/or funds transfer functionality to prevent further disputed transactions.
- d. If the disputed funds were transferred to a beneficiary account owner within the same BSI, initially hold the disputed funds for not more than five (5) calendar days.
- e. If the disputed funds have been wholly or partially transferred to a different BSI, transmit, using the automated system for tracing of disputed transactions, an initial holding request to all RFIs and subsequent-RFIs identified in the disputed transaction chain to hold the disputed funds for not more than five (5) calendar days from receipt thereof.
- f. Upon holding of the disputed funds, if applicable, notify its own beneficiary account owner about the initial holding, together with information on:
  - (1) The unique transaction reference number or transaction identifier, the amount of disputed funds, the mode of transfer or payment transaction, the date and time of the disputed transaction;
  - (2) The general reasons for the initial holding of disputed funds;
  - (3) Consumer rights and how the beneficiary account owner may challenge or request the lifting of the initial holding or substantiate the legitimacy of the disputed transaction; and
  - (4) The possible extension of the initial holding and the possible consequences for failing to participate in the coordinated verification process or to substantiate the legitimacy of the disputed transaction, such as the debiting of the disputed funds from the beneficiary account and the release thereof to the source account owner.
- g. Inform the source account owner of the initial actions taken on the disputed transaction and:

- (1) For complaint-initiated holding, the OFI shall generate an acknowledgment of the complaint and provide the source account owner with a case reference number.
- (2) For FMS-initiated holding involving outgoing transactions, the OFI shall communicate with the source account owner to verify and investigate whether the latter performed and authorized the disputed transaction. The OFI shall also provide the source account owner with a case reference number.

In both instances, the source account owner shall be informed that any person who, with malice or in bad faith, reports or files completely unwarranted or false information that results in the temporary holding of funds may be held criminally liable for malicious reporting under Section 11, in relation to Section 16(e), of the AFASA.

- h. Participate in the coordinated verification process by tracing and verifying the accuracy, authenticity, and legitimacy of the disputed transaction, and coordinating with the involved BSIs and account owners.

Immediately from receipt of an initial holding request, the RFI or subsequent-RFI shall, in accordance with the turnaround time prescribed under the industry protocol, comply with subparagraph (a) above as to the beneficiary account owner, and subparagraphs (b), (d), (f), and (h) above.

In view of the urgent need to prevent the transfer and/or exfiltration of disputed funds through the financial system, a BSI shall, for purposes of initial holding, have the right to rely on the allegations of the person making the complaint, the FMS finding, or initial holding request as to the circumstances giving rise to the disputed transaction.

**Response to Initial Holding Request.** Immediately from receipt of the initial holding request and in accordance with the turnaround time prescribed under the industry protocol, the RFI and/or subsequent-RFI shall provide the OFI with information on whether the disputed funds are partially or fully intact, including:

- a. Whether the RFI or subsequent-RFI was able to carry out the initial holding of disputed funds in accordance with this Section and the amounts successfully held, if any.
- b. Whether the disputed funds sent to the beneficiary account owner have been withdrawn in a manner that prevents the further tracing and holding of disputed funds.
- c. Whether the disputed funds sent to the beneficiary account owner have been transferred to a subsequent-RFI.
- d. Other relevant information and documents, as may be available.

The OFI shall be responsible for consolidating the information from the responses received from the RFIs and subsequent-RFIs and coordinating future directives for the extended holding of disputed funds, if applicable.

**Notice to Source Account Owner of Initial Holding of Disputed Funds.** Promptly, and in accordance with the turnaround time prescribed under the industry protocol, the OFI shall provide the source account owner with an update on the complaint, together with information on whether disputed funds were successfully held for not more than five (5) calendar days and the subsequent steps to be taken to extend the initial holding period and, if warranted, to recover the disputed funds.

The OFI shall likewise provide the source account owner with information on other available legal remedies, such as the filing of a complaint with appropriate law enforcement agencies authorized to request information from the *Bangko Sentral* pursuant to the AFASA.

The OFI shall inform the source account owner that the OFI has commenced the coordinated verification process under this Section, which includes the coordination with the RFIs, subsequent-RFIs, CSOs, and account owners, as appropriate, and the investigation and validation of the disputed transaction.

The notice shall also contain a statement that any person who, with malice or in bad faith, reports or files completely unwarranted or false information that results in the temporary holding of funds may be held criminally liable for malicious reporting under Section 11, in relation to Section 16(e), of the AFASA.

**Assessing the Propriety of Extended Holding of Disputed Funds.** The initial holding of disputed funds may be extended by not more than twenty-five (25) calendar days from the lapse of the initial holding period, if the nature of the transaction, together with other readily available information on its account owners (e.g., their customer and risk profiles and/or behavioral patterns), gives reasonable grounds to believe that the funds held are likely to be disputed funds, and additional time is needed to complete the coordinated verification process.

In assessing the propriety of extended holding:

- a. The OFI shall consider the supporting documents provided by the source account owner and other readily available information on its account owners.

The source account owner shall submit supporting documents (i.e., sworn complaint, affidavit, police report, or any other supporting document) within the initial holding period, except as may be otherwise provided in the industry protocol. The supporting documents shall detail the circumstances that gave rise to the transaction and the reasons why the source account owner believes that the transaction is probably a disputed transaction.

- b. RFI or subsequent-RFI shall consider the extended holding request by the OFI and other readily available information on its account owners.

The OFI shall submit an extended holding request within the initial holding period and in accordance with the industry protocol. The extended holding request shall contain the detailed reasons why the OFI reasonably believes that the transaction is likely to be a disputed transaction.

The extended holding request may be accompanied by supporting documents from the source account owner, relevant FMS findings, investigation reports, or other similar information.

For purposes of extended holding, an OFI, an RFI, or a subsequent-RFI that relies in good faith on the information and documents submitted, as well as other readily available information, when determining the attendant circumstances giving rise to the disputed transaction, shall not be held liable for improper holding of disputed funds.

An RFI or a subsequent-RFI may not extend the holding period without prior submission by the OFI of an extended holding request. However, despite receipt of an extended holding request from the OFI, an RFI or subsequent-RFI is not precluded from making its own independent assessment on the propriety of extending the temporary holding based on other readily available information regarding the account owners.

***Procedure for Extended Holding of Disputed Funds.*** If the OFI finds that extended holding is warranted under this Section, it shall perform the following before the lapse of the initial holding period:

- a. Extend the initial holding period by an additional period of not more than twenty-five (25) calendar days if the disputed funds were subjected to temporary holding within its system.
- b. Transmit an extended holding request to all RFIs and subsequent-RFIs previously requested to initially hold disputed funds, if applicable.
- c. Notify its own beneficiary account owner about the extended holding, together with information on:
  - (1) The unique transaction reference number or transaction identifier, the amount of disputed funds, the mode of transfer or payment transaction, the date and time of the disputed transaction;
  - (2) The general reasons for the extended holding of disputed funds;
  - (3) Consumer rights and how the beneficiary account owner may challenge or request the lifting of the extended holding of disputed funds or substantiate the legitimacy of the disputed transaction; and
  - (4) The possible consequences of failing to participate in the coordinated verification process and to substantiate the legitimacy of the transaction, such as the debiting of disputed funds from the beneficiary account and the release thereof to the source account owner.
- d. Acknowledge receipt of the sworn complaint, affidavit, police report, or other supporting documents submitted, and inform the source account owner that the BSIs involved shall engage

in the coordinated verification process in accordance with this Section.

If the RFI or subsequent-RFI finds that extended holding is warranted under this Section, it shall, upon receipt of an extended holding request from the OFI and within the initial holding period, comply with subparagraphs (a) and (c) above.

**Response to Extended Holding Request.** Immediately from receipt of the extended holding request, and in accordance with the turnaround time prescribed under the industry protocol, the RFI and subsequent-RFI shall provide the OFI with information on the action taken on the extended holding request, and the reasons and justifications for the same, if available.

**Notice to Source Account Owner of Extended Holding of Disputed Funds.** Upon receipt of the response to the extended holding request, the OFI shall provide the source account owner with information on whether the initial holding of disputed funds was extended and other relevant updates on the status of its investigation and verification.

**Remedies of Beneficiary Account Owner.** Beneficiary account owners whose funds are subjected to temporary holding may, at any time, challenge the same or request the lifting thereof from their BSIs by providing information, documents, or evidence to substantiate the legitimacy of the disputed transaction, such as, but not limited to, affidavits, sworn statements, police reports, other supporting documents, or evidence on the purpose of the transaction, the relationship of the parties, or the source of funds.

If substantiated, the BSI shall, after evaluation, immediately lift the temporary holding of disputed funds and release the same to the beneficiary account owner, even prior to the lapse of the applicable holding period.

Immediately upon receipt of the lifting request and in accordance with the turnaround time prescribed under the industry protocol, the appropriate BSI must inform its beneficiary account owner of its decision to lift the temporary holding of disputed funds or to continue with the same pending further investigation.

**Coordinated Verification Process.** All BSIs identified or involved in a disputed transaction chain shall participate in the coordinated verification process, regardless of whether the funds remain in their systems or not.

Once the coordinated verification process is initiated in accordance with this Section, BSIs shall:

- a. Trace, verify, and validate the accuracy, authenticity, and legitimacy of a disputed transaction, which may include:

- (1) Sharing information with involved BSIs, such as the names of the account owners involved, their address and contact details, the date and time of the transaction, the amount involved, the unique transaction reference numbers, the relevant bank or financial account

information and transaction details, and the reasons why the transaction is likely to be legitimate or not;

- (2) Sharing and reviewing supporting documents, such as the source account owner's sworn complaint, affidavit, police report, relevant FMS findings, investigation reports, or other similar information;
  - (3) Timely communicating with other relevant entities, such as authorized or accredited agents and third-party service providers, among others, to obtain additional information necessary and critical to effectively implement the coordinated verification process;
  - (4) Timely communicating with account owners to obtain additional information or documentation on the purpose of the transaction, the relationship of the parties, the source of funds, or other proofs of the legitimacy or illegitimacy of the disputed transaction;
  - (5) Investigating customer accounts for known fraud indicators and unusual patterns;
  - (6) Analyzing transaction patterns and recent account activity for red flags in accordance with common fraud parameters and other indicators;
  - (7) Verifying the information gathered by cross-checking it against other independent or reliable data sources;
  - (8) Evaluating the veracity of the claims by considering the nature of the transaction vis-a-vis the account owners' risk profile, behavior, claims, or allegations; and
  - (9) Other means as may be established by a BSI's policies, systems, and/or the agreed industry protocol.
- b. Provide appropriate and timely notification and information to their own account owners whose financial accounts are affected by the coordinated verification process. The timing and manner of sharing information with account owners shall be clearly defined in the industry protocol and the BSI's disclosure and transparency policies and procedures that form part of its Consumer Protection Risk Management System, as defined in Section 1002/1002-Q of the MORB/MORNBFI (*Duties of BSIs and Authorized Third Parties*).
- c. Swiftly and efficiently complete the coordinated verification process from the receipt of a complaint, FMS finding, or initial holding request:
- (1) If funds were successfully held: Within the thirty (30) - calendar day temporary holding period, unless said period is extended by a court of competent jurisdiction.

- (2) If no funds were held: Within thirty (30) calendar days. For meritorious reasons as determined by the OFI in accordance with its risk management policies, the coordinated verification process may be extended, provided that the total period does not exceed sixty (60) calendar days.

- d. Release the disputed funds in accordance with this Section.
- e. Upon the request of source account owners, provide them with transaction reference numbers or transaction identifiers, information on RFIs or subsequent-RFIs involved, and dates and times of transactions.

**Responsibilities of CSOs.** All CSOs involved in fund transfers related to a disputed transaction shall actively participate in the coordinated verification process by sharing the necessary information for tracing, holding, and verifying the accuracy, authenticity, and legitimacy of the transaction.

**Responsibilities of Other Entities Involved in the Disputed Transaction.** All BSIs involved in a disputed transaction shall coordinate with their authorized agents and third-party service providers to ensure timely information gathering and effective implementation of the coordinated verification process.

**Non-Applicability of Secrecy of Bank Deposits and Data Privacy Laws during Coordinated Verification Process.** The provisions of R.A. No. 1405, as amended; R.A. No. 6426, or the "Foreign Currency Deposit Act of the Philippines", as amended; R.A. No. 8367, or the "Revised Non-Stock Savings and Loan Association Act of 1997"; and R.A. No. 10173, or the "Data Privacy Act of 2012" shall not apply during the coordinated verification process of a disputed transaction. Notwithstanding the foregoing, information shared during the coordinated verification process shall be handled securely with appropriate safeguards to ensure that disclosure is confined to the scope of said process.

**Release of Disputed Funds.** Immediately upon the lapse of the initial or extended holding of disputed funds, or at any time upon confirmation of the legitimacy of the disputed transaction as substantiated by the beneficiary account owner or through other means, appropriate BSIs shall lift the temporary holding of disputed funds and release the same to the beneficiary account owner, unless:

- a. The period for holding the disputed funds is extended by a court of competent jurisdiction;
- b. The beneficiary account owner executes a written waiver of any claim over the disputed funds; or
- c. The totality of the information obtained during the coordinated verification process gives rise to a reasonable conclusion that:

- (1) The disputed funds are derived from or are related to money muling, unlawful activities, or illegal sources;

- (2) The transaction has no underlying economic purpose;
- (3) The disputed funds are derived from social engineering schemes; or
- (4) Other grounds similar or analogous to the foregoing.

In cases falling under subparagraphs (b) and (c) above, the BSI holding the disputed funds shall deduct the equivalent amount from the beneficiary account owner and return the same to the BSI of the source account owner immediately upon receipt of the written waiver or completion of the coordinated verification process, as applicable. BSIs involved shall, without undue delay, notify the beneficiary account owner and the source account owner of the release of the funds and the reasons therefor.

The decision of the BSI to release the disputed funds to the beneficiary account owner or source account owner shall be without prejudice to any other legal remedy available to the aggrieved party.

**Report to Bangko Sentral on the Temporary Holding of Disputed Funds.** All BSIs shall provide the *Bangko Sentral* with a report on the temporary holding of disputed funds. The content and coverage of the report, as well as the timeline, frequency, and manner of reporting, shall be in accordance with *Appendix 162/Q-106/1105-3*.

**Execution of Annual Notarized Certification.** Within thirty (30) calendar days from end of year, the BSI initiating or effecting the temporary holding of disputed funds shall execute and submit to the appropriate *Bangko Sentral* department a notarized certification that it is compliant with the related requirements of adequate risk management systems and controls as prescribed by the *Bangko Sentral* at the time that it initiated or effected the holding of the funds. This certification shall be considered as a Category B report in accordance with Sections 171 and 173/171-Q and 172-Q. For stand-alone operators of payment systems, non-submission, erroneous submission, and delayed submission shall be subject to applicable penalties under the MORPS.

**Liability for Failure to Temporarily Hold Funds.** A BSI that fails to temporarily hold funds subject of a disputed transaction, as required under the AFASA and this Section, shall be liable for loss or damage arising from such failure, including the restitution of the disputed funds to the account owner.

**Liability for Improper Holding of Funds.** Without prejudice to liabilities under existing laws, a BSI that holds funds subject of a disputed transaction beyond the allowable period, or improperly holds funds, as provided under the AFASA and this Section, shall be subjected to administrative action under R.A. No. 7653, as amended, other related laws, and *Bangko Sentral* rules, regulations, orders, or instructions.

A fund shall be considered improperly held if the BSI holding the disputed funds fails to comply with the procedures and requirements prescribed under this Section.

**Malicious Reporting of Disputed Transactions.** All BSIs shall minimize exposure to malicious reporting of disputed transactions by, among others, incorporating in their FCPAM forms, systems, and

procedures a notification or provision that any person who, with malice or in bad faith, reports or files completely unwarranted or false information that results in the temporary holding of funds shall be liable under Section 11, in relation to Section 16(e), of the AFASA.

**Role of the Bangko Sentral Consumer Assistance Mechanism (CAM) and BSP Online Buddy (BOB) in Handling Complaints or Reports on Disputed Transactions.** The BSI's FCPAM shall continue to serve as the first-level recourse for account owners with disputed transaction complaints.

The *Bangko Sentral* CAM/BOB remains as the second-level recourse for account owners who have filed disputed transaction complaints with BSIs and are dissatisfied with the BSI's actions on their complaints. Disputed transaction complaints escalated by account owners to the *Bangko Sentral* CAM/BOB shall be processed in accordance with the rules of procedure under Rule III of Circular No. 1169, Series of 2023.

**Retention of BSI Records on Disputed Transactions.** BSIs shall ensure that all digital and physical information, data, and records related to a disputed transaction shall be maintained in accordance with existing laws, rules and regulations on record management, retention, and disposal.

**Safe Harbor Provision.** No administrative, criminal, or civil liability shall be imposed against a BSI or its directors, trustees, officers, and employees for holding funds subject of a disputed transaction when done in accordance with this Section.

**Enforcement Actions.** The *Bangko Sentral* reserves the right to deploy its range of supervisory tools to promote adherence to the requirements set forth in this Section and bring about timely corrective actions and compliance with *Bangko Sentral* directives.

**Section 2. Applicability to Other Non-Bank Financial Institutions (NBFIs).** Except with respect to credit card transactions that are not covered by this Circular, the provisions under Section 1 hereof on the amendments to MORNBFI (Q-Regulations) shall likewise apply to non-stock savings and loan associations, pawnshops, trust corporations, and other NBFIs, insofar as these are applicable to their operations. This is in accordance with Part Seven of the S-Regulations, Part Six of the P-Regulations, Section 101-T of the T-Regulations, Part Seven of the N-Regulations, and Section 301-M of the M-Regulations, each of which makes a cross-reference to Part Ten of the Q-Regulations, where Section 1006-Q will be incorporated.

**Section 3. Amendments to List of Reports Required from BSIs.** The following entries shall be inserted in Appendix 7 of the MORB and Appendices Q-3, S-2, P-7, T-4, N-1, and M-6 of the MORNBFI:

(a) Appendix 7 of the MORB (for all types of banks):

Category	Form No.	MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/ E-mail Address
B		Section 1006 (Report to <i>Bangko Sentral</i> on the Temporary	Report on Temporarily Held Funds (THF)	Monthly	Every 15th of the month, covering data from	See Appendix 162/ AFASAREport @bsp.gov.ph

		<i>Holding of Disputed Funds)</i>			the previous reference month	
B		Section 1006 ( <i>Execution of Annual Notarized Certification</i> )	Annual Notarized Certification (Temporary Holding)	Annually	Within thirty (30) calendar days from end of year	Specific guidelines to be issued by BSP

**(b) Appendix Q-3 of the MORNBFi:**

Category	Form No.	MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure
B		Section 1006-Q ( <i>Report to Bangko Sentral on the Temporary Holding of Disputed Funds</i> )	Report on Temporarily Held Funds (THF)	Monthly	Every 15th of the month, covering data from the previous reference month	See Appendix Q-106/AFASAResult @bsp.gov.ph
B		Section 1006-Q ( <i>Execution of Annual Notarized Certification</i> )	Annual Notarized Certification (Temporary Holding)	Annually	Within thirty (30) calendar days from end of year	Specific guidelines to be issued by BSP

**(c) Appendices S-2/P-7/T-4/N-1/M-6 of the MORNBFi:**

Category	Form No.	MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure
B		Section 1006-Q ( <i>Report to Bangko Sentral on the Temporary Holding of Disputed Funds</i> ), in relation to Part Seven of the S-Regulations/ Part Six of the P-Regulations/ Section 101-T of the	Report on Temporarily Held Funds (THF)	Monthly	Every 15th of the month, covering data from the previous reference month	See Appendix Q-106/AFASAResult @bsp.gov.ph

		T-Regulations/ Part Seven of the N-Regulations/ Section 301-M of the M-Regulations				
B		Section 1006-Q ( <i>Execution of Annual Notarized Certification</i> ), in relation to Part Seven of the S-Regulations/ Part Six of the P-Regulations/ Section 101-T of the T-Regulations/ Part Seven of the N-Regulations/ Section 301-M of the M-Regulations	Annual Notarized Certification (Temporary Holding)	Annually	Within thirty (30) calendar days from end of year	Specific guidelines to be issued by BSP

**Section 4. *Transitory Provisions.*** The following transitory provisions shall be incorporated as footnotes to:

**(a) Section 1006/1006-Q/1105 of the MORB/MORNBFI/MORPs:**

BSIs shall be given one (1) year from the effectivity of this Circular to develop and fully adopt the industry protocol necessary to operationalize this Section.

Pending full adoption of the industry protocol, BSIs shall employ reasonable efforts to comply with their obligations to trace and hold disputed funds, and engage in coordinated verification of disputed transactions, under R.A. No. 12010 or the Anti-Financial Account Scamming Act (AFASA).

BSIs shall be given six (6) months from the effectivity of this Circular to adopt such interim arrangements, mechanisms, or protocols that shall be implemented until full adoption of the industry protocol, provided that the temporary holding of disputed funds during this transitory period shall conform with the initial and extended holding periods as defined in the regulations under this Section.

**(b) Appendix 162/Q-106/1105-3 of the MORB/MORNBFI/MORPs:**

The *Guidelines on the Submission of Report on Temporary Holding of Disputed Funds* (Guidelines) shall take effect one (1) year from the effectivity of this Circular.

The BSIs' first report shall be submitted to the *Bangko Sentral* on the 15<sup>th</sup> day of the second month following the effectivity of the Guidelines.

The *Bangko Sentral* reserves the right to require a BSI to submit such report even prior to the effectivity of the Guidelines.

**Section 5. *Effectivity Clause.*** This Circular shall take effect fifteen (15) calendar days after its publication in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:

**ELI M. REMOLONA, JR.**  
Governor

**APPENDIX 160/Q-104/1105-1**  
**(Annex A of Circular)**

**Incoming Disputed Transactions Flagged by Receiving Financial  
Institution's Fraud Management System**  
**(Appendix to Section 1006/1006-Q/1105 on Initiating the Temporary  
Holding of Disputed Funds and Coordinated Verification Process)**

**FMS-Initiated Holding Involving Incoming Transactions.** An RFI may temporarily hold disputed funds and initiate coordinated verification of disputed transactions under Section 1006/1006-Q/1105 when its FMS detects an incoming transaction that appears to be a disputed transaction.

**Procedure for Initial Holding of Disputed Funds.** Immediately from receipt of an FMS finding involving incoming disputed transactions, an RFI shall, in accordance with the turnaround time prescribed under the industry protocol, simultaneously:

- a. Verify the information received to enable it to identify the disputed transactions and the disputed funds to be subjected to initial holding and the coordinated verification process. At the minimum, the RFI shall confirm the unique transaction reference number or transaction identifier, the beneficiary account owner and number, the amount of disputed funds, the mode of transfer or payment transaction, the date and time of the disputed transaction, the OFI involved, and the source account owner and number, if known.
- b. Prepare a disputed transaction report, documenting the minimum information necessary to identify the disputed transaction, the disputed funds, and the reasons why the transaction appears to be a disputed transaction.

In view of the urgent need to prevent the transfer and/or exfiltration of disputed funds through the financial system, the RFI shall, for purposes of initial holding, have the right to rely on the FMS finding as to the attendant circumstances giving rise to the disputed transaction.

- c. Initially hold the disputed funds transferred to the beneficiary account owner for not more than five (5) calendar days.
- d. Notify the beneficiary account owner about the initial holding, together with information on:
  - (1) The unique transaction reference number or transaction identifier, the amount of disputed funds, the mode of transfer or payment transaction, the date and time of the disputed transaction;
  - (2) Consumer rights and how the beneficiary account owner may challenge or request the lifting of the initial holding or substantiate the legitimacy of the disputed transaction; and
  - (3) Information on the possible extension of the initial holding and the possible consequences for failing to

participate in the coordinated verification process or to substantiate the legitimacy of the disputed transaction, such as the debiting of the disputed funds from the beneficiary account owner and the release thereof to the source account owner.

- e. Immediately notify the OFI that the RFI's FMS flagged circumstances that give reasonable grounds to believe that the transaction originating from the OFI may be a disputed transaction, and provide:

- (1) Information sufficient for the OFI to identify the disputed transaction and to verify the same with its source account owner;
- (2) Information on whether the disputed funds were successfully held, or were withdrawn, or transferred to a subsequent-RFI;
- (3) Information on the subsequent steps to be taken to extend the initial holding period and, if warranted, to recover the disputed funds; and
- (4) Other relevant information and documents, as may be available.

- f. Participate in the coordinated verification process by tracing and verifying the accuracy, authenticity, and legitimacy of the disputed transaction, and coordinating with the involved BSIs and account owners in accordance with Section 1006/1006-Q/1105.

**Other Procedures.** The extended holding, coordinated verification, and release of disputed funds shall proceed in accordance with Section 1006/1006-Q/1105.

**APPENDIX 161/Q-105/1105-2**  
**(Annex B of Circular)**

**Disputed Transactions Based on Other Information from Originating  
Financial Institution**  
**(Appendix to Section 1006/1006-Q/1105 on Initiating the Temporary  
Holding of Disputed Funds and Coordinated Verification Process)**

**Request-Initiated Holding.** In accordance with the policies and procedures set forth in its fraud detection and risk management framework, an OFI may request the temporary holding of disputed funds and the coordinated verification of transactions under Section 1006/1006-Q/1105, not based on complaint or FMS finding, when it has reasonable ground to believe based on its personal knowledge and/or authentic records that such transaction appears to be a disputed transaction.

**Procedure for the OFI on the Initial Holding of Disputed Funds.** An OFI requesting the initial holding of disputed funds shall, in accordance with the turnaround time and procedures prescribed under the industry protocol:

- a. Identify the disputed transaction and the disputed funds to be subjected to initial holding and coordinated verification. At the minimum, the OFI shall confirm the unique transaction reference number or transaction identifier, the amount of disputed funds, the mode of transfer or payment transaction, the date and time of the disputed transaction, the RFIs and/or subsequent-RFIs involved, and the affected account owners and numbers.
- b. Prepare a disputed transaction report documenting the information necessary to identify the disputed transaction, the disputed funds, and the reasons why the transaction, based on its personal knowledge and/or authentic records, appears to be a disputed transaction.
- c. When applicable, perform actions necessary to preserve the integrity of the source account, such as disabling access and/or transfer functionality to prevent further disputed transactions.
- d. Transmit, using the automated system for tracing of disputed transactions or through other means as provided in the industry protocol, an initial holding request to all RFIs and subsequent-RFIs identified in the disputed transaction chain to initially hold the disputed funds for not more than five (5) calendar days from receipt thereof.
- e. Where relevant, immediately verify the disputed transactions with the source account owner in accordance with Section 1006/1006-Q/1105.
- f. Participate in the coordinated verification process by tracing and verifying the accuracy, authenticity, and legitimacy of the disputed transaction, and coordinating with the involved BSIs and account owners in accordance with Section 1006/1006-Q/1105.

***Procedure for the RFI or Subsequent-RFI on the Initial Holding of Disputed Funds.*** Immediately from receipt of an initial holding request, the RFI or subsequent-RFI shall, in accordance with the turnaround time prescribed under the industry protocol, simultaneously:

- a. Verify the information received to enable it to identify the disputed transaction and the disputed funds to be subjected to initial holding and coordinated verification process.
- b. Prepare a disputed transaction report documenting the minimum information necessary to identify the disputed transaction, the disputed funds, and the reasons why the transaction appears to be a disputed transaction.

In view of the urgent need to prevent the transfer and/or exfiltration of disputed funds through the financial system, the RFI or subsequent-RFI shall, for purposes of initial holding, have the right to rely on the initial holding request as to the attendant circumstances giving rise to the disputed transaction.

- c. Initially hold the disputed funds for not more than five (5) calendar days.
- d. Upon holding of the disputed funds, notify its own beneficiary account owner in accordance with Section 1006/1006-Q/1105.
- e. Respond to the initial holding request in accordance with Section 1006/1006-Q/1105 and the turnaround time prescribed under the industry protocol.
- f. Participate in the coordinated verification process by tracing and verifying the accuracy, authenticity, and legitimacy of the disputed transaction, and coordinating with the involved BSIs and account owners.

***Other Procedures.*** The extended holding, coordinated verification, and release of disputed funds shall proceed in accordance with Section 1006/1006-Q/1105.

**APPENDIX 162/Q-106/1105-3**  
**(Annex C of Circular)**

**Guidelines on the Submission of Report on Temporary Holding  
of Disputed Funds**  
**(Appendix to Section 1006/1006-Q/1105 on Report to Bangko Sentral on the  
Temporary Holding of Disputed Funds)**

**Scope.** These Guidelines shall apply to all *Bangko Sentral*-Supervised Institutions (BSIs) that temporarily hold funds subject of disputed transactions, in accordance with Section 7 of R.A. No. 12010, or the Anti-Financial Account Scamming Act (AFASA), and its implementing rules and regulations.

**Report Content.** A BSI shall promptly notify the *Bangko Sentral* whenever it temporarily holds funds that are the subject of a disputed transaction.

The report shall be called **Report on Temporarily-Held Funds (THF)**. The required information, definitions, formats, values, and field requirements are provided below. These details are arranged according to their order on the **Data Entry Template (DET)**. All information tagged as "Conditional" may be left blank only if the information is unavailable in the reporting BSI.

Field Name	Definition	Format	Value	Field Requirement
Reporting BSI	The Bank Code of the BSP Supervised Institution (BSI) who is submitting the Report	Numeric	Assigned BSI per Reporting Entity	Mandatory
Branch of Account	The Branch Code of the specific Branch of the Reporting BSI where the account subjected to holding of funds is maintained	Numeric	>=0, Positive integers	Mandatory
Reference No.	Unique Reference Number per Case  (Should be unique per case)  Convention: THF_YYYYMMDD_Bank Code_0000001	Text	Text	Mandatory
Trigger to Hold Funds	The main trigger for the Reporting BSI to initiate holding of funds  Choose only One from these options: <ul style="list-style-type: none"> <li>Complaint filed by Source Account Owner</li> <li>BSI's own Fraud Management System (Outgoing Transactions) - flagged by Originating</li> </ul>	Text	Text	Mandatory

Field Name	Definition	Format	Value	Field Requirement
	<p>Financial Institution</p> <ul style="list-style-type: none"> <li>BSI's own Fraud Management System (Incoming Transactions) - flagged by Receiving Financial Institution</li> <li>Information from another BSP Supervised Institution (Based on Complaint or FMS Finding) - Initial Holding Request based on complaint or FMS</li> <li>Information from another BSP Supervised Institution (Based on Other Grounds) - Initial Holding Request <u>not</u> based on complaint or FMS</li> </ul>			
Status of Held Funds at the Time of Reporting	<p>The Status of the temporarily held funds at the time of reporting:</p> <p>Choose only One from these options:</p> <ul style="list-style-type: none"> <li>Ongoing - Funds remain on hold</li> <li>Released to Source Account Owner - Amount on hold was released to the Source Account Owner</li> <li>Released to Beneficiary Account Owner - Amount on hold was released to the Beneficiary Account Owner</li> </ul>	Text	Text	Mandatory

Field Name	Definition	Format	Value	Field Requirement
Date of Receipt/ Transmission of Trigger to Hold Funds	<p>Date when the trigger to initiate the holding of funds was received by, or transmitted to, the Reporting BSI</p> <p>"Date of Receipt/ Transmission" can be any of the following, whichever Trigger to Hold Funds came first:</p> <ul style="list-style-type: none"> <li>• Date of receipt of information or Initial Holding Request from another BSI</li> <li>• Date of transmission of finding/ notification/ alert through BSI's own FMS</li> <li>• Date of receipt of complaint from Source Account Owner</li> </ul>	Numeric	Date Convention: YYYYMMDD	Mandatory
Time of Receipt/ Transmission of Trigger to Hold Funds	<p>Exact Time when the trigger to initiate the holding of funds was received by, or transmitted to, the Reporting BSI</p> <p>"Time of Receipt/ Transmission" can be any of the following whichever Trigger to Hold Funds came first:</p> <ul style="list-style-type: none"> <li>• Time of receipt of information or Initial Holding Request from another BSI</li> <li>• Time of transmission of finding/ notification/ alert through BSI's own FMS</li> <li>• Time of receipt of complaint from Source Account Owner</li> </ul>	Numeric	Time Convention: HH:MM:SS	Mandatory
Date of Initiation of Hold	Date when the Reporting BSI initiated the holding of funds	Numeric	Date Convention: YYYYMMDD	Mandatory
Time of Initiation of Hold	Exact Time when the Reporting BSI initiated the holding of funds	Numeric	Time Convention: HH:MM:SS	Mandatory

Field Name	Definition	Format	Value	Field Requirement																																								
Date of Release of Held Funds	Date when the Reporting BSI released the held funds to the Source/Beneficiary Account Owner	Numeric	Date Convention: YYYYMMDD	Conditional																																								
Time of Release of Held Funds	Exact Time when the Reporting BSI released the held funds to the Source/Beneficiary Account Owner	Numeric	Time Convention: HH:MM:SS	Conditional																																								
Amount on Hold in Original Currency	Amount that is temporarily on hold in Original Currency	Numeric	>=0, Positive integers	Mandatory																																								
Original Currency of Amount on Hold	<div>Original Currency of the amount that is temporarily on hold</div> <div>Choose Currency Code from the list below:</div> <table><tr><td>Currency Code</td><td>Currency Unit</td></tr><tr><td>PHP</td><td>Philippine Peso</td></tr><tr><td>USD</td><td>U.S. Dollar</td></tr><tr><td>JPY</td><td>Japanese Yen</td></tr><tr><td>GBP</td><td>British Pound</td></tr><tr><td>HKD</td><td>Hongkong Dollar</td></tr><tr><td>CHF</td><td>Swiss Franc</td></tr><tr><td>CAD</td><td>Canadian Dollar</td></tr><tr><td>SGD</td><td>Singapore Dollar</td></tr><tr><td>AUD</td><td>Australian Dollar</td></tr><tr><td>BHD</td><td>Bahraini Dinar</td></tr><tr><td>KWD</td><td>Kuwaiti Dinar</td></tr><tr><td>SAR</td><td>Saudi Arabian Riyal</td></tr><tr><td>BND</td><td>Bruneian Dollar</td></tr><tr><td>IDR</td><td>Indonesian Rupiah</td></tr><tr><td>THB</td><td>Thai Baht</td></tr><tr><td>AED</td><td>Emirati Dirham</td></tr><tr><td>EUR</td><td>Euro</td></tr><tr><td>KRW</td><td>South Korean Won</td></tr><tr><td>CNY</td><td>Chinese Yuan</td></tr></table> <div>If the Original Currency is not included in the defined Currency Codes, input <b>CCC</b>; <b>[original currency unit in full]</b>.</div>	Currency Code	Currency Unit	PHP	Philippine Peso	USD	U.S. Dollar	JPY	Japanese Yen	GBP	British Pound	HKD	Hongkong Dollar	CHF	Swiss Franc	CAD	Canadian Dollar	SGD	Singapore Dollar	AUD	Australian Dollar	BHD	Bahraini Dinar	KWD	Kuwaiti Dinar	SAR	Saudi Arabian Riyal	BND	Bruneian Dollar	IDR	Indonesian Rupiah	THB	Thai Baht	AED	Emirati Dirham	EUR	Euro	KRW	South Korean Won	CNY	Chinese Yuan	Text	Text	Mandatory
Currency Code	Currency Unit																																											
PHP	Philippine Peso																																											
USD	U.S. Dollar																																											
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HKD	Hongkong Dollar																																											
CHF	Swiss Franc																																											
CAD	Canadian Dollar																																											
SGD	Singapore Dollar																																											
AUD	Australian Dollar																																											
BHD	Bahraini Dinar																																											
KWD	Kuwaiti Dinar																																											
SAR	Saudi Arabian Riyal																																											
BND	Bruneian Dollar																																											
IDR	Indonesian Rupiah																																											
THB	Thai Baht																																											
AED	Emirati Dirham																																											
EUR	Euro																																											
KRW	South Korean Won																																											
CNY	Chinese Yuan																																											

Field Name	Definition	Format	Value	Field Requirement
Amount on Hold in PHP	Amount that is temporarily on hold in PHP equivalent at the time of reporting, based on BSP Reference Exchange Rates Bulletin published in BSP website	Numeric	>=0, Positive integers	Mandatory
Account Number Subject to Hold	Account Number subject to the temporary hold of funds	Text	Text	Mandatory
Last Name of Account Owner Subject to Hold	Last Name of Account Owner subject to the temporary hold of funds  For Corporate Accounts, use registered Corporate Account Name recorded in the BSI	Text	Text	Mandatory
First Name of Account Owner Subject to Hold	First Name of Account Owner subject to the temporary hold of funds  For Joint Accounts, Names should be separated by commas  May be left blank only if the Account Subject to Hold is a Corporate Account	Text	Text	Conditional
Middle Name of Account Owner Subject to Hold	Middle Name of Account Owner subject to the temporary hold of funds  For Joint Accounts, Names should be separated by commas  Mandatory if information is available in the Reporting BSI	Text	Text	Conditional
Address of Account Owner Subject to Hold	Address of Account Owner subject to the temporary hold of funds  Format: House Number, Street/Block, Barangay, Town, City/Municipality  For Joint Accounts with different addresses, addresses should be separated by commas	Text	Text	Mandatory

Field Name	Definition	Format	Value	Field Requirement						
Contact Number of Account Owner Subject to Hold	Contact Number of Account Owner subject to the temporary hold of funds  For Joint Accounts and those that have multiple contact numbers, contact numbers should be separated by commas  Mandatory if information is available in the Reporting BSI	Text	Text	Conditional						
Email Address of Account Owner Subject to Hold	Email Address of Account Owner subject to the temporary hold of funds  For Joint Accounts and those that have multiple e-mail addresses, e-mail addresses should be separated by commas  Mandatory if information is available in the Reporting BSI	Text	Text	Conditional						
Name of Originating Financial Institution	Complete Legal/Registered Name of the Originating Financial Institution (Do Not Abbreviate)  Mandatory if "Trigger to Hold Funds" field shows: <ul style="list-style-type: none"><li>"Information from another Bangko Sentral Supervised Institution (BSI)" or</li><li>"Complaint filed by Source Account Owner"</li></ul>	Text	Text	Conditional						
Amount Under Dispute in Original Currency	Full amount of funds under dispute in its Original Currency	Numeric	>=0, Positive integers	Mandatory						
Original Currency of Amount Under Dispute	Original Currency of the amount under dispute  Choose Currency Code from the list below: <table><tr><td>Currency Code</td><td>Currency Unit</td></tr><tr><td>PHP</td><td>Philippine Peso</td></tr><tr><td>USD</td><td>U.S. Dollar</td></tr></table>	Currency Code	Currency Unit	PHP	Philippine Peso	USD	U.S. Dollar	Text	Text	Mandatory
Currency Code	Currency Unit									
PHP	Philippine Peso									
USD	U.S. Dollar									

Field Name	Definition		Format	Value	Field Requirement
	JPY	Japanese Yen			
	GBP	British Pound			
	HKD	Hongkong Dollar			
	CHF	Swiss Franc			
	CAD	Canadian Dollar			
	SGD	Singapore Dollar			
	AUD	Australian Dollar			
	BHD	Bahraini Dinar			
	KWD	Kuwaiti Dinar			
	SAR	Saudi Arabian Riyal			
	BND	Bruneian Dollar			
	IDR	Indonesian Rupiah			
	THB	Thai Baht			
	AED	Emirati Dirham			
	EUR	Euro			
	KRW	South Korean Won			
	CNY	Chinese Yuan			
	If the Original Currency is not included in the defined Currency Codes, input <b>CCC; [original currency unit in full]</b> .				
Account Number of Source Account	Account Number from which the disputed funds originated  Mandatory if "Trigger to Hold Funds" field shows: <ul style="list-style-type: none"><li>"Information from another Bangko Sentral Supervised Institution (BSI)" or</li><li>"Complaint filed by Source Account Owner"</li></ul>		Text	Text	Conditional
Last Name of Account Owner of the Source Account	Last Name of Account Owner from which the disputed funds originated  For Corporate Accounts, use registered Corporate		Text	Text	Conditional

Field Name	Definition	Format	Value	Field Requirement
	<p>Account Name recorded in the BSI</p> <p>Mandatory if "Trigger to Hold Funds" field shows:</p> <ul style="list-style-type: none"> <li>• "Information from another Bangko Sentral Supervised Institution (BSI)" or</li> <li>• "Complaint filed by Source Account Owner"</li> </ul>			
First Name of Account Owner of the Source Account	<p>First Name of Account Owner from which the disputed funds originated</p> <p>For Joint Accounts, Names should be separated by commas</p> <p>Mandatory if "Trigger to Hold Funds" field shows:</p> <ul style="list-style-type: none"> <li>• "Information from another Bangko Sentral Supervised Institution (BSI)" or</li> <li>• "Complaint filed by Source Account Owner"</li> </ul> <p>May be left blank only if the Account is a Corporate Account</p>	Text	Text	Conditional
Middle Name of Account Owner of the Source Account	<p>Middle Name of Account Owner from which the disputed funds originated</p> <p>For Joint Accounts, Names should be separated by commas</p> <p>Mandatory if "Trigger to Hold Funds" field shows:</p> <ul style="list-style-type: none"> <li>• "Information from another Bangko Sentral Supervised Institution (BSI)" or</li> <li>• "Complaint filed by Source Account Owner"</li> </ul>	Text	Text	Conditional

Field Name	Definition	Format	Value	Field Requirement
	Mandatory if information is available in the Reporting BSI			

**Reporting Frequency.** The BSI shall submit the THF Report **every 15<sup>th</sup> of the month**, covering the data from the **previous reference month**.

A BSI is not required to submit a THF Report if no funds were held during the reference month. Non-submission shall be deemed as the BSI's formal declaration that it held no funds.

**Reporting Template.** The BSI shall use the prescribed **DET** and **Control Prooflist** (CP) when reporting to the *Bangko Sentral*. The prescribed DET, CP, and User Guide can be downloaded from [www.\\_\\_\\_\\_\\_](http://www.bsp.gov.ph).

**Submission Procedures.** The DET shall be certified correct through the CP and shall be signed by the BSI's President/Chief Executive Officer and Chief Compliance Officer or officers of equivalent rank, duly designated by the BSI's Board of Directors.

The DET and CP files shall be electronically transmitted on or before the prescribed deadline to [AFASARreport@bsp.gov.ph](mailto:AFASARreport@bsp.gov.ph) using the subject line [THFR]\_[BSI NAME]\_[DATE OF REPORT format: YYYYMMDD]\_[Series format: XXXX].

For example:

To: AFASARreport@bsp.gov.ph  
Subject: THFR\_ABC BANK\_20250106\_0001

The **DET** file shall be in **Excel** format while the **CP** file shall be in **Portable Document Format**, submitted using the prescribed file naming convention, as illustrated below:

File Naming Convention for CP:  
[CP]\_[BSI NAME]\_[DATE OF REPORT format: YYYYMMDD]\_[Series format: XXXX]

File Naming Convention for DET:  
[DET]\_[BSI NAME]\_[DATE OF REPORT format: YYYYMMDD]\_[Series format: XXXX]

For example:

CP\_ABC BANK\_20250106\_0001.pdf  
DET\_ABC BANK\_20250106\_0001.xls

The BSI may attach one or more DET files with the corresponding CP files in a single submission, provided that the total combined size does not exceed 25 megabytes. The file size limit refers to the total size of all elements in the email, including text, headers, and attachments. Submissions that exceed the prescribed size limit will be automatically rejected by the system.

If the submission exceeds the maximum allowable file size, the BSI may send multiple submissions, provided that submissions for the reference period must be emailed no later than the prescribed reporting deadline.

BSIs shall use only the email addresses officially registered with the *Bangko Sentral* Department of Supervisory Analytics (DSA) when electronically submitting the DET and CP files. Email submissions shall be automatically acknowledged by the system.

Submissions that do not receive an automatic acknowledgement shall be considered unsubmitted. It shall be deemed as non-submission of the THF Report for the reference month.

The DET and CP files must be encrypted and transmitted using Transport Layer Security to ensure the confidentiality and integrity of the information contained within.

**Updating of Status of Held Funds.** Reporting BSIs shall submit an updated THF Report (DET and CP) not later than the deadline for the next reporting period to update the status Of funds placed on temporary hold and previously reported as **"Ongoing"** in the **"Status of Held Funds at the Time of Reporting"** column.

As appropriate, the **"Status of Held Funds at the Time of Reporting"** column must be updated from **"Ongoing"** to **"Released"**, and the **"Date of Release of Held Funds"** and **"Time of Release of Held Funds"** column should be populated. To ensure that the update is accurately reflected, the **Reference Number** used in the previous report must be retained in the updated report.

**Compliance with Reporting Standards.** The THF Report shall be considered as a Category B report in accordance with Sections 171 and 173/171-Q and 172-Q. For stand-alone operators of payment systems, non-submission, erroneous submission, and delayed submission shall be subject to applicable penalties under the MORPS.

**Inquiries.** Queries regarding the THF Report, its related regulations and guidelines may be sent to the *Bangko Sentral's* **Consumer Account Protection Office** via email to [capoinquiry@bsp.gov.ph](mailto:capoinquiry@bsp.gov.ph) following the prescribed subject line: **[INQUIRY] THF REPORT [BSI Name]**.