



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR | PAYMENTS AND CURRENCY MANAGEMENT SECTOR

MEMORANDUM NO. M-2025-002

To : **ALL OPERATORS OF PAYMENT SYSTEM (OPS) ENGAGED IN OR INTENDING TO ENGAGE IN MERCHANT ACQUISITION (MA)**

Subject : **GUIDELINES ON APPLICATION FOR MERCHANT ACQUISITION LICENSE (MAL)**

Pursuant to Republic Act (R.A.) No. 11127 or the National Payment Systems Act and Circular No. 1198 dated 19 July 2024 on the Regulatory Framework for Merchant Payment Acceptance Activities (MPAA), all covered OPS engaged in or intending to engage in merchant acquisition (MA) shall observe the following guidelines in the electronic submission of documentary requirements for Merchant Acquisition License (MAL) under the said circular.

I. Submission of Application

1. Effective 08 August 2024,¹ an authority from the Bangko Sentral must be obtained prior to engaging in MA in the Philippines. All MAL applications and communications in relation thereto shall be transmitted electronically to the BSP Payments Supervision and Licensing Department (PSLD) at the email address below:

PSLD-Applications@bsp.gov.ph.

2. In their submissions, applicants shall use the prescribed format for the subject line as follows:

For Submission of Application:

OPS-MAL_APPLICATION_<APPLICANT NAME>_<NEW/REGISTERED OPS>_<APPLICATION DATE(DD MM YYYY)>

Example: OPS-MAL_APPLICATION_ABC, Inc._NEW_31 Dec 2024
OPS-MAL_APPLICATION_XYZ, Inc._REGISTERED OPS_31 Dec 2024

For Other Inquiries/Clarifications Related to a Filed Application:

OPS-MAL_INQUIRY_<APPLICANT NAME>_<SHORT DESCRIPTION OF INQUIRY/CLARIFICATION>

¹ BSP Circular No. 1198 or the Regulatory Framework for Merchant Payment Acceptance Activities was published on 24 July 2024 in a newspaper of general circulation. It took effect fifteen (15) days from said publication date, i.e., 08 August 2024.

Example: OPS-MAL_INQUIRY_ABC, Inc._Clarification on the Additional Document Requested

3. All applications shall be accompanied by the required documents and information listed under Section II of this Guidelines preferably in portable document file (pdf) format, unless specified otherwise. The submission of files which is accessible through shared drive/private file storage shall not be accepted. If templates are provided for certain documents and information, the same shall be used.

Applications that are incomplete and/or do not conform to/with prescribed format/procedure, shall be returned without prejudice to resubmission of a new application that is complete and/or correct.

4. The applicant shall have an authorized representative at all times in charge of information requests and shall provide an adequate response on a timely basis. Should there be a change of authorized representative, the applicant is expected to inform Bangko Sentral within five (5) business days from the date of occurrence. Otherwise, the BSP shall assume that there is no change in the authorized contact person.
5. In case of denied/withdrawn applications, an applicant may file a new application after the lapse of six (6) months from the date of denial/withdrawal. Provided, that any non-compliance with laws, rules, regulations and/or directives that caused the denial/withdrawal is satisfactorily addressed.

II. Application Phases and Documentary Requirements

1. Each application for MAL shall undergo a three-phased evaluation process:

Phase 1 - Determination of applicant's eligibility for MAL
Phase 2 - Evaluation of application for MAL
Phase 3 - Issuance of MAL

2. The minimum requirements for each phase are as follows:

Minimum Requirements	
Phase 1 Determination of applicant's eligibility for MAL	
1.	Application for Registration as Operator of Payment System (OPS) and/or Merchant Acquisition License (MAL) signed by the president, chief executive officer, or a senior officer holding an equivalent position (Annex A).
2.	Notarized Special Power of Attorney (SPA)/Board Resolution, authorizing a person/firm other than the applicant to apply for MAL
3.	Notarized Secretary's Certificate (or equivalent document for foreign applicant) attesting that the Board of Directors (or equivalent management committee in the case of foreign applicant) has approved the application for MAL
4.	For single proprietorship: <ul style="list-style-type: none"> • Copy of Certificate of Business Name Registration For new partnership/corporation/cooperative: <ul style="list-style-type: none"> • Proposed Articles of Partnership (AOP)/Articles of Incorporation (AOI)/Articles of Cooperation (AOC) • Proposed By-laws • Proof of approval/reservation of entity name from the Securities and Exchange Commission (SEC)/Cooperative Development Authority (CDA)

Minimum Requirements	
	<ul style="list-style-type: none"> • Certification signed by Partners/Incorporators on their approval of the proposed AOP/AOI/AOC and By-laws <p>For existing partnership/corporation/cooperative:</p> <ul style="list-style-type: none"> • Proposed amended AOP/AOI/AOC • Current AOP/AOI/AOC certified by the SEC/CDA • Proposed amended By-laws • Notarized and signed Secretary's Certificate on the approval of the amendments to the AOP/AOI/AOC and By-laws • General Information Sheet as of the date of meeting when the amendment/s to AOI and/or By-laws was/were approved • Notarized Secretary's Certificate on no pending case of intra-corporate dispute
5.	<p>Business plan, which includes the following minimum information:</p> <ol style="list-style-type: none"> a. Company overview, business model and operational network b. Profile of target market/s/clientele/s c. Proposed products or services with complete description of its features and transactions/processes, including the security controls and measures. The applicant may also provide a copy of its user manual, terms, and conditions in using its system. d. Information whether the proposed products or services are incidental to, or bundled with, any other products or services e. Diagram of the configuration of the system/s supporting the proposed products and services, showing the linkages of host systems, network infrastructure, security tools, and disaster recovery set-up f. Detailed narrative of funds flow/channels, including transaction/process flowcharts for each product/service offered. The illustrations/diagrams should clearly provide the following information: <ul style="list-style-type: none"> • Merchant onboarding/Know-Your-Customer (KYC) and the corresponding due diligence processes • Description from the start to end of a typical transaction, including the acceptable sources of fund that the applicant will accept until the obligation to its end user/customer is fully discharged • Illustration of the interactions between the end user/customer and the applicant and the flow of funds • Timelines for the payment and settlement cycles, including service level agreements with third parties, as applicable and • Information on the involvement of third parties (e.g., payment service providers, banks, intermediaries, other agents) and their roles in the process g. Pricing mechanism and schedule of fees (i.e., merchants, end-users/customers) h. Implementation plans, target milestones for business/product launch, including systems, processes, and third parties which will perform key roles in its operations i. For applicants that are part of a global payment services group or affiliates of foreign entities under different jurisdiction/s: <ul style="list-style-type: none"> • Corporate background • Conglomerate structure/map where the applicant belongs, and financial and commercial relationship with the Philippine government, local banks, business entities and residents, past and present • List of domestic and foreign branches, agencies, other offices, subsidiaries, and affiliates and their locations and lines of business, including range of financial and non-financial products offered to and services performed for clients • Jurisdictions serviced • Role of the applicant within the group • Functions or services it will provide to related corporations/entities within

Minimum Requirements											
<p>the group/jurisdiction/s served, if any</p> <ul style="list-style-type: none"> Resources shared by the group to support its operations in the Philippines Copy of applicable license/registration and status as issued by its foreign regulator/s and Enforcement action/investigation including status thereof which the applicant or any of its related entities are parties to <p>j. Other activities regulated by the Bangko Sentral which the applicant conducts or intends to conduct (e.g., electronic money, money service businesses, etc.)</p> <p>The salient points of its business plan shall be included in the deck to be used in the conduct of business model presentation.</p>											
6.	Copy of the valid business license/permit indicating the line of business of the applicant from the city or municipality that has territorial jurisdiction over the place of establishment and operation of the applicant for the current period										
7.	<p>Proof of financial capacity</p> <ul style="list-style-type: none"> i. For New Entity: Treasurer's Affidavit supported by proof of payment of contributed/subscribed capital or Bank Certification (for sole proprietorship) ii. For Existing Entity: Latest Audited Financial Statement and Latest Interim Balance Sheet signed by the Owner/Managing Partner/President <p>The MAL categories and minimum required capital are as follows:</p> <table border="1"> <thead> <tr> <th>Average Monthly Value of Collected Funds Transferred to Merchants in the Applicable period</th> <th>Category</th> <th>Minimum Required Capital</th> </tr> </thead> <tbody> <tr> <td>Less than ₱100 million</td> <td>A</td> <td>₱5 million</td> </tr> <tr> <td>₱100 million and above</td> <td>B</td> <td>₱10 million</td> </tr> </tbody> </table>		Average Monthly Value of Collected Funds Transferred to Merchants in the Applicable period	Category	Minimum Required Capital	Less than ₱100 million	A	₱5 million	₱100 million and above	B	₱10 million
Average Monthly Value of Collected Funds Transferred to Merchants in the Applicable period	Category	Minimum Required Capital									
Less than ₱100 million	A	₱5 million									
₱100 million and above	B	₱10 million									
8.	<p>Proof of payment of non-refundable filing fee, whichever is applicable.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>₱10,000.00</td> </tr> <tr> <td>B</td> <td>₱20,000.00</td> </tr> </tbody> </table>		Category	Amount	A	₱10,000.00	B	₱20,000.00			
Category	Amount										
A	₱10,000.00										
B	₱20,000.00										
<p>PHASE 2 Evaluation of application for MAL</p> <p><i>A registered OPS-MPAA need not submit item 2 below if the information from previously submitted document during registration remain the same.</i></p>											
1.	<p>Compliance with fitness and propriety requirements by the proprietor, partners, directors, president or officer of equivalent rank and function, and over-all head of the entity and the head of the compliance unit, as the case may be</p> <ul style="list-style-type: none"> a. Personal Data and Authorization Form (Annex B) b. National Bureau of Investigation (NBI) Clearance, or its equivalent, if issued in foreign jurisdiction (with validity of at least six (6) months from the date of application) 										
2.	Accomplished Certification and Self-Assessment on the Compliance with the Applicable Provisions of Circular No. 1127 on the Governance Policy for OPS ² (Annex C.1 and Annex C.2)										
3.	<p>Risk management policies and procedures covering but not limited to the following critical areas: Information Technology, Information Security, Business Continuity and Operational Risk Management</p> <p>Please refer to the matrix in Annex D on the minimum required information based on applicable issuances/regulations. The applicant is likewise advised to regularly</p>										

² <https://www.bsp.gov.ph/Regulations/Issuances/2021/1127.pdf>

Minimum Requirements							
monitor the BSP website (Regulations) ³ on additional applicable issuances that may be issued.							
4.	Merchant management policies and procedures, including due diligence and approval criteria, onboarding, and monitoring						
5.	Merchant protection policies and procedures, particularly redress mechanism						
6.	Templates of agreements/contracts with merchants, settlement banks, third party providers and other entities that are necessary in the provision of merchant acquisition service, as applicable ⁴						
PHASE 3 Issuance of MAL							
If application is approved, proof of payment of licensing fee ⁵							
	<table border="1"> <tr> <th>Category</th><th>Amount</th></tr> <tr> <td>A</td><td>₱25,000.00</td></tr> <tr> <td>B</td><td>₱60,000.00</td></tr> </table>	Category	Amount	A	₱25,000.00	B	₱60,000.00
Category	Amount						
A	₱25,000.00						
B	₱60,000.00						
For registered OPS-MPAA, the amount paid as registration fee, as applicable, shall be deducted from the OPS-MAL license fee upon issuance of COA to operate as MAL.							

Application Review Process

- The application shall be accompanied by a checklist indicating submission of required documents and information. The checklist is found in Annex E. It shall be evaluated only upon receipt of complete documents and information for each phase. The PSLD shall inform an applicant if it has successfully passed an application phase and shall then request submission of the required documents for the next phase.
- To arrive at an informed decision, the PSLD may have several requests for information and/or documents/clarifications aside from the abovementioned requirements depending on the completeness and clarity of the responses submitted by the applicant. It may also conduct onsite verification of the documents and/or representations submitted.
- The applicant is expected to respond to requests for information/clarification within the prescribed period. If the applicant fails to submit within the prescribed period, the application shall be returned.
- The applicant shall report to PSLD if there are material changes on the information provided during the application process (e.g., organizational restructuring, substantial changes in key management personnel, material variations in the business model/activities).

III. Banks and Electronic Money Issuers-Non-Bank Financial Institutions (EMI-NBFIs) that Intend to Engage in MA

Banks and EMI-NBFIs that intend to engage in MA as part of their normal or allowed business operations need not apply for a separate license from the Bangko Sentral.

³ <https://www.bsp.gov.ph/SitePages/Regulations/RegulationsList.aspx?TabId=1>

⁴ As indicated under Cir. 1198: "The settlement period shall be agreed upon by the OPS-MAL and the merchant but shall not be longer than two (2) business days from the day the funds are received by the OPS-MAL for transfer to a merchant."

⁵ License Fee – shall be paid by the applicant upon issuance of MAL. For registered OPS already engaged in merchant acquisition, the amount paid as registration fee shall be deducted from the license fee upon license approval.

Pursuant to Appendix 503-5 of Circular No. 1198, prior notification to the PSLD at the email address below, with a copy furnished to its corresponding Financial Supervision Department, shall suffice.

psld-reports@bsp.gov.ph

IV. BSP Contact Information

For any inquiries or clarifications, emails can be sent to the PSLD at

psld@bsp.gov.ph.

For guidance and strict compliance.



MAMERTO E. TANGONAN
Deputy Governor

14 January 2025

APPLICATION FOR REGISTRATION AS OPERATOR OF PAYMENT SYSTEM (OPS) AND/OR MERCHANT ACQUISITION LICENSE (MAL)

(Please do not leave any item blank. Indicate "N/A" if an item is not applicable.)

III. FINANCIAL PROFILE					
18	Financial Information Source and Reference Date/Period :				
18.1	Source of Financial Information	Audited Financial Statements	18.2	For Balance Sheet Items, Indicate Cut-off Date	dd/mm/yyyy
				For Income Statement Indicate Period Covered	dd/mm/yyyy
			18.3	Conversion Rate (1 USD = PHP)	0.00
COMPANY FINANCIALS (In PHP/PHP Equivalent)					
19	Total Assets (In PHP)	0.00	24	Total Equity (In PHP)	0.00
20	Total Liabilities (In PHP)	0.00	25	Authorized Capital Stock (In PHP)	0.00
21	Total Gross Revenue (In PHP)	0.00	26	Authorized Number of Shares	0.00
22	Total Operating Expenses (In PHP)	0.00	27	Subscribed Number of Shares	0.00
23	Net Income (Loss) (In PHP)	0.00	28	Issued Number of Shares	0.00
IV. BUSINESS PROFILE, NETWORK AND OPERATIONS					
29	Number of Branches/Offices		30	Other Servicing Units	
31	A. User Profile				
31.1	i. Number of users/accounts				
31.2	ii. Number of active users				
31.3	iii. Number of tie-ups with international scheme				
31.3.1	a. Financial Institutions				
31.3.2	b. Non-Bank Financial Institutions				
31.3.3	c. Non-Financial Corporations				
31.4	iv. Number of users/accounts tied to international scheme				
31.4.1	a. Financial Institutions				
31.4.2	b. Non-Bank Financial Institutions				
31.4.3	c. Non-Financial Corporations				
32	B. Number of terminals				
32.1	i. POS				
32.2	ii. mPos				
32.3	iii. ATM				
32.4	iv. CAM				
32.5	v. Payment Kiosk				
32.6	vi. Others:				
33	C. Number of agents				
33.1	i. Direct agents				
33.2	ii. Agents by virtue of partnership with other OPS				
34	D. Number of billers/merchants				
34.1	i. Direct billers/merchants				
34.1.1	a. Government				
34.1.2	b. Non-government				
34.2	ii. Biller/Merchants by virtue of partnership with other OPS				
34.2.1	a. Government				
34.2.2	b. Non-government				
35	Payment Facilitators/Aggregators				
36	Monthly Transactions	Volume	Value (In PHP)		
36.1	Collections				
36.2	Disbursements				
36.3	Reference Date/Period				
36.3.1	Start Date	dd/mm/yyyy	36.3.2	End Date	dd/mm/yyyy
V. PRODUCTS/SERVICES/PAYMENT SYSTEMS					
Clearing Switch Operator/Affiliate Switch Network Services (CSO_ASN):					
37	Name of Product/Service/Payment System				
38	Product Description				
39	Revenue Generating Activities				
40	Target Market				
Bills Payment Service Provider (BPP):					
41	Name of Product/Service/Payment System				
42	Product Description				
43	Revenue Generating Activities				
44	Target Market				
Cash-In System Provider (CISP):					
45	Name of Product/Service/Payment System				
46	Product Description				
47	Revenue Generating Activities				
48	Target Market				
Independent ATM Provider (IAD):					
49	Name of Product/Service/Payment System				

50	Product Description				
51	Revenue Generating Activities				
52	Target Market				
Payment Gateway/Network Payment Processor/Merchant Acquirer/Platform Provider (PG, NPP, MA, PP) and Other Payment Services:					
53	Product / Service / Payment System Type	Name of Product / Service / Payment System	Product Description	Revenue Generating Activities	Target Market
VI. PAYMENT INSTRUMENTS					
54	Short description of payment instruments / media		Number of payment instruments / accounts	Average monthly volume of transactions	Average monthly value of transactions (In PHP)
Other Payment Instruments / Media:					
Reference Date/Period (Start and End Date):					
55.1	Start Date	dd/mm/yyyy	55.2	End Date	dd/mm/yyyy

APPLICATION FOR REGISTRATION AS OPERATOR OF PAYMENT SYSTEM (OPS) AND/OR MERCHANT ACQUISITION LICENSE (MAL)
(Please do not leave any item blank. Indicate "N/A" if an item is not applicable.)

VII. MERCHANT ACQUISITION LICENSE					
REQUIRED MINIMUM CAPITAL PURSUANT TO SECTION 503.6 OF MORPS			COMPLIANCE WITH THE MINIMUM REQUIRED CAPITAL		
56	Months of Merchant Acquisition Operations	More than 12 Months	62	Paid-in Capital Stock (In PHP)	1,000,000.00
57	Reference Date/Period (Start Date):	dd/mm/yyyy	63	Additional Paid-In Capital (In PHP)	2,000,000.00
57	Reference Date/Period (End Date):	dd/mm/yyyy	64	Deposit for Stock Subscription (In PHP)	1,000,000.00
58	Actual Average Monthly Value of Collected Funds Transferred to Merchants (In PHP) (dd/mm/yyyy) - (dd/mm/yyyy)	50,000,000.00	65	Retained Earnings (In PHP)	500,000.00
59	License Category	A	66	Undivided Profits (In PHP)	500,000.00
60	Minimum Required Capital	5,000,000.00	67	Less: Intangible Assets (In PHP)	10,000.00
61	Status of Compliance	Not Complied	68	Computed Capital (In PHP)	4,990,000.00
TIMING AND MANNER OF TRANSFER TO THE MERCHANT OF FUNDS COLLECTED					
Number of Merchants (Please indicate number of merchants following each of the settlement period.)					
69	Less Than 24 Hours		70	1 Day	
71	2 Days		72	More Than 2 Days	
73	Number of Settlement Banks	0			
74	List of Settlement Banks (Rank According to Transaction Size)	1	5		
		2	6		
		3	7		
		4	8		
VIII. PRICING MECHANISMS					
PRICING MECHANISM FOR MERCHANTS					
75	Merchant Discount Rate	Minimum Fee	Maximum Fee		
		0.00%	0.00%		
76	Scheme Fees (In PHP)	0.00	0.00		
77	Rental and Maintenance Charges for Terminals (In PHP)	0.00	0.00		
78	Other Pricing Mechanisms/Fees/Charges to Merchants(In PHP)	Type of Charge	Minimum Fee	Maximum Fee	
			0.00	0.00	
			0.00	0.00	
			0.00	0.00	
PRICING MECHANISM FOR CUSTOMERS					
79	Pricing Mechanisms/Fees/Charges to Customers (In PHP)	Type of Charge	Minimum Fee	Maximum Fee	
			0.00	0.00	
			1.00	1.00	
			2.00	2.00	
			3.00	3.00	
			4.00	4.00	
			5.00	5.00	
80	Other Pricing Mechanisms/Fees/Charges to Customers (In PHP)	Type of Charge	Minimum Fee	Maximum Fee	
			0.00	0.00	
			1.00	1.00	
			2.00	2.00	
IX. SERVICE PROVIDERS					
81	List of Third Party Providers	Provider Name	Service Coverage		
		1			
		2			
		3			
		4			

I, [insert name], [insert designation] hereby certify to the following:

- I am authorized to submit this Application (check type of application below) for and on behalf of [insert company name].
☐ Registration as OPS
☐ Merchant Acquisition License
- The completion of this Application was made after conduct of self-assessment whereby it was determined that [insert company name] is:
☐ an OPS pursuant to R.A. No. 11127 (The National Payment Systems Act) and BSP Circular No.1049, by engaging in activity/ies in Item I of OPS_MAL Attachment.
☐ an OPS engaged in merchant acquisition and/or other merchant acceptance payment activities, as described in Item II of OPS_MAL Attachment.
- By submitting the personal information of our Board of Directors, partners, owners, shareholders and key officers, the said persons are aware of their rights under R.A. No. 10173 (Data Privacy Act of 2012) and they authorize the BSP to collect, process and store their personal information and share with and make them available to interested parties for lawful purposes and legitimate interests and to comply with legal mandate.
- The information provided herein are true, accurate, timely and complete.

Signature Over Printed Name
Designation:
Date Accomplished: dd/mm/yyyy

APPLICATION FOR REGISTRATION AS OPERATOR OF PAYMENT SYSTEM (OPS) AND/OR MERCHANT ACQUISITION LICENSE (MAL)*(Please do not leave any item blank. Indicate "N/A" if an item is not applicable.)***I. OPERATOR OF PAYMENT SYSTEM (OPS) ACTIVITIES**

A.	Maintains the platform that enables payments or fund transfers, regardless of whether the source and destination accounts are maintained with the same or different institutions	
<input type="checkbox"/>	Owns or operates a computer application system that enables payments or fund transfers	
<input type="checkbox"/>	Sets rules by which payments may be made or funds may be transferred	
<input type="checkbox"/>	Allows customers to fund their accounts by submitting to the operator cash or its equivalent in exchange for the value to be stored in their account	
<input type="checkbox"/>	Allows accounts of system users to be linked to their accounts with other financial institutions (FIs) (e.g., deposit account, e-money account, credit card account)	
B.	Operates the system or network that enables payments or fund transfers to be made through the use of a payment instrument	
<input type="checkbox"/>	Provides a system or network infrastructure that enables payments and financial services of FIs	
<input type="checkbox"/>	Sets rules, functions, procedures, arrangements, or devices that enable an account holder or holder of the payment instrument to transact with a third party	
<input type="checkbox"/>	Transfers payment information (e.g., card transaction details) to and from participating institutions.	
<input type="checkbox"/>	Provides network participants with a listing of the amounts due to/from other participants.	
<input type="checkbox"/>	Offers service/s to more than one (1) FI and enables them to perform payments or fund transfers among each other.	
<input type="checkbox"/>	Enables the acceptance of specific payment instrument/s by institutions such as government, commercial establishments, and other merchant/billers.	
C.	Provides a system that processes payments on behalf of any person, or the government	
<input type="checkbox"/>	Receives payment for or on behalf of the sellers of goods, providers of services, or creditors/billers in accordance with a written agreement	
<input type="checkbox"/>	Sets rules, provides arrangements or facilities to collect funds from the public and transmits the same to sellers of goods, providers of services, or creditors/billers in accordance with the written agreement	
<input type="checkbox"/>	Allows payments to be made to more than one commercial establishment or creditor/biller	

II. OPERATOR OF PAYMENT SYSTEM (OPS) - MERCHANT ACQUISITION AND OTHER MERCHANT PAYMENT ACCEPTANCE ACTIVITIES

A.	Merchant Payment Acceptance Activities (MPAA) - Provides services to a merchant to receive payment for sale of goods and/or services.	
	Merchant Payment Activities Provided <i>(Please indicate all that apply)</i>	Please Provide details below:



BANGKO SENTRAL NG PILIPINAS

COMPANY NAME

BUSINESS ADDRESS

PERSONAL DATA and AUTHORIZATION FORM

NAME

POSITION

ID picture taken
within the last 6
months
3.5 cm. x 4.5 cm.
(passport size)

Computer generated
or photocopy of
picture is not
acceptable

I, **[Name]**, after being sworn in accordance with law, do hereby:

- a. Certify that the information contained in this document and its supporting schedule of my own knowledge is true and correct.
- b. Authorize the following, pursuant to the provisions of Section 503 of the Manual of Regulations of Payment Systems (MORPS):
 1. **[Name of Institution]** to conduct a background investigation on myself as **[position]** in **[Name of Institution]** which include, among others, inquiring from the Watchlist Files of the Bangko Sentral ng Pilipinas; and
 2. The Bangko Sentral ng Pilipinas to disclose its findings pertinent to the aforementioned inquiry on the said Watchlist Files and other sources to **[Name of Institution]**.

With the above authorization, I hereby waive my right to the confidentiality of the information that will be obtained as a result of the said inquiry, provided that disclosure of said information will be limited for the purpose of ascertaining my qualification or non-qualification for the said position.

Signature over Printed Name

SIGNED IN THE PRESENCE OF:

(Witness)

(Witness)

SUBSCRIBED AND SWORN to before me this ____ day of _____ 20__, affiant exhibiting to me his/her _____ issued at _____ on _____.

Notary Public



BANGKO SENTRAL NG PILIPINAS

BIOGRAPHICAL DATA

PERSONAL INFORMATION:

	SURNAME	GIVEN	MIDDLE	SUFFIX (e.g. Jr., III)
1. NAME :				
2. TIN :			3. UPDATED AS OF :	
4. OTHER NAMES USED, IF ANY :				
5. MANAGEMENT LEVEL :	<input type="checkbox"/> Director		<input type="checkbox"/> Officer	
6. DATE ELECTED / RE-ELECTED / APPOINTED / POSITION CHANGED :				
7. RESIDENCE ADDRESS :				
8. TELEPHONE NO. :			9. E-MAIL ADD :	
10. BUSINESS ADDRESS :				
11. TELEPHONE NO. :			12. E-MAIL ADD :	
13. CIVIL STATUS :	<input type="checkbox"/> Single <input type="checkbox"/> Married		<input type="checkbox"/> Divorced/Separated <input type="checkbox"/> Widow	
14. SEX :	<input type="checkbox"/> Male <input type="checkbox"/> Female		15. CITIZENSHIP :	
16. DATE OF BIRTH :			17. PLACE OF BIRTH :	

FAMILY RELATIONS (Legitimate or Common-Law):

	SURNAME	GIVEN	MIDDLE	SUFFIX (e.g. Jr., III)
18. NAME OF SPOUSE :				
	SURNAME	GIVEN	MIDDLE	SUFFIX (e.g. Jr., III)
19. NAME OF COMMON-LAW SPOUSE :				

(Please indicate "N/A" for fields that are not applicable)

NAME	TIN	UPDATED AS OF

TRAINING/S:

20. Seminars/Training on Money Service Business, AML/CFT and other related fields

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN

(continue in separate sheet if necessary)

WORK EXPERIENCE/S:

21. Present Position – Other Private Institution (Including Corporate Directorships)

NAME OF OFFICE	POSITION	DATE ASSUMED	INDICATE IF OWNER/ PARTNER/ STOCKHOLDER

(continue in separate sheet if necessary)

22. Present Position/s – Government (Including Directorships in Government Corporate Institutions)

NAME OF OFFICE	POSITION	DATE ASSUMED	INDICATE IF ELECTIVE OR APPOINTIVE AND PART/FULL-TIME

(continue in separate sheet if necessary)

23. Past Position/s – Other Private Institutions (Including Corporate Directorships)

NAME OF OFFICE	POSITION	DURATION (YEAR)	
		FROM	TO

(continue in separate sheet if necessary)

24. Past Position/s – Government (Including Directorships to Government Financial Institution)

NAME OF OFFICE	POSITION	DURATION (YEAR)	
		FROM	TO

(continue in separate sheet if necessary)

<Name of Entity>

**CERTIFICATION ON COMPLIANCE WITH THE APPLICABLE PROVISIONS OF
CIRCULAR NO. 1127 ON THE GOVERNANCE POLICY FOR
OPERATORS OF PAYMENT SYSTEMS (OPS)**

I, <Name of Officer>, President (or Officer of Equivalent Rank), on behalf of the <Name of Entity>, with head/principal office address at <complete address of Head/Principal Office>, after having been duly sworn to in accordance with law, hereby certify to the best of our knowledge that <Name of Entity> complies with the applicable provisions of the Bangko Sentral ng Pilipinas (BSP) Circular No. 1127 dated 17 September 2021, as enumerated in Annex C.2, except for: <enumerate provisions that have not yet been complied with and attach document/s supporting/explaining inadvertent delay/non-compliance>. Aforementioned provision/s shall be complied by <target date for compliance>.

We also certify that all relevant documents in support of the foregoing statements are kept on file and are readily available for verification by examiners of the BSP during onsite verification/examination and/or upon written request by the BSP.

This certification executed on <date of execution> is being submitted in compliance with the requirements of the Bangko Sentral.

Signed:

Name of President
President (of Officer of Equivalent Rank)

SUBSCRIBED AND SWORN to before me, this ____ day of _____ at _____, with affiant exhibiting their valid identifications indicated below:

<u>Name</u>	<u>Government ID/Passport No.</u>	<u>Date/Place Issue</u>
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Notary Public

Not. Reg. No.	_____
Doc. No.	_____
Page No.	_____
Series of	_____

I. COMPLIANCE PROFILE

Provisions/Requirements of Circular No. 1127	Extent of compliance	Indicate reason for Not Applicable items. For Partial and Non-Compliance items, indicate reasons and target date of compliance.
Section 204 - GOVERNANCE ARRANGEMENT		
OPS has adopted an effective and documented governance structure that provides clear and direct lines of responsibility and accountability of the board of directors and senior management.		
Section 205 - BOARD OF DIRECTORS		
Composition of the Board of Directors (BOD)		
a. BOD is composed of not less than five (5) nor more than fifteen (15) members.		
b. BOD, as governing body, has integrity and possesses the appropriate collective skills, work experiences, and technical knowledge of payment systems and financial markets, including the risks involved in the operation of these systems.		
c. Independent director/s represent at least twenty percent (20%) of the members of the BOD. Any fractional result from applying the minimum proportion (i.e., 20%) is rounded up to the nearest whole number.		
d. Non-Filipino citizens who are members of the BOD are elected to the extent of the foreign participation in the equity of the OPS, and in accordance with existing laws, regulations.		
Qualifications of Directors		
a. All directors possess the following minimum qualifications:		
1) All directors are fit and proper for the position of a director; and Directors possess all the minimum qualifications and none of the cases mentioned under Section 209 (Persons disqualified to become directors/officers).		
2) All directors have attended a seminar on corporate governance for BOD.		
b. In selecting an independent director and a non-executive director, OPS has considered the number and types of entities where the candidate is likewise elected as such.		
c. Members of the BOD are not appointed as Corporate or Board Secretary or Chief Compliance Officer.		
d. CEO or President is a director/member of the BOD.		
e. For Cooperative OPS: Members of the board of directors do not hold any other position directly involved in the day-to-day operations and management of the OPS.		

Qualification of the Chairperson of the BOD		
Chairperson of the BOD is a non-executive director or an independent director.		
Chairperson and CEO positions are not held by one person. Provided that if there is no CEO, then the President shall not hold the position of the Chairperson.		
Board of Directors Meetings		
OPS' By-Laws include a provision that physical or virtual meetings of the BOD shall be held or hosted either in the Philippines or abroad.		
Section 207 – BOARD LEVEL COMMITTEES		
Audit Committee		
OPS has formed an Audit Committee and members thereof have expertise in payment system operations, internal control frameworks, accounting, auditing, or related financial management expertise or relevant experiences commensurate with the size, systemic importance, operational complexity, and risk profile of the OPS.		
Audit Committee is composed of at least three (3) members of the BOD who are all non-executive directors.		
Chairperson of the Audit Committee is an independent director.		
For branch or locally incorporated subsidiary of foreign incorporated OPS. OPS has decided not to form own local board and board-level committee/s and instead adopted the global or regional board-level committee/s formed by Head Office or Parent Company.		
Section 208 – OFFICERS		
Qualifications of officers		
Officers are fit and proper for the position they are being appointed to. Appointed officers possess all the minimum qualifications and none of the cases mentioned under Section 209 (Persons disqualified to become directors/officers).		
Section 210 – GOVERNANCE POLICY FOR OTHER OPS (Sole Proprietorship or Partnership)		
Qualifications as to fitness and propriety of owners and officers		
Individuals that own and/or manage the OPS possess and display the following characteristics:		
a. Probity, honesty, integrity and good reputation; Owners and officers neither possess nor are charged with any of the grounds for disqualifications for directors and officers of an OPS under Section 209 (Persons disqualified to become directors/officers).		
b. Competence and professional capability; and		
c. Financial soundness and capacity.		

Minimum Prudential Requirements		
OPS organized as a sole proprietorship or a partnership has instituted sound governance, risk management, internal controls, and compliance functions in conducting its business affairs.		
OTHER REQUIREMENT		
OPS has furnished its directors and officers with a copy of the specific duties and responsibilities of board of directors, and as an individual director/officer upon election/appointment to ensure that they are aware, understand and accept their duties and responsibilities as provided in Circular No. 1127.		

Risk management policies and procedures covering but not limited to the following critical areas: Information Technology (IT), Information Security (IS), Business Continuity (BC) and Operational Risk Management (ORM):	
Sec 903.2 of BSP Circular No. 1198	Particulars
a. Organizational structure that has well-defined roles and responsibilities for information, business processes, applications, IT infrastructure, and fraud prevention;	<ul style="list-style-type: none"> IT organization structure indicating the functions, roles and responsibilities for information, business processes, applications, IT infrastructure, and fraud prevention objectives. Oversight/Governance committees for IT, Information Security and Business Continuity including details of its membership, functions, and responsibilities. IT and IS Strategic Plan
b. Policies and procedures on the identification, measurement, monitoring and controlling of data security and IT risks on a periodic basis;	<ul style="list-style-type: none"> Policies and procedures and standards covering IT Governance/Management, Development and Acquisition, IT operations, Communication networks, Information Security, Project Management, IT Outsourcing, Vendor Management and Risk Identification, Assessment, Reporting and Monitoring.
c. Appropriate IT and security infrastructure and systems for prevention and detection of cybersecurity and fraud, including processes and procedures on prevention, detection and monitoring to mitigate cybersecurity and fraud risk;	<ul style="list-style-type: none"> IT infrastructure set-up including the description of application/systems, system interfaces, network diagram for both Wide Area Network (WAN)/Local Area Network (LAN), Information security and fraud prevention/detection tools and Disaster recovery arrangement/s.
d. Mechanism for monitoring, handling, and reporting incidents and breaches related to data security, IT, and fraud;	<ul style="list-style-type: none"> Incident management process covering incident identification/detection, containment, eradication, recovery, lessons learned and ongoing improvement. Incident response plan and procedures providing a roadmap for implementing an incident response process; describing the structure and organization that supports the incident response process; classifying incidents, defining reportable and escalation protocols; defining metrics for assessing the incident response process; and defining resources and management support needed to effectively maintain and continuously improve the incident response process.
e. Effective business continuity plan and disaster recovery plan for, at minimum, all critical business functions;	<ul style="list-style-type: none"> Business Continuity Plan - a documented plan detailing the orderly and expeditious process of recovery, resumption, and restoration of business functions in the event of disruptions. It should be able to cover and establish linkages among its multiple components, such as communication plan, crisis management plan, contingency funding plan, and technology recovery plan. Disaster Recovery Plan - a documented plan detailing the technology strategy and requirements during recovery for business and support functions.
f. Independent assessment of risk management process and controls	<ul style="list-style-type: none"> Framework for assessing and managing IT, IS, Operational risks. Operational guidelines/measures to protect customer data, transactions, and systems that are commensurate with the level of risk and complexity of the payment services offered and the technologies supporting said services. Results/reports of recent IT, IS and Operational risk assessment/s conducted
g. Sufficient resources to hire and train employees to ensure that they have the necessary capacity and expertise to meet the requirements for IT and the business lines it supports	Details of the organization's business and support units and information on the number of personnel complement

Risk management policies and procedures covering but not limited to the following critical areas: Information Technology (IT), Information Security (IS), Business Continuity (BC) and Operational Risk Management (ORM):

Sec 903.2 of BSP Circular No. 1198	Particulars
h. Baseline technology-related recommendations, latest encryption standards, transport channel security, among others, based on international standards and recognized principles of international practice for ITRM	Control procedures and baseline security requirements to safeguard operating system, systems/application software, databases, application programming interface, among others.
i. Measures to ensure compliance with applicable data storage and privacy requirements, such as not storing the customer card credentials within their database or the server accessed by the merchant.	Policies and procedures on data loss prevention, privacy, storage, transmission, and retention

CHECKLIST OF REQUIREMENTS FOR OPS-MAL APPLICATION

Minimum Requirements	Submitted		Indicate document name and reference to specific page/section/number If not submitted, indicate reason for non-submission
	Yes	No	
Phase 1 Determination of applicant's eligibility for MAL			
1. Application for Registration as Operator of Payment System (OPS) and/or Merchant Acquisition License (MAL) signed by the president, chief executive officer, or a senior officer holding an equivalent position (Annex A).			
2. Notarized Special Power of Attorney (SPA)/Board Resolution, authorizing a person/firm other than the Applicant to apply for MAL			
3. Notarized Secretary's Certificate (or equivalent document for foreign applicant) attesting that the Board of Directors (or equivalent management committee in the case of foreign applicant) has approved the application for MAL			
4. For single proprietorship: <ul style="list-style-type: none">Copy of Certificate of Business Name Registration For new partnership/corporation/cooperative: <ul style="list-style-type: none">Proposed Articles of Partnership (AOP)/Articles of Incorporation (AOI)/ Articles of Cooperation (AOC)Proposed By-lawsProof of approval/reservation of entity name from the Securities and Exchange Commission (SEC)/Cooperative Development Authority (CDA)Certification signed by Partners/Incorporators on their approval of the proposed AOP/AOI/AOC and By-laws For existing partnership/corporation/cooperative: <ul style="list-style-type: none">Proposed amended AOP/AOI/AOCCurrent AOP/AOI/AOC certified by the SEC/CDAProposed amended By-lawsNotarized and signed Secretary's Certificate on the approval of the amendments to the AOP/AOI/AOC and By-lawsGeneral Information Sheet as of the date of meeting when the amendment/s to AOI and/or By-laws was/were approvedNotarized Secretary's Certificate on no pending case of intra-corporate dispute			
5. Business plan, which includes the following minimum information: <ul style="list-style-type: none">a. Company overview, business model and operational networkb. Profile of target market/s/clientele/sc. Proposed products or services with complete description of its features and transactions/processes, including the security controls and measures. The applicant may also provide a copy of its user manual, terms, and conditions in using its system.d. Information whether the proposed products or services are incidental to, or bundled with, any other products or servicese. Diagram of the configuration of the system/s supporting the proposed products and services, showing the linkages of host systems, network infrastructure, security tools, and disaster recovery set-upf. Detailed narrative of funds flow/channels, including transaction/process flowcharts for each product/service offered. The illustrations/diagrams should clearly provide the following information:<ul style="list-style-type: none">Merchant onboarding/Know-Your-Customer (KYC) and the corresponding due diligence processesDescription from the start to end of a typical transaction, including the acceptable sources of fund that the applicant will accept until the obligation to its end user/customer is fully dischargedIllustration of the interactions between the end user/customer and the applicant and the flow of fundsTimelines for the payment and settlement cycles, including service level agreements with third parties, as applicable andInformation on the involvement of third parties (e.g., payment service providers, banks, intermediaries, other agents) and their			

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<p>roles in the process</p> <p>g. Pricing mechanism and schedule of fees (i.e., merchants, end-users/customers)</p> <p>h. Implementation plans, target milestones for business/product launch, including systems, processes, and third parties which will perform key roles in its operations</p> <p>i. For applicants that are part of a global payment services group or affiliates of foreign entities under different jurisdiction/s:</p> <ul style="list-style-type: none"> • Corporate background • Conglomerate structure/map where the applicant belongs, and financial and commercial relationship with the Philippine government, local banks, business entities and residents, past and present • List of domestic and foreign branches, agencies, other offices, subsidiaries, and affiliates and their location and line of business, including range of financial and non-financial products offered to and services performed for clients • Jurisdictions serviced • Role of the applicant within the group • Functions or services it will provide to related corporations/entities within the group/jurisdiction/s served, if any • Resources shared by the group to support its operations in the Philippines • Copy of applicable license/registration and status as issued by its foreign regulator/s and • Enforcement action/investigation including status thereof which the applicant or any of its related entities are parties to <p>j. Other activities regulated by the Bangko Sentral which the applicant conducts or intends to conduct (e.g., electronic money, money service businesses, etc.)</p> <p>The salient points of its business plan shall be included in the deck to be used in the conduct of business model presentation.</p>												
6. Copy of the valid business license/permit indicating the line of business of the applicant from the city or municipality that has territorial jurisdiction over the place of establishment and operation of the applicant for the current period												
<p>7. Proof of financial capacity</p> <p>i. For New Entity: Treasurer's Affidavit supported by proof of payment of contributed/subscribed capital or Bank Certification (for sole proprietorship)</p> <p>ii. For Existing Entity: Latest Audited Financial Statement and Latest Interim Balance Sheet signed by the Owner/Managing Partner/President</p> <p>The MAL categories and minimum required capital are as follows:</p> <table border="1"> <thead> <tr> <th>Average Monthly Value of Collected Funds Transferred to Merchants in the Applicable period</th><th>Category</th><th>Minimum Required Capital</th></tr> </thead> <tbody> <tr> <td>Less than ₱100 million</td><td>A</td><td>₱5 million</td></tr> <tr> <td>₱100 million and above</td><td>B</td><td>₱10 million</td></tr> </tbody> </table>	Average Monthly Value of Collected Funds Transferred to Merchants in the Applicable period	Category	Minimum Required Capital	Less than ₱100 million	A	₱5 million	₱100 million and above	B	₱10 million			
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Minimum Requirements	Submitted		Indicate document name and reference to specific page/section/number If not submitted, indicate reason for non-submission						
	Yes	No							
8. Proof of payment of non-refundable filing fee, whichever is applicable									
<table border="1"> <thead> <tr> <th>Category</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>A</td><td>₱10,000.00</td></tr> <tr> <td>B</td><td>₱20,000.00</td></tr> </tbody> </table>	Category	Amount	A	₱10,000.00	B	₱20,000.00			
Category	Amount								
A	₱10,000.00								
B	₱20,000.00								
Additional Documents Submitted, if applicable:									
1. <Insert Document Name>									
2. <Insert additional row below, as applicable>									
PHASE 2 Evaluation of application for MAL									
<i>A registered OPS-MPAA need not submit item 2 below if the information from previously submitted document during registration remain the same.</i>									
1. Compliance with fitness and propriety requirements by the proprietor, partners, directors, president or officer of equivalent rank and function, and over-all head of the entity and the head of the compliance unit, as the case may be									
a. Personal Data and Authorization Form (Annex B) b. National Bureau of Investigation (NBI) Clearance, or its equivalent, if issued in foreign jurisdiction (with validity of at least six (6) months from the date of application)									
2. Accomplished Certification and Self-Assessment on the Compliance with the Applicable Provisions of Circular No. 1127 on the Governance Policy for OPS (Annex C)									
3. Risk management policies and procedures covering but not limited to the following critical areas: Information Technology, Information Security, Business Continuity and Operational Risk Management (Annex D)									
Please refer to the matrix in Annex D on the minimum required information based on applicable issuances/regulations. The applicant is likewise advised to regularly monitor the BSP website (Regulations) on additional applicable issuances that may be issued.									
4. Merchant management policies and procedures, including due diligence and approval criteria, onboarding, and monitoring									
5. Merchant protection policies and procedures, particularly redress mechanism									
6. Templates of agreements/contracts with merchants, settlement banks, third party providers and other entities that are necessary in the provision of merchant acquisition service, as applicable									
Additional Documents Submitted, if applicable:									
1. <Insert Document Name>									
2. <Insert additional row below, as applicable>									
PHASE 3 Issuance of MAL									
If application is approved, proof of payment of licensing fee									
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