



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2021- 041

To : **All Authorized Agent Banks (AABs)**

Subject : **Sampling Methodology in the Verification of Unfit Low-Denominated Banknotes**

As benchmarked with the currency management practices of other central banks, the BSP Greater Manila Regional Office (GMRO) will continue to implement sampling methodology in manual banknote verification. This methodology, which is adopted only in the manual verification of unfit low-denominated banknotes (i.e., 100-, 50- and 20-Piso), aims to strike a balance between operational/cost efficiency and sound internal controls. Discrepancies¹ noted on the samples that are counted piece-by-piece are extrapolated/grossed up on the premise that non-sample banknotes exhibit the same statistical trend on discrepancies.

Sampling methodology of unfit low-denominated banknotes is among the BSP's policy measures that are aimed at enhancing currency management.


BENJAMIN E. DIOKNO
Governor

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¹ i.e., shortages, overages, and doubtful notes (e.g., no-value, counterfeit, and specimen)