



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1222 Series of 2025

Subject: Amendments to Regulations on Reporting Governance Framework for Money Service Businesses (MSBs) - Remittance Transfer Companies (RTCs) and Money Changers/Foreign Exchange Dealers (MC/FXD)

The Monetary Board, in its Resolution No. 821 dated 14 August 2025, approved the herein Regulations on Reporting Governance Framework for Money Service Businesses (MSBs)¹. This Circular particularly features the reporting governance framework, financial records, reports, and audited financial statements for MSBs. It amends related reporting provisions² under Sections 151-M to 154-M of the Manual of Regulations for Non-bank Financial Institutions (MORNBFI), as provided in Circular No. 1206 dated 23 December 2024.

The amendments to the relevant sections of the MORNBFI set forth the Bangko Sentral's initiative to enhance regulatory and supervisory activities over MSBs to ensure that attendant risks remain manageable as the industry continually evolves and business models become increasingly complex amidst emergence of new players in remittance and breakthrough financial technology. These amendments will significantly enhance the Bangko Sentral's ability to fulfill its international obligations and reinforce its unwavering commitment to strengthening its Anti-Money Laundering and Combating the Financing of Terrorism regimes.

Section 1. Section 151-M of the M Regulations on Reporting Governance Framework is amended in its entirety to read as follows:

151-M REPORTING GOVERNANCE FRAMEWORK

The proper conduct and effective supervision of MSBs are facilitated by the accurate and timely submission of required information concerning their transactions, financial condition, and results of operations. At the same time, high quality individual MSB reports contribute to the preparation of aggregate statistics that enable MSBs to make better-informed business decisions.

It is incumbent upon the board of directors/ partners/proprietor and senior management to implement an effective reporting system to generate complete, accurate, consistent, reliable, and timely reports to the Bangko Sentral. MSBs are expected to capitalize on available information technology in establishing an effective reporting system that is appropriate for their size and complexity of operations. The Bangko Sentral shall prescribe reasonable reporting standards which shall consider the cost of reporting relative to the expected benefits.

¹ Covering entities engaged in remittance and money changing/foreign exchange dealing, including Electronic-Money Issuers (Non-Bank Financial Institutions) and Virtual Assets Service Providers.

² formerly under Section 901-N

Reporting Standards. A regulatory report shall meet all the following criteria:

- a. Complete. All relevant data and information are captured and available in the report, including supplemental schedules, attachments, and certifications, as applicable;
- b. Accurate. Contains accurate and reliable data and information that are free from validation errors or misstatements;
- c. Adaptable. Prepared and submitted in the form and manner prescribed by the Bangko Sentral and adjusted to changes or developments to the data collection process; and
- d. Timely. Received by the Bangko Sentral on or before the prescribed submission deadline.

Governance process. An effective governance process over the MSB's reporting system must be established by the board of directors/partners/proprietor and implemented by senior management to ensure the MSB's adherence to the reporting standards. The MSB's reporting system should be supported by a combination of systems, policies and procedures that are intended to facilitate the complete, accurate and timely generation of MSB reports. An MSB's periodic review of the governance process is likewise integral in determining whether the reporting system continues to be relevant and effective.

An effective reporting system shall include the following key components:

- a. A management information system commensurate to the nature and operational complexity of the MSB's business activities that:
 - (1) fully supports the MSB's reporting requirements;
 - (2) facilitates internal review and validation prior to the submission of reports; and
 - (3) facilitates the secured electronic transmission of data and reports.
- b. Written policies and procedures duly approved by the MSB's board of directors/partners/proprietor. These shall set forth the standards and processes in generating quality internal and external reports;
- c. Timely and periodic independent review of reporting systems, processes, and procedures to ensure their continuing reliability and effectiveness, including process of addressing weaknesses noted during periodic reviews conducted or introducing enhancements in response to changes in MSB's operating environment; and
- d. Timely reporting to the board of directors/ partners/proprietor and senior management of significant transactions, events and activities that have material impact on the quality of reports of the MSB.

To ensure the quality of reports, MSBs shall meet the reporting standards prescribed under this Section. MSBs that fail to comply with such reporting standards shall be subject to the sanctions provided under this Section (*Sanctions for non-compliance with the reporting standards*).

Sanctions for non-compliance with the reporting standards

- a. The following guidelines shall govern the imposition of sanctions for non-compliance with the reporting standards:
 - (1) A prudential/regulatory report that does not meet all or any of the reporting standards set out by the Bangko Sentral shall be subject to a penalty imposed for each calendar day that a violation is incurred, until such time that the report has been determined compliant with the standards.
 - (2) For reports already determined compliant with the reporting standards but were subsequently found to have validation errors and/or misstatements either as a result of supervisory examination or through data analytics processes, and necessitates a resubmission, the submission deadline as directed by the Bangko Sentral shall apply. The revised report, submitted on or before the deadline specified, but found to contain an error or misstatement shall be subject to a daily penalty at the prescribed rate until the Bangko Sentral receives a corrected report that is compliant with the standards or directives of the Bangko Sentral.
 - (3) In addition to the continuing monetary penalties that shall be imposed on MSB for reporting violations, non-monetary sanctions on the MSB, its directors/ partners/proprietor, officers, and personnel as provided under existing laws and regulations may be imposed.

b. ***Monetary Penalties***

The monetary penalty that shall be imposed for each calendar day of non-compliance with the reporting standards shall be as follows:

Table 1 – Prescribed Fines for Reporting Violations

Average Monthly Value of MSB Transactions*	Daily Penalty
Up to ₱100M	₱ 150
Above ₱100M but not exceeding ₱250M	250
Above ₱250M but not exceeding ₱2.50B	500
Above ₱2.50B but not exceeding ₱7.50B	1,000
Above ₱7.5B	1,500

*Previous two (2) quarters from the date of violation

In cases where no quarterly report of MSB transactions was submitted to the Bangko Sentral as basis for penalty computation, the highest daily penalty amount (i.e., ₱1,500) as specified in Table 1 shall be imposed.

c. ***Implementation***

In the implementation of the rules in this Section, the submission deadline is considered moved to the next business day should it fall on: (i) a non-working day in the locality where the reporting MSB is situated; or (ii) on a working day but business operations in government offices were suspended due to typhoon, flood, or similar fortuitous events.

The submission of reports with the appropriate supervising department of the Bangko Sentral shall be effected by sending them electronically. The date when the report was sent shall be considered as the date of submission.

Assessment of reporting system by the Bangko Sentral. The Bangko Sentral shall conduct an assessment of the quality of an MSB's reporting system to determine the underlying integrity of reports being submitted and root cause of persistent submission problems, if any, as provided under this Section. If the results of the assessment disclose significant deficiencies in the reporting system, the MSB shall be required to submit a board/ partners/proprietor-approved action plan. Such action plan shall include measures that the MSB must undertake within a specified period of time to address the deficiencies noted.

Failure of the board of directors/partners/proprietor and senior management of the MSB to submit the required action plan or implement the required corrective measures within the specified time frame may subject the MSB, including its board of directors/partners/proprietor, senior management, and other responsible official/s to the enforcement actions under Section 37 of R.A. No. 7653, as amended, and as provided under the Bangko Sentral's Supervisory Enforcement Policy under Section 001-M. This is without prejudice to the penalties provided under applicable laws, such as but not limited to, Sections 34, 35, and 36 of R.A. 7653, as amended.

Section 2. Section 152-M on Financial Records is amended in its entirety to read as follows :

152-M FINANCIAL RECORDS

MSBs shall have a true and accurate account, record, or statement of their daily transactions. For this purpose, "*records*" shall refer to information, whether in its original form or otherwise, including documents, signatures, seals, texts, images, sounds, speeches, or data compiled, recorded or stored, as the case may be: (1) in written form on any material; (2) on film, negative, tape or other medium so as to be capable of being reproduced; or (3) by means of any recording device or process, computer or other electronic device or process; and regardless of whether these information are stored and kept by the MSB or another entity duly authorized by the MSB (e.g., technology service provider).

Records shall also include audio, photographic, and video evidence of events, acts, or transactions of the MSB, including all records of communication, oral (e.g., voice recordings) or written (e.g., letters) of officers and employees of the MSB: *Provided*, That the recording was made in connection with the performance of the official functions of the concerned officers or employees and coursed through BSFI-issued computers, telephones, mobile phones, and similar devices.

The making of any false entry or the willful omission of entries relevant to any transaction is a ground for the imposition of administrative sanctions under Section 37 of R.A. No. 7653, as amended. This is without prejudice to criminal liability under Sections 35 and 36 of R.A. No. 7653, as amended and/or the applicable provisions of the Revised Penal Code.

Records shall be retained for a period of at least five (5) years, unless they are otherwise required by law or other regulations, or as directed by the Bangko Sentral to be retained for a longer period. However, records which are the subject of, or are pertinent to, an issue that has been raised during a Bangko Sentral examination shall be

preserved until such time that the issue has been fully resolved with finality by the Bangko Sentral.

Philippine Financial Reporting Standards (PFRS)/Philippine Accounting Standards (PAS). MSBs shall ensure proper records maintenance and shall conform to the PFRS/PAS. The accounting records of MSB shall, at a minimum, consist of records of original entry and books of final entry. The records of original entry shall include, but are not limited to, remittance and/or money changing tickets, official receipts, vouchers, and other supporting documents. The books of final entry shall include, but are not limited to, general and subsidiary ledgers.

Financial Reporting Package (FRP). The FRP for MSBs shall consist of the Balance Sheet, Income Statement, and their supporting schedules. MSBs shall follow the general features and submission guidelines of the FRP as prescribed by the Bangko Sentral.

Section 3. The general features of the FRP are provided in **Annex A**, while the implementing guidelines for its submission to BSP shall be issued separately by the Bangko Sentral.

Section 4. Section 153-M on Reports is hereby amended in its entirety to read as follows:

153-M REPORTS

MSBs shall submit to the appropriate supervising department of the Bangko Sentral all their statements and/or reports/notifications listed in Appendix M-6 in such frequency and deadlines indicated therein. In the preparation of said statements/reports, MSBs shall use and strictly follow the forms prescribed by the Bangko Sentral.

Only electronic submissions originating from officially registered e-mail address/es of MSBs shall be recognized and accepted by the Bangko Sentral. The official e-mail address refers to the same e-mail address/es used by MSBs in securing authority to operate from the Bangko Sentral, or such updated official e-mail address/es as subsequently submitted to the Bangko Sentral, duly supported by certification from the board of directors/partners/proprietor.

Signatories of Reports

The proprietor/managing partner/president/chief executive officer (CEO), in his absence, the executive vice-president, or officer holding equivalent rank and function or the duly designated representative (at least an officer), shall sign the reports required to be submitted to the Bangko Sentral: *Provided*, That in case of duly designated representative, the proprietor/managing partner/president/CEO shall retain responsibility for the accuracy and timeliness of the report. Reports shall be signed by duly designated officers or their alternates, unless otherwise specified by the Bangko Sentral.

The designated signatories of reports including their specimen signatures shall be contained in a resolution approved by the board of directors/partners, or in a certification signed by the proprietor. Upon request of the appropriate supervising department of the Bangko Sentral, a copy of the board/partnership resolution or proprietor's certification covering the initial designation and subsequent change(s) in

signatories, as well as specimen signatures of the signatories and alternates, shall be made available for inspection by the Bangko Sentral examiners and submitted to the Bangko Sentral.

Deadline for submission of reports. Unless otherwise specified, the deadlines for submission of reports enumerated in Appendix M-6, shall be reckoned on the basis of business days. For this purpose, business days shall be understood to mean Monday through Friday or business days of the Bangko Sentral.

Report on Crimes and Losses. MSBs shall report on the following matters to the appropriate supervising department of the Bangko Sentral.

- a. Crimes whether consummated, frustrated or attempted against property/facilities (such as robbery, theft, swindling or *estafa*, forgery, and other deceits) and other crimes involving loss/destruction of MSB property when the amount involved, in each crime is ₱20,000 or more.

Crimes involving MSB personnel, regardless of whether or not such crimes involve the loss/destruction of MSB property, even if the amount involved is less than ₱20,000, shall likewise be reported to the Bangko Sentral.

- b. Incidents involving material loss, destruction, or damage to the MSB's property/facilities, other than arising from a crime, when the amount involved per incident is ₱20,000 or more.

- c. Definition of terms. For the purpose of this regulation, the following definitions shall apply:

- (1) *Swindling* – a crime committed by a person who defrauds another by way of *estafa* under Article 315, other forms of swindling under Article 316, swindling of a minor under Article 317, and other deceits under Article 318 of the Revised Penal Code.

- (2) *Theft* – a crime committed by a person who, with intent to gain but without violence against or intimidation of persons nor force upon things, shall take personal property of another without the latter's consent pursuant to Article 308 and other pertinent provisions of Chapter III, Title X of the Revised Penal Code, as amended.

- (3) *Robbery* – a crime committed by a person who, with intent to gain, shall take any personal property belonging to another, by means of violence against or intimidation of any person, or using force upon anything pursuant to Article 295 and other pertinent provisions of Chapter I, Title X of the Revised Penal Code, as amended.

- (4) *Falsification* – a crime committed by a person who falsifies a document by:

- (a) Counterfeiting or imitating any handwriting, signature or rubric;
- (b) Causing it to appear that persons have participated in any act or proceeding when they did not in fact so participate;
- (c) Attributing to persons who have participated in an act or proceeding statements other than those in fact made by them;
- (d) Making untruthful statements in a narration of facts;
- (e) Altering true dates;

- (f) Making any alteration or intercalation in a genuine document which changes its meaning;
 - (g) Issuing in an authenticated form a document purporting to be a copy of an original document when no such original exists, or including in such a copy a statement contrary to, or different from, that of the genuine original;
 - (h) Intercalating any instrument or note relative to the issuance thereof in a protocol, registry, or official book; or
 - (i) other acts falling under Articles 169, 171, 172, and 178 of the Revised Penal Code, as amended.
- (5) *Other crimes that may cause loss to the MSB* – crimes committed that do not fall under items (1) to (4) above.
 - (6) *Negligence* – the failure to exercise the care which an ordinarily prudent person would use under the circumstances in the discharge of the duty then resting upon him.
 - (7) *Non-crime related loss* – Incidents that may cause the MSB to suffer a loss arising from fortuitous events.
 - (8) *Perpetrator* – a person, whether an insider or outsider, who is responsible for the commission of crime either by direct participation, inducement, or cooperation, including accomplices and accessories as defined under Articles 18 and 19 of the Revised Penal Code, as amended.
 - (9) *Victim* – the aggrieved party to the crime and may, as a result of the incident, suffered the loss.
 - (10) *Attempted crime* – a crime is attempted when the perpetrator commences the commission of the crime directly by overt acts but does not perform all of the acts of execution which constitute the crime by reason of some cause or act other than his own voluntary desistance as provided under Article 6 of the Revised Penal Code, as amended.
 - (11) *Frustrated crime* – a crime is classified as frustrated, when the perpetrator performs all the acts of execution which should produce the crime as a consequence but which, nevertheless, do not produce it by reason of causes independent of the will of the perpetrator as provided under Article 6 of the Revised Penal Code, as amended.
 - (12) *Consummated crime* – a crime is consummated when all the elements necessary for its execution and accomplishment are present. As a result, the MSB may have suffered a loss, the recoverable portion of which should be deducted to arrive at the probable loss incurred by the MSB.
 - (13) *Termination of the investigation* – an investigation is said to be terminated when all the material facts/information which are sufficient to support a conclusion relative to the matters involved have already been gathered and a finding/conclusion may be made based on the gathered information.
- d. The following guidelines shall be observed in the preparation and submission of the report:

- (1) The Head Office unit or Branch's Report on Crimes and Losses (RCL), as listed in Appendix M-6, shall be submitted electronically to the appropriate supervising department of the Bangko Sentral within ten (10) calendar days from knowledge of the crime/incident.
- (2) The RCL shall be submitted through the MSB's head office and shall be certified correct by the compliance officer.
- (3) Where a thorough investigation and evaluation of facts is necessary to complete the report, an initial report electronically submitted within the deadline of ten (10) calendar days from knowledge of the crime/incident may be accepted: *Provided*, That a complete report is electronically submitted not later than twenty (20) calendar days from the termination of the investigation.

Section 5. Section 154-M on Audited Financial Statements is hereby amended in its entirety to read as follows :

154-M AUDITED FINANCIAL STATEMENTS (AFS)

The Bangko Sentral recognizes that external auditors play a vital role in contributing to the conduct of effective supervision and sustaining the confidence of the public in the financial system. In this light, the regulations on financial audit aim to enhance the quality of information channeled to the supervisory process and ultimately promote fairness, transparency and accuracy in financial reporting.

The following rules shall govern the submission of AFS of MSBs.

For purposes of this Section, AFS shall include the balance sheets, income statements, statements of changes in equity, statements of cash flows, notes to financial statements, and the opinion of the external auditor.

MSBs shall submit an AFS, accompanied by the documentary requirements as enumerated under Appendix M-7, which shall be submitted not later than one hundred twenty (120) calendar days after the close of the reference calendar/fiscal year adopted by the MSB. However, RTCs/MCs/FXD's classified as type "F" (small-scale operator-money changer/foreign exchange dealer with average monthly network volume of transactions of less than P50 million and with less than P10 million capital) are not required to submit AFS to the Bangko Sentral and its annual financial audit may be conducted by external auditor other than those included in the List of Selected External Auditors for BSFIs: *Provided*, That the AFS shall be made readily available to the Bangko Sentral during examination, or whenever requested. Financial audit of RTCs/MCs/FXD's, except those with type "F" license, shall be rendered by an external auditor included in the List of Selected External Auditors for BSFIs. MSBs as well as external auditors shall strictly observe the requirements in the submission of the AFS and reports under this Section, Section 143-M, and Appendix M-7.

The external auditor shall be required by the MSB to submit to the board of directors/partners/proprietor a Letter of Comments (LOC) indicating any material weakness or breach in the institution's internal control and risk management systems not later than one hundred twenty (120) calendar days after the close of the calendar year/fiscal year adopted by the MSB. If no material weakness or breach is noted to warrant the issuance of an LOC, a certification under oath stating that no material

weakness or breach in the internal control and risk management systems was noted in the course of the audit of the MSB shall be submitted in its stead, together with the AFS.

"Material weakness" shall be defined as a significant control deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be detected or prevented by the institution's internal control. A material weakness does not mean that a material misstatement has occurred or will occur, but that it could possibly occur. A *"control deficiency"* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *"significant control deficiency"* is a control deficiency, or combination of control deficiencies, that adversely affects the institution's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles. The phrase *"more than remote likelihood"* shall mean that future events are likely to occur or are reasonably possible to occur.

The board of directors/partners/proprietor, in a regular or special meeting, shall consider and act on the AFS and the LOC and shall submit, not later than one hundred twenty (120) calendar days after the close of the calendar year/fiscal year adopted by the MSB, a copy of its resolution (containing the date of receipt of the AFS and LOC by the board of directors/ partners/proprietor) to the appropriate supervising department of the Bangko Sentral. The resolution shall show the action(s) taken on the AFS and the findings and recommendations stated in the LOC, if any.

Government-owned or -controlled MSBs including their subsidiaries and affiliates under Bangko Sentral supervision, which are under the concurrent jurisdiction of the Commission on Audit (COA) shall be exempt from the aforementioned annual financial audit by an external auditor included in the List of Selected External Auditors for BSFIs: *Provided*, that, when warranted by supervisory concern such as material weakness/breach in internal control and/or risk management systems, the Monetary Board may, upon recommendation of the appropriate supervising department of the Bangko Sentral, require the financial audit to be conducted by an external auditor included in the List of Selected External Auditors for BSFIs, at the expense of the MSB: *Provided, further*, That when circumstances such as, but not limited to loans from multilateral FIs, privatization, or public listing warrant, the financial audit of the institution concerned by an external auditor included in the List of Selected External Auditors for BSFIs may also be allowed.

MSBs under the concurrent jurisdiction of the Bangko Sentral and COA shall, however, submit a copy of the annual audit report (AAR) of the COA to the appropriate supervising department of the Bangko Sentral within forty (40) calendar days after receipt of the AAR by the board of directors. The AAR shall be accompanied by the: (a) certification by the institution concerned on the date of receipt of the AAR by the board of directors; (b) reconciliation statement between the AFS in the AAR and the balance sheet and income statement of MSB submitted to the Bangko Sentral, including copies of adjusting entries on the reconciling items; and (c) other information that may be required by the Bangko Sentral. The board of directors of said institutions, in a regular or special meeting, shall consider and act on the AAR, as well as on the comments and observations and shall submit, within thirty (30) business days after receipt of the report, a copy of its resolution to the appropriate supervising department of the Bangko Sentral. The resolution shall show the action(s) taken on the report, including on the comments and observations and the names of the directors present and absent, among other things.

The AFS required to be submitted shall in all respect be PFRS/PAS-compliant.

Section 6. Section 001-M on Supervisory Enforcement Policy shall be amended to update superseded provisions on "Sanctions", as follows:

Sanctions. XXX

Nature of Violation/Exception	Possible Sanctions/Penalties
XXX	• XXX
Violation of other provisions/requirements of M-Regulations	• XXX
Non-Compliance with the reporting standards	• Monetary penalty under Section 151-M • Non-monetary sanction provided under Section 37 of RA 7653, as amended, and/or restriction on the establishment of branches and/or accreditation of agents, suspension of the exemption on transaction limits granted by the Bangko Sentral and other government agencies regulating MSB operations, as may be determined by the Bangko Sentral.

Section 7. Appendix M-6 of the MORNBF on List of Reports Required from MSBs is hereby replaced by a new list as shown in **Annex B** of this Circular. Annex A (Comparison of Submitted Balance Sheet and Income Statement and Audited Financial Statements) of Appendix M-7 on Checklist of Bangko Sentral Requirements in the Submission of Audited Financial Statements and Annual Audit Report is also amended, as shown in **Annex C** of this Circular.

Section 8. *Transitory provisions.* All MSBs are given one (1) year from the effectivity of the Circular to make the necessary preparations to their systems and processes to ensure full compliance with the establishment of an effective reporting system and the remaining provisions of this Section. This period of preparation shall be treated as observation period.

Imposition of applicable sanctions for non-compliance with the reporting standards shall commence with reports falling due after the end of the observation period.

Section 9. *Effectivity.* This Circular shall take effect fifteen (15) calendar days following completion of its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:



ELI M. REMOLONA, JR.

Governor

23 October 2025

MSB - FINANCIAL REPORTING PACKAGE

ANNEX A

BALANCE SHEET

ASSET ACCOUNTS	Schedule Reference	Normal Balance
Cash on Hand, Checks and Other Cash Items		Dr
Cash in Bank	<u>Schedule 1</u>	Dr
Virtual Assets	<u>Schedule 2</u>	Dr
Due from Remittance Partners/Agents/Liquidity Providers	<u>Schedule 3</u>	Dr
Investment in bonds & other debt instruments		Dr
Equity investments		Dr
MSB Premises, Furniture, Fixture and Equipment, net		Dr
Other Assets, net	<u>Schedule 4</u>	Dr
Total Assets		Dr
LIABILITY ACCOUNTS		
Loans/notes payable		Cr
Due to Remittance Partners/Agents/Liquidity Providers		Cr
Income Tax Payable		Cr
Accrued Other Expenses		Cr
Other Liabilities, net	<u>Schedule 5</u>	Cr
Total Liabilities		Cr
EQUITY ACCOUNTS		
FOR CORPORATION - STOCKHOLDERS' EQUITY		
Paid-in Capital Stock		Cr
1) Common Stock		Cr
2) Non-cumulative Preferred Stock		Cr
3) Cumulative Preferred Stock		Cr
Additional Paid-in Capital		Cr
Retained Earnings		Cr
Other Comprehensive Income		Cr
Other Equity Accounts	<u>Schedule 6.a</u>	Cr
Total stockholders' equity		Cr
FOR PARTNERSHIP/SOLE PROPRIETORSHIP - CAPITAL ACCOUNTS		
Capital accounts		Cr
1) Beginning		Cr
2) Additional contribution		Cr
Drawings from Capital		Dr
Net Profit		Cr
Other Capital Accounts	<u>Schedule 6.b</u>	Cr
Total capital accounts		Cr
Total Liabilities and Equity/Capital		Cr

INCOME STATEMENT

INCOME ACCOUNTS	Schedule Reference	Normal Balance
INCOME FROM OPERATIONS		
Service/Processing Fees/Commissions Collected	<u>Schedule 7</u>	Cr
Gain/(Loss) from Sale of Virtual Assets		Cr
Foreign Exchange Income/(Loss)		Cr
Other Income from Operations	<u>Schedule 8</u>	Cr
OTHER INCOME		
Interest Income		Cr
Miscellaneous Income		Cr
TOTAL REVENUE		Cr
EXPENSES ACCOUNTS	Schedule Reference	Normal Balance
OPERATING EXPENSES		
Compensation/Fringe Benefits		Dr
Taxes And Licenses		Dr
Administrative Expenses	<u>Schedule 9</u>	Dr
Depreciation/Amortization		Dr
OTHER EXPENSES		
Interest Expense		Dr
Miscellaneous Expense		Dr
TOTAL EXPENSES		Dr
INCOME TAX EXPENSE		Dr
NET INCOME (LOSS)		Cr

SCHEDULE 1

CASH IN BANK

Cutoff Date:

Total PHP Equivalent	-
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	Name of Bank	Type of Account	Type of Currency	Balance as of Cutoff Date (in Original Currency)	PHP Equivalent
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Please add rows, as necessary.

1c. Balance Sheet

SCHEDULE 2

Particulars		Held by Custodians - Hot Wallet		Held by Custodians - Warm Wallet		Held by Custodians - Cold Wallet		Held by Liquidity Providers		GRAND TOTAL			
		Units	Balance (in USD)	Units	Balance (in USD)	Units	Balance (in USD)	Units	Balance (in USD)	Units	Balance (in USD)	Exchange Rate	PHP Equivalent
(A) Held in Custody - Proprietary													
1	BTC - Bitcoin												
2	ETH - Ethereum												
3	USDT - Tether												
4	Other Virtual Assets, please specify below:												
a													
b													
c													
d													
e													
f													
g													
h													
i													
j													
k													
l													
m													
n													
o													
p													
q													
r													
s													
t													
Please add totals, as necessary													

Particulars		Held by Custodians - Hot Wallet		Held by Custodians - Warm Wallet		Held by Custodians - Cold Wallet		Held by Liquidity Providers		GRAND TOTAL			
		Units	Balance (in USD)	Units	Balance (in USD)	Units	Balance (in USD)	Units	Balance (in USD)	Units	Balance (in USD)	Exchange Rate	PHP Equivalent
(B) Held in Custody for Customers													
1	BTC - Bitcoin												
2	ETH - Ethereum												
3	USDT - Tether												
4	Other Virtual Assets, please specify below:												
a													
b													
c													
d													
e													
f													
g													
h													
i													
j													
k													
l													
m													
n													
o													
p													
q													
r													
s													
t													
Please add totals, as necessary													

1. Refer to page 1

SCHEDULE 3

DUE FROM REMITTANCE

PARTNERS/AGENTS/LIQUIDITY PROVIDERS

-

	Particulars	PHP Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	<i>Please add rows, as necessary</i>	

to Balance Sheet

SCHEDULE 4

OTHER ASSETS, net

Particulars	PHP Amount
(1) Accounts Receivable	
(2) Advances to Directors/Officers/Shareholders	
(3) Prepaid expenses	
(4) Employee Benefits	
(5) Sundry Debits	
(6) Miscellaneous*	-
a.	
b.	
c.	
d.	
e.	
f.	
g.	
h.	
i.	
j.	
Please add rows, as necessary	

**Kindly specify the type of account under this category that comprise at least 25 percent of total other assets.*

Items that do not comprise at least 25 percent of total other assets shall be aggregated and presented as a single line item.

to Balance Sheet

SCHEDULE 5

OTHER LIABILITIES, net

-

Particulars	PHP Amount
(1) Accounts Payable	
(2) Advances from Directors/Officers/Shareholders	
(3) Deposit for Stock Subscription	
(4) Withholding Tax Payable	
(5) SSS, Medicare, Employer's Compensation Premiums, and Pagibig Contribution Payable	
(6) Dividends Payable	
(7) Sundry Credits	
(8) Miscellaneous*	-
a.	
b.	
c.	
d.	
e.	
f.	
g.	
h.	
i.	
j.	
Please add rows, as necessary	

**Specify the type of account under this category that comprise at least 25 percent of total other liabilities.*

Items that do not comprise at least 25 percent of total other liabilities shall be aggregated and presented as a single line item.

to Balance Sheet

SCHEDULE 6.a

OTHER EQUITY ACCOUNTS

	Particulars	PHP Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	<i>Please add rows, as necessary</i>	

to Balance Sheet

SCHEDULE 6.b

OTHER CAPITAL ACCOUNTS

-

	Particulars	PHP Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	<i>Please add rows, as necessary</i>	

to Balance Sheet

SCHEDULE 7

SERVICE/PROCESSING FEES/COMMISSIONS

COLLECTED - from Remittance Activities

-

	Name of Remittance Partner	Total Income per Remittance Partner
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Please add rows, as necessary

to Income Statement

SCHEDULE 8

Other Income from Operations

-

	Business Activity	PHP Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Please add rows, as necessary

to Income Statement

SCHEDULE 9

ADMINISTRATIVE EXPENSES

	Particulars	PHP Amount
1	Rent	
2	Power, Light and Water	
3	Postage, Telephone, Cables and Telegrams	
4	Repairs and Maintenance	
5	Security, Clerical, Messengerial and Janitorial Services	
6	Information Technology Expenses	
7	Supervision Fees	
8	Insurance Expenses	
9	Management and Other Professional Fees	
10	Representation and Entertainment	
11	Traveling Expenses	
12	Fuel and Lubricants	
13	Advertising and Publicity	
14	Membership Fees and Dues	
15	Donations and Charitable Contributions	
16	Periodicals and Magazines	
17	Documentary Stamps Used	
18	Stationery and Supplies Used	
19	Fines, Penalties and Other Charges	
20	Other Administrative Expenses (<i>please specify below</i>)	-
	a.	
	b.	
	c.	
	d.	
	e.	
	f.	
	g.	
	h.	
	i.	
	j.	

to Income Statement

FINANCIAL REPORTING PACKAGE (FRP) FOR MONEY SERVICE BUSINESSES (MSBs)

The Financial Reporting Package (FRP) is a set of financial statements for prudential reporting purposes composed of the Balance Sheet, Income Statement and Supporting Schedules. The FRP is primarily designed to align the BSP reportorial requirements with the provisions of the Philippine Financial Reporting Standards (PFRS)/Philippine Accounting Standards (PAS). It is also designed to meet BSP statistical requirements.

GENERAL INSTRUCTIONS

Money Service Businesses (MSBs) are required to prepare the FRP on a solo basis which shall refer to the combined financial statements of the head office and branches/other offices. The FRP shall be supported with the following schedules:

(1)	Schedule 1	Cash in Bank
(2)	Schedule 2	Virtual Assets
(3)	Schedule 3	Due from Remittance Partners/Agents/Liquidity Providers
(4)	Schedule 4	Other Assets
(5)	Schedule 5	Other Liabilities
(6)	Schedule 6.a	Other Equity Accounts
(7)	Schedule 6.b	Other Capital Accounts
(8)	Schedule 7	Service/Processing Fees/Commissions Collected
(9)	Schedule 8	Other Income from Operations
(10)	Schedule 9	Administrative Expenses

Solo income statements shall be prepared quarterly on a cumulative basis, i.e. first quarter report shall cover results of operations during the first quarter, second quarter report shall cover results of operations during the first and second quarters, etc. All schedules shall be available to any type of reporting MSB. Hence, schedules that do not apply to a particular MSB should only be left blank when submitted.

Frequency of Reporting

The FRP shall be submitted quarterly within 15 banking days after the end of the reference quarter.

Rules of Consolidation

For purposes of preparing solo financial statements, financial/non-financial allied/non-allied subsidiaries/associates, including insurance subsidiaries/associates, shall also be accounted for using the equity method.

Amounts Reported

All amounts reported in the FRP must be in peso (Php) and absolute figures including two decimal places, except for "Losses" columns/rows which shall be reported in negative figures, i.e., enclosed in parentheses.

Structure of the FRP

The supporting schedules in the solo FRP contain an Additional Information section which requires disclosure of information necessary for validating compliance with other BSP requirements and for statistical purposes.

MANUAL OF ACCOUNTS

BALANCE SHEET ACCOUNTS

Asset Accounts

1. **Cash on Hand** – This refers to the total amount of cash in the MSB's vault in the form of notes and coins under the custody of an accountable officer or employee of the MSB.
 - (a) Local Currency -This refers to the total amount of cash on hand denominated in Philippine currency.
 - (b) Foreign Currency -This refers to the total amount of cash on hand denominated in foreign currency. This shall be limited to foreign currencies acceptable to form part of the international reserves.

Checks and Other Cash Items (COCI) - This refers to the total amount of checks and other cash items received during the day for deposit the following day. This account may consist of the following:

- Checks drawn on other banks
- Checks drawn on own bank, i.e., Manager's/Cashier's/Treasurer's Checks
- Treasury Warrants

All COCIs shall be presented for clearance/acceptance/settlement on the following banking day. Items excluded herein are the following:

- Postdated Checks
- COCIs received on collection basis
- Out-of-town Checks not collectible through established clearing channels
- Items returned from clearing
- All other cash items not in process of collection

This shall include COCIs received by authorized Philippine Clearing House Corporation (PCHC) couriers for delivery to the PCHC for settlement.

- (a) Local Currency - This refers to the total amount of COCIs denominated in Philippine currency.
 - (b) Foreign Currency - This refers to the total amount of COCIs denominated in foreign currency. This shall be limited to foreign currencies acceptable to form part of the international reserves.
2. **Cash in Banks** – This represents balances of deposit accounts maintained with banks (resident or non-resident), denominated in *Philippine Peso, US Dollar, Japanese Yen, Euro* and other foreign currencies, under the name of the MSB. For purposes of BSP reporting, these deposits shall be converted to Philippine Peso denomination as of cutoff date of the FRP.

This includes, but is not limited to, the following:

- **Demand Deposit** - These refer to deposit account usually subject to withdrawal by check and is otherwise known as current or checking account. A bank may or may not pay interest on this account. Checks issued/drawn in payment of obligation shall immediately reduce the balance of this account, unless such checks are subject to

stop payment order, cancelled by the MSB, or have become stale in accordance with existing rules and regulations.

- **Savings Deposit** – This refers to interest- or non-interest-bearing deposit account which are withdrawable upon demand either upon presentation of a properly accomplished withdrawal slip together with the corresponding passbook or through automated teller machines (ATMs).
 - **Time Certificate of Deposit** – This refers to interest-bearing deposit account with specific maturity date and evidenced by certificate issued by the bank.
 - **Other Account** – This refers to deposit account in banks that are not classified as Demand Deposit accounts, Savings Deposit accounts, and Time Certificates of Deposit.
3. **Virtual asset (VA)** – This refers to any type of digital unit that can be digitally traded, or transferred, and can be used for payment or investment purposes. It can be defined as a “property”, “proceeds”, “funds”, “funds or other assets”, and other “corresponding value”. It is used as a medium of exchange or a form of digitally stored value created by agreement within the community of VA users. VAs shall be broadly construed to include digital units of exchange that (i) have a centralized repository or administrator; (ii) are decentralized and have no centralized repository or administrator; or (iii) may be created or obtained by computing or manufacturing effort. VAs are not issued nor guaranteed by any jurisdiction and do not have legal tender status.

For purposes of these guidelines, digital units of exchange that is used for (i) the payment of goods and services solely provided by its issuer or a limited set of merchants specified by its issuer (e.g., gift checks); or (ii) the payment of virtual goods and services within an online game (e.g., gaming tokens) shall not be considered as VAs. Also, virtual currencies as previously defined in Bangko Sentral Circular No. 944 (Guidelines for Virtual Currency Exchanges) shall now be referred to as VAs.

4. **Due from Remittance Partners/Agents** – This refers to net amount receivable from remittance partners representing the Entity's advances and uncollected service fees in processing remittance transactions. This amount also includes the excess funds advanced by the Entity to its sub-agents for remittance disbursements.
5. **Investment in bonds & other debt instruments** – This refers to financial assets that are debt instruments measured at fair value through profit or loss, fair value through other comprehensive income, or at amortized cost based on the MSB's contractual cash flow characteristics and the business model for holding the instruments.
6. **Equity investments** – This refers to financial assets that are equity instruments measured at fair value through profit or loss, including financial assets held for trading, and/or at fair value through other comprehensive income.
7. **MSB Premises, Furniture, Fixture and Equipment, net** – This refers to real and other properties used/to be used for MSB operations which shall be accounted for using the cost model under PAS 16, net of Accumulated Depreciation and Allowance for Losses.
- (a) **Land** - This refers to the acquisition cost of the land or lots used as existing or future sites of MSB's offices, including residential and parking lots used by the MSB's officers/ employees and clients. Acquisition cost shall consist of the purchase price and all

expenditures incurred incident to acquisition, such as cost of surveying, registration and issuance of title. This account shall also include the cost of filling and other expenditures which enhance the value of the land.

- (b) Building - This refers to the cost of buildings owned and used or to be used by the MSB for its business, including residential houses provided for its officers and employees. The buildings/residential houses shall be recorded at acquisition or construction/improvement costs, including architect's fees, building permits, inspection fees, cost of vaults, elevators, tellers' cages and other capitalizable expenditures incurred in making the premises ready for use.
- (c) Furniture and Fixtures - This refers to the cost of furniture, such as desks, tables and chairs, and fixtures to buildings, which do not form part of "MSB Premises - Buildings" account, including expenditures incurred for major repairs and maintenance, which prolong the life of these assets beyond their original estimated useful life. This account also includes the cost of firearms owned and licensed in the name of the MSB.
- (d) Information Technology (IT) Equipment - This refers to the cost of IT equipment.
- (e) Other Office Equipment - This refers to the cost of office equipment, other than IT equipment.
- (f) Transportation Equipment - This refers to the cost of transportation equipment.
- (g) Leasehold Rights and Improvements - This refers to the cost of building and/or improvements introduced on premises leased by the MSB, including the cost of leasehold rights and other expenditures incurred in making the premises ready for use.
- (h) MSB Premises, Furniture, Fixture and Equipment (Under Finance Lease) - This refers to the cost of MSB premises, furniture, fixture and equipment leased by the MSB under a finance lease agreement. This shall be accounted for in accordance with PAS 17. Under PAS 17, this shall be recorded at the lower of (a) fair value of the leased property or (b) present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognized as an asset. This shall comprise of the following sub-accounts:
 - (h.1) Land;
 - (h.2) Buildings;
 - (h.3) Furniture and Fixtures;
 - (h.4) Information Technology Equipment;
 - (h.5) Other Office Equipment; and
 - (h.6) Transportation Equipment
- (i) Revaluation Increment - This refers to the revaluation increase in the carrying amount of MSB premises, furniture, fixture and equipment as an incentive to mergers and consolidation. The increase in the carrying amount of the asset shall be credited directly to equity under the account "Revaluation Increment Reserves". This shall comprise of the following sub-accounts:
 - (i.1) Land
 - (i.2) Buildings

- (i.3) Furniture and Fixtures
- (i.4) Information Technology Equipment
- (i.5) Other Office Equipment
- (i.6) Transportation Equipment
- (i.7) MSB Premises, Furniture, Fixture and Equipment – Under Finance Lease
 - Land
 - Buildings
 - Furniture and Fixtures
 - Information Technology Equipment
 - Other Office Equipment
 - Transportation Equipment

Accumulated Depreciation - This refers to the accumulated depreciation of MSB premises, furniture and fixture owned or leased by the MSB, which shall be set up monthly against current operations.

- (j) Building Under Construction - This refers to the total cost of materials, labor and other capitalizable expenditures incurred in connection with the building(s) under construction. Upon completion of the building its cost shall be transferred/closed to "MSB Premises, Furniture, Fixture and Equipment - Buildings" account.

Allowance for Losses - This refers to the cumulative amount of impairment loss incurred on MSB premises, furniture, fixture and equipment, which shall be accounted for in accordance with PAS 36.

8. **Other Assets** – This includes, but are not limited to, the following:

- (a) Accounts Receivable – This represents claims from parties other than Remittance Partners/Agents.
- (b) Prepaid Expenses – This refers to expense prepayments expected to benefit the MSB for a future period not exceeding one year (i.e., insurance premiums, rent and interest on time certificates of deposit, etc.) paid in advance, which shall be amortized monthly.
- (c) Employee Benefits – This refers to the overfunding of defined benefit plan or in certain cases, the actuarial gains recognized.
- (d) Sundry Debits – This refers to items/transactions which at the time of recording cannot be classified immediately under any debit account. Entries to this account shall be cleared within one (1) month from the date of entry.
- (e) Miscellaneous – This refers to accounts which cannot be appropriately classified under any of the foregoing asset accounts. Accounts under this category shall be specified individually if such comprise at least 25 percent of total other assets. Otherwise, accounts shall be aggregated and presented as a single line item.

Liability Accounts

- 1. **Loans/notes payable** – This refers to the amortized costs of borrowings obtained from financial institutions.
- 2. **Due to Remittance Partners/Agents** – This refers to net amount payable to remittance partners representing excess advances received from remittance partners pending disbursement to beneficiaries. This amount also includes the excess funds advanced by sub-agents and unpaid service fees in processing remittance transactions.

3. **Income Tax Payable** – This refers to the estimated liability for income tax which shall be set-up monthly against current operations.
4. **Accrued Other Expenses** – This refers to the estimated liability for other unpaid expenses, which shall be set-up monthly against current operations.
5. **Other Liabilities** – This includes, but are not limited to, the following:
 - (a) Accounts Payable – This represents other obligations of the MSB under open-account arrangements and/or indebtedness to parties other than Remittance Partners/Agents.
 - (b) Withholding Tax Payable – This refers to the taxes deducted/withheld by the MSB, such as from the salaries/wages of its employees, for remittance to the Bureau of Internal Revenue, in accordance with existing rules and regulations.
 - (c) SSS, Philhealth, Employer's Compensation Premiums and Pag-IBIG Contributions Payable – This refers to the amount due to the Social Security System, Philippine Health Insurance Corporation, Employees' Compensation Commission and Pag-IBIG Funds, for employees' premiums/contributions and payment of loans, such as salary and housing loans.
 - (d) Dividends Payable – This refers to the amount of unpaid cash dividends declared by the Board of Directors to stockholders of record.
 - (e) Sundry Credits – This refers to the items/transactions which cannot be classified immediately under any credit account. Entries to this account shall be cleared within one (1) month from date of entry.
 - (f) Miscellaneous – This refers to accounts which cannot be appropriately classified under any of the foregoing liability accounts. Accounts under this category shall be specified individually if such comprise at least 25 percent of total other liabilities. Otherwise, accounts shall be aggregated and presented as a single line item.

Stockholders' Equity Accounts - Corporation

1. Paid-In Capital Stock

- (a) Common Stock - This refers to the total amount of fully paid common stock, including stock dividends, for which the corresponding certificates have been issued.
- (b) Perpetual and Non-Cumulative Preferred Stock - This refers to the total amount of fully paid perpetual and non-cumulative preferred stock including stock dividends, for which the corresponding certificates have been issued.
- (c) Perpetual and Cumulative Preferred Stock - This refers to the total amount of fully paid perpetual and cumulative preferred stock including stock dividends, for which the corresponding certificates have been issued.

2. Additional Paid-In Capital

- (a) Common Stock - This refers to the premium on the sale of common stock.
- (b) Perpetual and Non-Cumulative Preferred Stock - This refers to the premium on the sale of perpetual and non-cumulative preferred stock.
- (c) Perpetual and Cumulative Preferred Stock - This refers to the premium on the sale of perpetual and cumulative preferred common stock.

3. **Retained Earnings** – This refers to the accumulated profits realized out of normal and continuous operations of the business after deducting therefrom the dividends paid to the MSB's shareholders.
4. **Other Comprehensive Income** – This refers to the sum of gains or losses that have not yet been realized and are excluded from net income/loss on the income statement.
5. **Other Equity Accounts** - This refers to accounts which cannot be appropriately classified under any of the foregoing equity accounts.

Capital Accounts - Partnership/Sole Proprietorship

1. **Capital accounts** - This represents the total investments made by the Partners/Owner into the business. It includes the cumulative business net profit or losses from prior years.
2. **Drawings from Capital** - This account tracks the amounts the Partners/Owner has withdrawn from the business for personal use. Unlike salaries in corporations, these withdrawals are not considered business expenses but rather a reduction in capital.
3. **Net Profit** – This reflects the net income or loss for the current year. It is the same as the net income on the year-to-date income statement and will eventually roll into the Partners'/Owner's Capital Account at the end of the year.
4. **Other Capital Accounts** - This refers to accounts which cannot be appropriately classified under any of the foregoing capital accounts.

INCOME STATEMENT ACCOUNTS

Income From Operations

1. **Service/Processing Fees/Commissions Collected** - this represents charges/fees/commissions collected for services relating to processing of remittances.
2. **Cryptocurrency Exchange Income/(Loss)** - This refers to the realized gains/(losses) from purchases and sales of cryptocurrencies.
3. **Foreign Exchange Income/(Loss)** - This refers to the realized gains/(losses) from purchases and sales of foreign currencies.
4. **Other Income from Operations** - This refers to the income from operations which cannot be appropriately classified under remittance, cryptocurrency exchange, or foreign currency exchange.
5. **Other Income**
 - (a) Interest Income - This refers to interest earned and/or collected from bank deposits and debt securities.
 - (b) Miscellaneous Income - This refers to the income which cannot be appropriately classified under any of the foregoing income accounts.

Operating Expenses

1. **Compensation/Fringe Benefits** shall consist of the following:
 - (a) Salaries and Wages - This refers to the gross remuneration of MSB's officers and employees for regular and overtime services rendered.
 - (b) Fringe Benefits - This refers to the expenses for any good, service or other benefit furnished or granted by the MSB to its officers, in cash or in kind, in addition to basic salaries, such as, but not limited to, housing; expense account; vehicle of any kind; household personnel, such as maid, driver and others; membership fees, dues and other expenses borne by the bank for its officers in social and athletic clubs or other similar organizations; expenses for foreign travel; holiday and vacation expenses; educational assistance to officers or their dependents; and life or health insurance and other non-life insurance premiums or similar amounts in excess of what the law allows, in accordance with BIR regulations, as well as expenses for allowances and other fringe benefits granted to trust institution's employees in accordance with management policy such as bonuses, profit shared, including those for special studies/seminars but excluding medical, dental and hospitalization benefits.
 - (c) Director's Fees - This refers to the per diems and fees granted to directors in accordance with management policy.
 - (d) SSS, Philhealth and Employees' Compensation Premium and Pag-IBIG Fund Contributions - This refers to the MSB's share in the Social Security System, Philhealth, Employees' Compensation premiums, and Pag-IBIG Fund contributions of its officers and employees.

- (e) **Medical, Dental and Hospitalization** - This refers to the expenses for medical and dental services, including cost of medicines, hospital bills and other related expenses for and on behalf of MSB's officers and employees and their dependents, in accordance with management policy.
 - (f) **Contribution to Retirement/Provident Fund** - This refers to the MSB's contributions to the retirement/provident fund or any similar fund for its officers and employees.
 - (g) **Provision for Pensions and Other Post Retirement Benefits** - This refers to the MSB's provisions for pensions and other post-retirement benefits for its officers and employees.
2. **Taxes And Licenses** - This refers to the expenses incurred for taxes and licenses other than income tax.
3. **Administrative Expenses**
- (a) *Rent* - This refers to the expenses incurred, including monthly amortizations of rent paid in advance, for buildings, spaces and/or equipment leased by the bank for its business.
 - (b) *Power, Light and Water* - This refers to the expenses incurred for power, light and water consumption.
 - (c) *Postage, Telephone, Cables and Telegrams* - This refers to the expenses incurred for postage, telephone services, cables and telegrams.
 - (d) *Repairs and Maintenance* - This refers to the expenses for repairs and maintenance incurred to put/keep the bank premises, furniture, fixtures and equipment in working condition but which do not prolong the estimated useful life of the asset or enhance the value thereof.
 - (e) *Security, Clerical, Messengerial and Janitorial Services* - This refers to expenses incurred for the services of security guards, clerks/tellers, messengers and janitors who are not employees of the bank and/or are hired on a contractual basis.
 - (f) *Information Technology Expenses* - This refers to expenses incurred for the operation, maintenance and development of computer hardware and software.
 - (g) *Supervision Fees* - This refers to fees on supervision by the BSP.
 - (h) *Insurance Expenses* - This refers to the payments and monthly amortizations for premiums on insurance.
 - (i) *Management and Other Professional Fees* - This refers to the expenses for services rendered by individuals/firms on a retainer/ contractual basis, such as the managing company, legal counsel, external auditors and consultants.
 - (j) *Representation and Entertainment* - This refers to the fixed allowances and/or actual expenses incurred for public relations activities which are directly related to the promotion of the business development and enhancement of the prestige of the bank.
 - (k) *Traveling Expenses* - This refers to the expenses incurred for the official travel of directors, officers and employees, including fares, hotel bills, subsistence, portage and tips. This account shall also include expenses incurred by directors, officers and employees for fuel and minor repairs in using their own vehicles for official travel.
 - (l) *Fuel and Lubricants* - This refers to the expenses incurred for fuel and lubricants used for bank-owned/leased vehicles and other equipment.
 - (m) *Advertising and Publicity* - This refers to the expenses for advertising and publicity in the newspapers, magazines, television, radio and other media, including those for handbills, pamphlets, billboards, brochures and giveaways.
 - (n) *Membership Fees and Dues* - This refers to the expenses incurred for membership fees and dues to civic associations or professional organizations wherein the MSB, its officers and/or employees are members.

- (o) *Donations and Charitable Contributions* – This refers to the donations and contributions to charitable organizations and other non-profit associations, including contributions to victims of fire, typhoon and other calamities.
 - (p) *Periodicals and Magazines* – This refers to the expenses incurred for periodicals, magazines and other publications.
 - (q) *Documentary Stamps Used* – This refers to the expenses incurred for documentary stamps used by the MSB.
 - (r) *Stationery and Supplies Used* – This refers to the expenses incurred for printed forms, stationery and other office supplies used by the bank or issued from the stockroom to the different departments and branches of the bank, excluding those chargeable to the customers.
 - (s) *Fines, Penalties and Other Charges* – This refers to the fines, penalties and other charges imposed on the MSB under existing rules and regulations, such as fines/penalties for late submission of reports and violation of rules/regulations.
 - (t) *Other Administrative Expenses* – This refers to administrative expenses which cannot be appropriately classified under any of the foregoing administrative expense accounts.
4. **Depreciation/Amortization**– This refers to the monthly/periodic depreciation of premises, equipment, and furniture and fixtures, and the amortization of other intangible assets.
5. **Other Expenses**
- a. **Income Tax Expense** – This refers to the monthly provision for income tax derived from any activity conducted for profit.
 - b. **Miscellaneous Expense** - This refers to other expenses which cannot be appropriately classified under any of the foregoing expense accounts.

REPORTS REQUIRED FROM MONEY SERVICE BUSINESSES
Appendix to Section 153-M

<u>MOR Ref.</u>	<u>Report Title</u>	<u>Frequency</u>	<u>Submission Deadline</u>	<u>Submission Procedure/e-mail Address</u>
<u>Reports Required from All Money Service Businesses (MSB), as applicable</u>				
Sec. 134-M	Reportable Major Cyber-Related Incidents	As incident occurs ¹	Notification - Within two (2) hours upon discovery Follow-up Report - Within twenty-four (24) hours from discovery	Trisd@bsp.gov.ph OR Electronic submission to the appropriate supervising department via BSP's Reporting Portal for VASPs.
Sec. 134-M	Disruptions of financial services and operations	As incident occurs ¹	Notification - Within two (2) hours upon discovery Follow-up Report - Within twenty-four (24) hours from discovery	Trisd@bsp.gov.ph
Sec. 137-M	Report on Reputation Event	As event/incident occurs	Within five (5) calendar days from the date of determination of any reputation event	
Sec. 153-M	Resolution approved by the board of directors/partners, or a certification signed by the proprietor, containing the designated signatories of reports submitted to Bangko Sentral, including their specimen signatures	As authorized	Three (3) business days from date of resolution or certification	dsa-MSB@bsp.gov.ph

¹ For speedy identification, the email transmission should use the following required format as the subject:
<EDRN>underscore<eventtype>underscore<BSFI name>underscore<reportstatus>underscore<yyyymmdd>.

**ANNEX B
(APPENDIX M-6)**

MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/e-mail Address
Sec. 153-M	Report on Crimes and/or Losses (RCL) Initial Report Complete/Final Report	As crime or incident occurs	Ten (10) calendar days from knowledge of crime/incident Twenty (20) calendar days from termination of investigation	dsa-MSB@bsp.gov.ph OR Electronic submission to the appropriate supervising department via BSP's Reporting Portal for VASPs.
Sec. 201-M/ Sec. 911-Q	Money Laundering (ML)/Terrorist Financing (TF)/Proliferation Financing (PF) Risk Event Report	As the risk event occurs	Within twenty-four (24) hours from knowledge or discovery of occurrence thereof	fsid-rer@bsp.gov.ph
Sec. 401-N	Electronic Payment and Financial Services (EPFS) Transactions and Indicators	Monthly	Fifteen (15) business days from end of reference month	dsa-MSB@bsp.gov.ph
Sec. 153-M	Financial Reporting Package (FRP) with Supplementary Schedules on: Cash in Banks Virtual Assets Due from Remittance Partners/ Agents/Liquidity Providers Other Assets Other Liabilities Other Equity/Capital Accounts Service/Processing Fees/Commissions Collected Other Income from Operations Administrative Expenses	Quarterly	Fifteen (15) business days after end of reference quarter	dsa-MSB@bsp.gov.ph
Sec. 401-N	Changes and Enhancements in EPFS	Semi-annually	Fifteen (15) business days from end of reference semester	dsa-MSB@bsp.gov.ph

**ANNEX B
(APPENDIX M-6)**

MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/e-mail Address
Sec. 134-M	IT Profile Report	Annually	Twenty-five (25) calendar days after end of reference year	dsanbfi-itprofile@bsp.gov.ph OR Electronic submission to the appropriate supervising department via BSP's Reporting Portal for VASPs.
Sec. 154-M/ Sec. 402-N/ Sec. 161-M	Audited Financial Statements (AFS) (audited by an external auditor included in the List of Selected External Auditors for BSFIs) Together with attachments listed in Appendix M-7 (Checklist of Bangko Sentral Requirements in the Submission of AFS and Annual Audit Report)	Annually	One hundred twenty (120) calendar days after the close of the calendar or fiscal year	dsa-MSB@bsp.gov.ph
<u>Specific Reports from Remittance Agents (RA)/Remittance Platform Providers (RPP)/Money Changers (MC)/Foreign Exchange Dealers (FXD)</u>				
Sec. 153-M	- Quarterly Report on the Total Value of Foreign and Domestic Remittance Transactions - Quarterly Report on the Total Value of Money Changing/Foreign Exchange Dealing Transactions	Quarterly	Ten (10) business days after end of the reference quarter	dsa-MSB@bsp.gov.ph
Sec. 153-M	List of operating, accredited and closed/delisted RTC/MC/FXD offices	Semestral	10 business day after end of reference semester	dsa-MSB@bsp.gov.ph

**ANNEX B
(APPENDIX M-6)**

MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/e-mail Address
Specific reports from Electronic Money Issuers (EMI)				
Sec. 402-N	For BSFIs with outstanding EMI balance of at least P100,000,000.00 Certification on month-end Trust Account Balance (<i>signed by the President/CEO/any officer holding equivalent position</i>), accompanied by a Statement of Account form the Trust Entity as of month-end indicating the outstanding balance of their trust account and all transactions during the reporting period showing at least the transaction date, description, debit/credit amount and ending balance per transaction	Monthly	Fifteen (15) business days after the end of the reference month	Email to appropriate supervising departments
Sec. 402-N	Quarterly Report on Total Volume and Value of E-money Transacted (<i>duly certified by the President or any officer holding equivalent position</i>)	Quarterly	Fifteen (15) business days from end of reference quarter	dsa-MSB@bsp.gov.ph
Sec. 402-N	List of operating offices and digital platforms of EMIs (<i>duly certified by the President or any officer holding equivalent position</i>)	Semestral	Fifteen (15) business days from end of reference semester	Email to appropriate supervising departments
Sec. 402-N	Changes and Enhancement to the E-Money Platform in accordance with the Reportorial Requirements of EPFS	Semestral	Fifteen (15) business days from end of reference semester	Email to appropriate supervising departments

**ANNEX B
(APPENDIX M-6)**

MOR Ref.	Report Title	Frequency	Submission Deadline	Submission Procedure/e-mail Address
<u>Specific reports from Virtual Asset Service Providers (VASP)</u>				
Sec. 161-M (VASP)	Quarterly Report on Total Volume and Value of Virtual Assets transacted <i>(duly certified by the Proprietor/ Managing Partner/President or any officer of equivalent rank)</i>	Quarterly	Ten (10) business days after end of the reference quarter	dsa-MSB@bsp.gov.ph
Sec. 161-M (VASP)	List of operating offices and websites <i>(duly certified by the Proprietor/ Managing Partner/President or any officer of equivalent rank)</i>	Quarterly	Ten (10) business days from end of reference quarter	dsa-MSB@bsp.gov.ph

ANNEX C
(Annex A of APPENDIX M-7)

Name of the MSB
Comparison of Submitted Balance Sheet and Income Statement and Audited Financial Statements
As of end of (calendar/fiscal) year 20__

	Submitted Report	Audited Report	Variance/ Discrepancy	Reasons for Discrepancy
Cash on Hand, Checks and Other Cash Items				
Cash in Bank				
Virtual Assets				
Due from Remittance Partners/Agents				
Investment in bonds & other debt instruments				
Equity investments				
MSBs Premises, Furniture, Fixtures and Equipment, net				
Other Assets, net				
TOTAL ASSETS				
Loans/notes payable				
Due to Remittance Partners/Agents				
Income Tax Payable				
Accrued Other Expenses				
Other Liabilities, net				
TOTAL LIABILITIES				
<u>For Corporation only</u>				
Paid-in Capital Stock				
Additional Paid-in Capital				
Retained Earnings				
Other Comprehensive Income				
Other Equity Accounts				
<u>For Partnership/Sole Proprietorship only</u>				
Capital				
Drawings				
Net Profit (Loss)				
Other Capital Accounts				
TOTAL EQUITY/CAPITAL				
TOTAL LIABILITIES AND CAPITAL				
Total Revenues				
Total Expenses				
Net Income Before Income Tax				