



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR | PAYMENTS AND CURRENCY MANAGEMENT SECTOR

MEMORANDUM NO. M-2024-Q37

To : **Operators of Payment System (OPS)**

Subject : **Guidelines on the Submission of the Documentary and Reportorial Requirements under BSP Circular No. 1198**

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

A. General Guidelines

1. All subject OPS shall electronically transmit reportorial requirements to the corresponding email addresses using the prescribed format in accordance with Appendix A of this Memorandum. An acknowledgement receipt for the submitted report will be sent by the appropriate department of the Bangko Sentral.
2. All subject OPS granted with Merchant Acquisition License (OPS-MAL) shall use the prescribed report templates which can be downloaded from the BSP website¹ or directly requested from BSP following the prescribed format in accordance with Appendix B of this Memorandum.
3. Report submissions that do not conform with the prescribed format and procedures shall not be accepted and will be considered non-compliant with the existing reportorial requirements subject to applicable penalties for delayed, erroneous, and/or unsubmitted reporting under Section 103 of the Manual of Regulations for Payment Systems (MORPS).
4. Queries regarding respective requirements, its related regulations and guidelines shall be sent to the respective email address following the prescribed format for the email subject in accordance with Appendix B of this Memorandum.
5. The reference period refers to the specified timeframe, either a calendar quarter or year, covered within the report or notice.

B. Transitory Provisions

1. Within six (6) months from the effectivity of Circular No. 1198², OPS already engaged in MPAA and/or merchant acquisition shall submit the following requirements to the Payment Supervision and Licensing Department (PSLD) of the Bangko Sentral:

For OPS that are non-bank/ non-Electronic Money Issuer-Non-Bank Financial Institutions (non-EMI-NBFI)

	Document	Email Address
Engaged in MPAA	1. Certification of compliance ³ 2. Gap assessment ⁴	psld-reports@bsp.gov.ph
Engaged in merchant acquisition	1. Certification of compliance ³ 2. Gap assessment ⁴	psld-reports@bsp.gov.ph

¹ <https://www.bsp.gov.ph/SitePages/Regulations/RegulationDisp.aspx?ItemId=5032>

² On or before 8 February 2025

³ Annex B of Circular No. 1198

⁴ Annex C of Circular No. 1198

	3. Documentary requirements under the guidelines on the application for Merchant Acquisition License (Appendix 503-1)	
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For OPS that are banks/EMI-NBFI

	Document	E-mail Address
Engaged in MPAA	1. Gap assessment template ⁴ for the provisions on payment to merchants, pricing mechanism, and reportorial requirements	psld-reports@bsp.gov.ph Copy: Corresponding Financial Supervision Department if not directly under PSLD supervision
Engaged in merchant acquisition	1. Gap assessment template ⁴ for the provisions on payment to merchants, pricing mechanism, and reportorial requirements 2. A Notice of MPAA and other documentary requirements (Appendix 503-5)	psld-reports@bsp.gov.ph Copy: Corresponding Financial Supervision Department if not directly under PSLD supervision

2. All OPS emails related to the transitory provision shall be electronically submitted using the following prescribed format for the email subject:

<OPS Name><space>MPAA Transitory, as illustrated below:

Subject : OPS ABC MPAA Transitory

C. Reportorial Requirements

1. Audited Financial Statements (AFS)

- a. All subject OPS-MPAA and OPS-MAL shall submit the AFS within one hundred twenty (120) business days after the end of reference year.
- b. AFS shall include the balance sheets, income statements, statements of changes in equity, statements of cash flows, notes to financial statements, and opinion of the external auditor.
- c. AFS shall be submitted together with a Certification of the External Auditor on:
 - (1) Compliance with relevant confidentiality clauses;
 - (2) Compliance with disclosure requirements and other information that may be required; and
 - (3) Any matter adversely affecting the condition or soundness of the OPS, such as, but not limited to the following cases:
 - (a) any material finding involving fraud or error;
 - (b) actual or potential losses wherein the aggregate of which amounts to at least ten percent (10%) of the consolidated total assets of the OPS;
 - (c) significant doubt as to the ability of the OPS to continue as a going concern;

- (d) material breach of Philippine laws, Bangko Sentral charter (R.A. No. 7653 as amended by R.A. No. 11211), or Bangko Sentral rules and regulations;
 - (e) material internal control weaknesses which may lead to financial reporting problems; and
 - (f) findings on matters of corporate governance that may require urgent action by the Bangko Sentral.
- d. OPS-MPAA and OPS-MAL that are Banks or EMI-NBFIs under the supervision of the Financial Supervision Sector (FSS) shall copy furnish PSD of their AFS submission to their respective Financial Supervision Department.

2. Statistics Related to MPAA (Appendix 503-2)

- a. All subject OPS-MAL are expected to submit three (3) monthly Data Entry Template (DETs) for each reference quarter within fifteen (15) business days after the end of reference quarter.
- b. All subject OPS-MAL shall submit in Excel format the three (3) monthly MPAA DET to the Payments Policy and Development Department (PPDD) within fifteen (15) business days after end of reference quarter.
- c. All subject OPS-MAL with no transaction for the month should input zero (0) or null values for the report submissions.
- d. Statistics related to MPAA shall be submitted by subject OPS-MAL that are not required to submit the Electronic Payments and Financial Services (EPFS) Monthly Report pursuant to Section 501.6 of MORPS.
- e. All subject OPS-MAL that are unable to transmit electronically may submit the DET in any portable storage device (e.g., USB flash drive) through messengerial or postal services within the prescribed deadline addressed to:

The Director
 Payments Policy and Development Department
 Bangko Sentral ng Pilipinas
 Ground floor, EFLC Office
 BSP Complex, A. Mabini Street,
 1004 Malate, Manila

3. List of Delisted Merchants

- a. All subject OPS-MAL shall submit the list of delisted merchants within fifteen (15) business days after the end of reference quarter.
- b. With respect to the reason of delisting, subject OPS-MAL should indicate the following reasons as reflected in the template:
 - (1) End of Contract
 - (2) Sale or Lease of Dangerous and/or Illegal Goods
 - (3) Deceptive, Unfair, or Unconscionable Sales Act or Practice
 - (4) Sale of Goods under a Cease-and-Desist Order
 - (5) Failure to Remedy Breach of Contract
 - (6) Failure to Meet Merchant Payment Acceptance Criteria
 - (7) Other Reasons
- c. All subject OPS-MAL with no delisted merchants for the reference quarter should indicate "Nothing to report" in the prescribed template.

4. Notice of Significant Changes (Appendix 503-3)

- a. All subject OPS-MAL shall submit to the PSLD a Notice to the Bangko Sentral of significant changes as needed thirty (30) business days prior to effective date of proposed change. This does not preclude the subject OPS-MAL from compliance with the Notice requirements for registered OPS under Section 502.6 of the MORPS.
- b. Significant changes include:
 - (1) Changes in ownership, directors, and/or key officers or representatives authorized to officially communicate to the Bangko Sentral; and
 - (2) Any proposed changes to merchant payment acceptance model of the OPS-MAL that are significant or change the risk profile of the business model, which includes but is not limited to any changes in target market, mode of payment acceptance, as well as payment and settlement flow.
- c. The subject OPS-MAL should submit a Notice that clearly outlines the changes of the subject OPS-MAL, signed by President or officer of equivalent rank of the OPS-MAL, accompanied by relevant supporting documentation.
- d. OPS-MPAA and OPS-MAL that are banks or EMI-NBFIs under the supervision of Financial Supervision Sector (FSS) shall copy furnish PSLD with their submission to their respective Financial Supervision Department regarding any subsequent resignation, retirement, or replacement of directors/officers authorized to officially communicate with the Bangko Sentral.

5. Notice of Change in Average Monthly Value of Collected Funds Transferred to Merchants Resulting to a Change in Category of License (Appendix 503-4)

- a. All subject OPS-MAL shall submit to the PSLD a Notice of change in average monthly value of collected funds transferred to merchants resulting to a change in category of license (Appendix 503-4) within sixty (60) business days after its occurrence, signed by the President or officer of equivalent rank of the OPS-MAL.
- b. A change in license category is required if the average monthly value of collected funds transferred by an OPS-MAL to its merchants for two consecutive calendar years (e.g., Y2025-2027) falls under a different category, i.e., from Category A to B or Category B to A.
- c. The reckoning date for computing a change in category of the average monthly value of collected funds is fifteen (15) business days after the reference year, in line with the submission of Statistics Related to MPAA (Appendix 503-2).
- d. Banks and EMI-NBFIs under the supervision of FSS shall copy furnish their respective Financial Supervision Department with their submission to PSLD.

For compliance.


MAMERTO E. TANGONAN
Deputy Governor

10 December 2024

Appendix A: Prescribed Format for Reports

Report Title	File Name	Extension	Email Subject	Email Address
Audited Financial Statements	AFS-OPS Name	PDF	<Name of OPS><space>AFS,<Reference Period in dd Month yyyy> <u>Example</u> Subject: OPS ABC AFS, 31 December 2024	psld-reports@bsp.gov.ph ¹
Certification of the External Auditor				
Statistics Related to MPAA - Data Entry Template	MPAA-OPS Name	XLS	<Name of OPS-MAL><space>MPAA, <space><Reference Month in dd Month yyyy> <u>Example</u> Subject : OPS ABC MPAA, 31 August 2024	ppdd-paymentsdata@bsp.gov.ph Copy: psld-reports@bsp.gov.ph
List of Delisted Merchants	Delisted Merchants-OPS Name		<Name of OPS-MAL><space>Delisted Merchants, <space><Reference Month in dd Month yyyy> <u>Example</u> Subject : OPS-MAL ABC Delisted Merchants, 31 August 2024	
Notice of Significant Changes	NoticeSC-OPS Name	PDF	<Name of OPS-MAL><space>Notice of Significant Change,<space><Reference Month in dd Month yyyy> <u>Example</u> Subject: OPS-MAL ABC Notice of Significant Change, 31 August 2024	psld-reports@bsp.gov.ph Copy: Corresponding Financial Supervision Department if not directly under PSLD supervision
Notice of Change in Average Monthly Value of Collected Funds Transferred to Merchants Resulting	NoticeCC-OPS Name		<Name of OPS-MAL><space>Notice of Change in Capital Category,<Reference Date in dd Month yyyy> <u>Example</u>	psld-reports@bsp.gov.ph Copy: Corresponding Financial Supervision Department if not directly under PSLD supervision

¹Banks or EMI-NBFIs under the supervision of Financial Supervision Sector (FSS) shall copy furnish psld-reports@bsp.gov.ph of their AFS submission to their respective Financial Supervision Department

to a Change in Category of License			Subject: OPS-MAL ABC Notice of Change in Capital Category, 31 August 2024	
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Appendix B: Prescribed Format and Email Addresses for Inquiries and Requests for Template

A. Inquiry on Report

Report Title	Email Subject	Email Address
Statistics Related to MPAA	<Name of OPS-MAL> <space> [INQUIRY] MPAA Statistics <u>Example</u> Subject: OPS ABC [INQUIRY] MPAA Statistics	ppdd- paymentsdata@bsp.gov.ph
List of Delisted Merchants	<Name of OPS-MAL> <space> [INQUIRY] Delisted Merchants <u>Example</u> Subject: OPS ABC [INQUIRY] Delisted Merchants	
Audited Financial Statements	<Name of OPS> <space> [INQUIRY] MPAA AFS <u>Example</u> Subject: OPS ABC [INQUIRY] MPAA AFS	psld@bsp.gov.ph
Certification of the External Auditor		
Notice of Significant Changes	<Name of OPS-MAL> <space> [INQUIRY] MPAA Notice of Significant Changes <u>Example</u> Subject: OPS ABC [INQUIRY] MPAA Notice of Significant Changes	
Notice of Change in Average Monthly Value of Collected Funds Transferred to Merchants Resulting to a Change in Category of License	<Name of OPS-MAL> <space> [INQUIRY] MPAA Notice of Change in Capital Category <u>Example</u> Subject: OPS ABC [INQUIRY] MPAA Notice of Change in Capital Category	

B. Request for Template

Report Title	Email Subject	Email Address
Statistics Related to MPAA – Data Entry Template	<Name of OPS-MAL> <space> [REQUEST] MPAA DET <u>Example</u> Subject: OPS ABC [REQUEST] MPAA DET	ppdd-paymentsdata@bsp.gov.ph
List of Delisted Merchants	<Name of OPS-MAL> <space> [REQUEST] Delisted Merchants Template <u>Example</u> Subject: OPS ABC [REQUEST] Delisted Merchants Template	
Notice of Significant Changes	<Name of OPS-MAL> <space> [REQUEST] MPAA Notice of Significant Changes <u>Example</u> Subject: OPS ABC [REQUEST] MPAA Notice of Significant Changes	psld@bsp.gov.ph
Notice of Change in Average Monthly Value of Collected Funds Transferred to Merchants Resulting to a Change in Category of License	<Name of OPS-MAL> <space> [REQUEST] MPAA Notice of Change in Capital Category <u>Example</u> Subject: OPS ABC [REQUEST] MPAA Notice of Change in Capital Category	