



BANGKO SENTRAL NG PILIPINAS

**OFFICE OF THE DEPUTY GOVERNOR
SUPERVISION AND EXAMINATION SECTOR**

CIRCULAR LETTER NO. CL-2011-059

To : All Banks

Subject : Clean Note Policy and Coin Recirculation Program

Pursuant to the BSP's exclusive power to issue currency¹ under Republic Act (R.A.) No. 7653 or The New Central Bank Act and its corollary authority to regulate and manage the circulation of currency, all banks are reminded of their obligation to:

- (1) Accept unfit Philippine currency notes and coins from the depositing public and observe the expeditious withdrawal thereof from circulation;
- (2) Implement the Clean Note Policy under Circular No. 61 dated 21 January 1995;
- (3) Arrange direct exchange of their accumulated excess fit currency notes/coins with other banks to optimize circulation of said notes/coins under Memorandum No. 2007-027 dated 19 September 2007 (incorporated as Appendix 80 of the Manual of Regulations for Banks);

In view of the limited circulation of Philippine coins in the economy, banks are enjoined to perform their duties as authorized agent banks of the BSP, as sole issuer of Philippine currency, by accepting, without handling fees or charges, non-mutilated coins for deposit from the public, regardless of amount. Furthermore, banks are directed to re-circulate such coins received from the depositing public in the course of their business to the economy.

In order to ensure that banks comply with the Clean Note Policy and Coin Recirculation Program, banks are required to incorporate measures on the implementation thereof in their compliance program. Moreover, banks should conduct periodic compliance testing to cover their compliance with the Clean Note Policy and Coin Recirculation Program.


NESTOR A. ESPENILLA, JR.
Deputy Governor

12 August 2011

¹ Section 49 of R.A. 7653 defines "Currency" as all Philippine notes and coins issued or circulated in accordance with the provisions of said Act.