



BANGKO SENTRAL NG PILIPINAS

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

MEMORANDUM NO. M-2014- 047

To : ALL BSP-SUPERVISED INSTITUTIONS (BSIs)

Subject : Adoption of End-to-End Triple Data Encryption Standard (3DES)

As part of its continuing efforts to strengthen the country's electronic retail payment network and protect consumers against payment card fraud, the Bangko Sentral ng Pilipinas (BSP), through the issuance of Circular No. 808 dated 22 August 2013, required all concerned BSIs to upgrade/convert their Automated Teller Machine and Point-of-Sale (ATM/POS) system to allow the adoption of end-to-end 3DES by 01 January 2015. The required upgrade/conversion covers the whole ATM/POS network, which consists of the host processors, switches, host security module (HSM), ATM and POS terminals and all communication links connected to the network.

In view thereof, all affected BSIs are required to submit the following to the Core Information Technology Specialist Group (CITSG) of the BSP within twenty (20) banking days from date of this memorandum:

1. Certification from the BSI's vendors/third party service providers on the capability of the latter's ATM and POS network device/product in utilizing 3DES; and
2. Certification signed by the President and Compliance Officer on the BSI's compliance with the implementation of 3DES pursuant to BSP Circular No. 808. In case of non-compliance, the certification should indicate: (a) the reason/s for non-compliance; (b) the timeline within which to comply; and (c) controls in place to mitigate the risk exposure arising from non-adoption of 3DES.

The BSP may conduct onsite validation of concerned BSIs to confirm their compliance relative to the above-cited requirement.

For compliance.


NESTOR A. ESPENILLA JR.
Deputy Governor

17 December 2014