



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR | FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2025-036

To : **All BSP-Supervised Financial Institutions (BSFIs)**

Subject : **Frequently Asked Questions (FAQs) on Large Value Cash Transactions (BSP Circular 1218, Series of 2025)**

The BSP issues the attached FAQs on BSP Circular No. 1218 dated 18 September 2025 governing large value cash transactions.

These FAQs are intended to clarify key provisions of the subject Circular for the guidance of the public, the BSFIs and their customers, and promote uniform understanding and consistent implementation across BSFIs.

BSFIs are expected to understand and consider the FAQs to inform enhancements in their existing policies and procedures on handling cash transactions, consistent with the regulations.

For information and guidance.

A handwritten signature in black ink, appearing to read 'Ma. Belinda G. Caraan', is positioned above the printed name.

Digitally signed by
Ma. Belinda G. Caraan
Date: 2025.10.30
15:01:50 +08'00'

MA. BELINDA G. CARAAN
Sector-in-Charge

30 October 2025



BANGKO SENTRAL NG PILIPINAS

FREQUENTLY ASKED QUESTIONS (FAQs) BSP Circular No. 1218¹, Series of 2025 Regulation on Large Value Cash Transactions

A. Background and Overview

1. What is the purpose of BSP in issuing this regulation?
 - The Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1218, Series of 2025, dated 18 September 2025, to mitigate the risks of money laundering (ML) and its related predicate crimes, terrorism financing (TF), and proliferation financing (PF) associated with large value cash transactions. Based on its latest sectoral risk assessment and surveillance monitoring, the BSP observed that cash-based transactions were being exploited to move illicit funds into and out of the financial system. In response, the Circular introduces stricter controls and enhanced due diligence (EDD) requirements for cash transactions exceeding Php500,000.00 (Php500K). These measures aim to help curb crime, safeguard financial integrity, and promote the use of traceable and efficient payment channels, ultimately protecting both the customers and financial institutions.
2. Is this regulation an added burden to customer who regularly transact more than P500K but have legitimate businesses?
 - No, this regulation is not intended to burden or financially exclude legitimate private businesses and government-related transactions. As part of their customer due diligence (CDD) obligations, BSFIs are already required under existing laws and regulations to understand the customer's business, financial profile/capacity, purpose of the account (i.e., payroll, trade/business), the nature of transactions (i.e., highly cash intensive), among others. This information, together with the results of screening/scrubbing from customer information databases, are used to assess the customer's risk profile. The new regulation (BSP Circular No. 1218) will not prevent customers from accessing or withdrawing their funds. Further, it is not meant to unduly delay the access of customers to their funds, such as cash aid releases, especially in area/s under a state of calamity. Large value payouts exceeding P500K made through cash withdrawals/payouts are still allowed with appropriate supporting documents and legitimate purpose. This approach enhances payment security and efficiency while avoiding undue delay/disruption to legitimate financial services.

¹ Took effect on 07 October 2025, which is fifteen (15) calendar days after the publication in a newspaper of general circulation.

3. Will this regulation supersede/amend the existing regulations on large value payouts for MSBs under Section 103-M of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI)?
- No. BSP Circular No. 1218 will not supersede the relevant provisions of Section 103-M of the MORNBFI which provides that large value payouts of more than P500K or its foreign currency equivalent, in any single transaction with customers or counterparties, shall only be made via check payment or direct credit to deposit accounts. MSBs remain to be governed by the provisions of Section 103-M of MORNBFI.

B. Cash Transaction Threshold

4. How do we apply or compute the P500K threshold as stated in the Circular?
- The P500K threshold applies to a single transaction, or an aggregate of payout transactions in cash conducted by the customer within one (1) banking day. The threshold covers all aggregated cash payout transactions of the customer within a banking day.
5. Is the P500K threshold computed on a per currency basis? Can we combine the total amount of cash payouts in pesos and other foreign currencies for purposes of determining the threshold?
- The P500K threshold covers a combination of cash payouts in Philippine pesos and other foreign currencies.
6. Are we still allowed to withdraw more than the P500K threshold?
- Yes, there is no limit in the amount that a customer can withdraw. In case the customer needs to withdraw more than P500K in cash, the customer should present documents to support the transaction and/or its legitimate purpose.
- a) What if the withdrawal exceeding the threshold is solely in cash?
- If more than P500K is withdrawn entirely in cash, BSFIs shall conduct appropriate EDD. Please refer to item c below and the section on EDD for further guidance.
- b) What if the withdrawal exceeding the threshold is a combination of cash and non-cash (e.g., 400k in cash and 200k in fund transfer)?
- If the withdrawal involves a combination of cash and other modes of payout (e.g. P400K in cash and P200K in fund transfer), this is not covered by the requirement under BSP Circular No. 1218. The BSFI's transaction monitoring system (TMS) is expected to monitor and assess the transactions holistically, taking into account existing parameters and customer risk profile, to address potential ML/TF/PF risks associated with the customer's activity.

- c) Is there a recommended approval process or signing authority needed to allow withdrawals breaching the thresholds? (e.g. more than P500K, more than P1 million, etc.)
- BSFIs are required to adopt their own management and approval process for withdrawals breaching certain threshold. This includes securing senior management approval as part of the EDD process. In crafting their policies and procedures, BSFIs are expected to consider the results of their institutional risk assessment, understanding of the customer's financial/business profile as well as the holistic review of the customer's transactions/activity behavior.
7. How do we apply the P500K threshold in terms of joint deposit accounts? Will the joint accountholder have separate individual P500K threshold?
- Consistent with item 4, the P500K threshold applies to a single transaction, or an aggregate of payout transactions in cash conducted by the joint accountholder (customer) within one (1) banking day.
8. What forms of payouts are covered by BSP Circular No. 1218?
- The large value cash payouts in excess of P500K cover all forms of payouts such as over the counter/ATM withdrawals, foreign currency transactions, check encashments, loan drawdown/disbursements in cash, cash advances, among others.
- For loan disbursements, if the BSFI releasing the cash proceeds is the same financial institution that evaluated and approved the loan, it may rely on the CDD conducted during the loan approval process. If the proceeds are credited to the account of the customer in another BSFI and withdrawn in cash for amount exceeding P500K, the requirements under BSP Circular No. 1218 shall apply.
9. Are BSFIs required to have the capability to aggregate a customer's daily transaction real-time, including those done simultaneously at different branches?
- BSFIs are required to have appropriate system that is capable of aggregating activities of a customer with multiple accounts on a consolidated basis for monitoring and reporting purposes, among other functionalities. While some BSFIs may have manual or less automated/sophisticated process commensurate to their profile, it is still expected that they develop adequate guidelines, procedures or mechanisms in (i) conducting holistic review of related transactions, activities, or circumstances, including those conducted in other branches/units; and (ii) determining the normal and reasonable customer account activity based on the declared financial/business profile of the customer. (Sections 911/911-Q, 921/921-Q, 922/922-Q and 923/923-Q of the Manual of Regulations for Banks/Manual of Regulations for Non-Bank Financial Institutions).

C. Conduct of Enhanced Due Diligence² (EDD)

10. Can withdrawals still be allowed even in the absence of supporting documents but with satisfactory EDD?

- Submission of supporting documents forms part of the validation procedures in the conduct of EDD to support the need for cash/legitimacy of the transaction.

11. How will EDD be performed if withdrawal is via transactor or authorized representative?

- BSFIs must verify the identity of the transacting person and confirm their authority to act on behalf of the accountholder and conduct appropriate EDD accordingly.

12. How will EDD be performed in case of check encashment?

- For check encashments, verification procedures/EDD will be performed on the payee or order of the payee, as applicable.

13. For the “For the Account of (FAO)” and “In Trust For (ITF)” accounts, who is required to present the documents?

- For the “For the Account of (FAO)” and “In Trust For (ITF)” accounts, the accountholder, beneficiary, or rightful owner of the account shall be subject to EDD, in accordance with the terms and conditions of the account.

14. If there are multiple transactions carried out by the customer within the day (i.e., at different branches and combination of OTC and ATM withdrawal transactions), can the BSFI perform the transaction monitoring and/or EDD post transaction?

- Given this scenario of possible multiple transactions to be carried out by the customer using different services/products across various branches/units of the BSFI within one (1) banking day, post-EDD may be allowed provided that the BSFIs should ensure that their TMS is capable of holistic monitoring of customers with multiple accounts and/or related/associated accounts. BSFIs should consider this situation/circumstance in their transaction monitoring scenarios/rules and other alert trigger controls. BSFIs should also ensure that their customer’s information and risk profile are completed and updated accordingly (based on policy and defined triggers). Please refer also to item 9.

² Under Section 921/921-Q of the Manual of Regulations for Banks/Manual of Regulations for Non-Bank Financial Institutions, EDD shall be applied to customers when (i) required by law; (ii) assessed as high risk for ML/TF/PF; (iii) due to customer acceptance and risk profiling policy of the BSFI; and (iv) assessed as high risk by the third party, in cases of third-party reliance. In such cases, BSFIs should gather additional customer information and/or identification documents; conduct validation procedures; secure senior management approval; conduct enhanced ongoing monitoring of the business relationship; and perform such other measures as the covered person may deem reasonable or necessary.

15. Can EDD be performed or completed ahead of the transaction where the customer would be asked for substantial justification/legitimate purpose for prospective cash payouts?

- Yes, the conduct of EDD may be completed ahead of time.

16. For large value cash payouts or transaction which are already expected as part of customer's regular operations/activities, can the EDD be performed periodically instead of conducting the same for every transaction?

- Yes, the conduct of EDD can be performed periodically, or simplified/streamlined process can be adopted for certain types of customers, such as bank/BSFI as customer of another bank/BSFI, taking into account the customer's overall risk profile, nature of business, and usual transaction patterns. This shall form part of the regular conduct of due diligence and on-going monitoring on the customer (via TMS). As warranted, the BSFI shall still obtain additional information/documents to ensure they have an updated understanding of the customer's business operations and legitimate need for cash to sustain the business. Where transactions are consistent with the customer's usual business operations and no adverse findings arise, additional documentation for every cash withdrawal exceeding P500K may no longer be required. However, if deviations from expected patterns or risk indicators are observed, BSFIs must apply more stringent EDD measures as warranted.