



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2024-039

To : All Participants in the Peso Real-Time Gross Settlement (RTGS) Payment System

Subject : Supplementary Policy on Penalties and Sanctions Under Section 621 of the Peso Real-Time Gross Settlement (RTGS) Rules

The Monetary Board, in its Resolution No. 1368 dated 28 November 2024, approved the following amendments to the Peso RTGS Rules under the Manual of Regulations for Payment Systems (MORPS):

Section 1. Section 621 of the MORPS shall be amended to read as follows:

"Section 621 Penalties and Sanctions. Depending on the gravity of the offense committed by a participant, the Bangko Sentral may impose penalties and sanctions, which may include fines, suspension of the participant's privilege to avail of the Intraday Settlement Facility, and suspension or termination of the participant's access to the Peso RTGS Payment System. Repeat offenders shall be meted with stiffer penalties and sanctions.

The following rules, which will form part of Appendix 621-1 of the MORPS, shall govern the imposition of penalties and sanctions on erring participants of the Peso RTGS Payment System:

Section 1. The following monetary penalties shall be imposed for non-compliance with specific requirements, apart from the reporting standards, under the Peso RTGS Rules:

Types of Violations	Imposable Monetary Penalties
1. Failure to properly manage liquidity position as manifested by any of the following circumstances: • Queuing of a transaction for over 15 minutes • Rejection of more than three (3) transactions per day due to insufficient balance of settlement account • Cancellation of more than three (3) transactions per day	For Universal Banks (UBs): Fine of Php75,000 per incident For Islamic Banks (IBs): Fine of Php75,000 per incident For Commercial Banks (KBs): Fine of Php65,000 per incident For Digital Banks (DBs)/Thrift Banks (TBs): Fine of Php30,000 per incident For Rural Banks (RBs)/Cooperative Banks (CBs): Fine of Php20,000 per incident For Non-banks with Quasi-Banking Functions (NBQBs)/ Non-bank Electronic Money Issuers (EMIs)/ Other

Types of Violations	Imposable Monetary Penalties
	Participants Maintaining Settlement Accounts (SAs) with the Bangko Sentral: Fine of Php20,000 per incident
2. Habitual ¹ scheduling of bulk settlements near the close of business, that is, thirty (30) minutes or less before close of RTGS settlement window, to take undue advantage of funding from incoming payments in violation of Section 610 (c) on the required level of SA	For UBs: Fine of Php10,000 per incident For IBs: Fine of Php10,000 per incident For KBs: Fine of Php8,000 per incident For DBs/TBs: Fine of Php6,000 per incident For RBs/CBs: Fine of Php4,000 per incident For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php4,000 per incident
3. Failure to timely notify the Bangko Sentral, through its appropriate department, of the participant's placement under insolvency, bankruptcy or rehabilitation	Fine of Php20,000 for non-bank participants that are not quasi-banks <i>In the case of bank and quasi-bank participants, the appropriate Bangko Sentral department is notified by the concerned Bangko Sentral supervising department.</i>
4. Failure to follow the prescribed messaging standard, including mandatory message contents	Fine of Php5,000 per incident
5. Request for allowable manual settlement/adjustment ² to correct erroneous transfers/ transactions in excess of prescribed limit ³	For UBs: Fine of Php15,000 per adjustment For IBs: Fine of Php15,000 per adjustment For KBs: Fine of Php10,000 per adjustment For DBs/TBs: Fine of Php5,000 per adjustment For RBs/CBs: Fine of Php3,000 per adjustment

¹ More than three (3) times per month

² Section 610 (e) of the Peso RTGS Rules

³ Three (3) per calendar quarter

Types of Violations	Imposable Monetary Penalties
	For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php3,000 per adjustment For Financial Market Infrastructures (FMIs)/Clearing Switch Operators (CSOs): Fine of Php10,000 per adjustment <i>The fines stated above are in addition to the settlement-related fees provided under Memorandum No. M-2023-002.</i>
6. Non-compliance with settlement timelines set by the Bangko Sentral	For UBs: Fine of Php50,000 per incident For IBs: Fine of Php50,000 per incident For KBs: Fine of Php30,000 per incident For DBs/TBs: Fine of Php20,000 per incident For RBs/CBs: Fine of Php10,000 per incident For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php10,000 per incident For FMIs/CSOs: Fine of Php20,000 per incident
7. Failure to repurchase securities sold to the Bangko Sentral under an Extended Intraday Settlement Facility (ISF) availment in excess of allowable limit⁴	For UBs: Fine of Php50,000 per incident For IBs: Fine of Php50,000 per incident For KBs: Fine of Php30,000 per incident For DBs/TBs: Fine of Php20,000 per incident For RBs/CBs: Fine of Php10,000 per incident For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php10,000 per incident

⁴ Three (3) per calendar quarter

Types of Violations	Imposable Monetary Penalties
8. Non-compliance with the requirements for managing adverse incidents under Section 616 of the Peso RTGS Rules	For UBs: Fine of Php10,000 per incident For IBs: Fine of Php10,000 per incident For KBs: Fine of Php8,000 per incident For DBs/TBs: Fine of Php6,000 per incident For RBs/CBs: Fine of Php4,000 per incident For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php4,000 per incident For FMIs/CSOs: Fine of Php6,000 per incident
9. Failure to establish a resilient, documented, and tested Business Continuity Plan (BCP) under Section 617 of the Peso RTGS Rules	For UBs: Fine of Php75,000 For IBs: Fine of Php75,000 For UKs: Fine of Php65,000 For DBs/TBs: Fine of Php20,000 For RBs/CBs: Fine of Php10,000 For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php10,000 For FMIs/CSOs: Fine of Php20,000
10. Non-compliance with system enhancement requirements under Section 618 of the Peso RTGS Rules	For UBs: Fine of Php75,000 For IBs: Fine of Php75,000 For KBs: Fine of Php65,000

Types of Violations	Imposable Monetary Penalties
	For DBs/TBs: Fine of Php20,000 For RBs/CBs: Fine of Php10,000 For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php10,000 For FMIs/CSOs: Fine of Php65,000
11. Non-compliance with testing requirements under Section 618 of the Peso RTGS Rules	For UBs: Fine of Php15,000 for failure to participate in each testing exercise For IBs: Fine of Php15,000 for failure to participate in each testing exercise For KBs: Fine of Php12,000 for failure to participate in each testing exercise For TBs/DBs: Fine of Php10,000 for failure to participate in each testing exercise For RBs/CBs: Fine of Php5,000 for failure to participate in each testing exercise For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php2,000 for failure to participate in each testing exercise For FMIs/CSOs: Fine of Php5,000 for failure to participate in each testing exercise

Section 2. The following fines shall be imposed for non-compliance with the reporting standards under Section 614 of the Peso RTGS Rules, requiring participants to submit reports such as an attestation report⁵, the monthly tiered participation report⁶, and all other reports that may be required by the Bangko Sentral on a periodic or on call basis:

⁵ Per Section 614 of the Peso RTGS Rules and Memorandum No. M-2024-014, participants shall present an "Attestation Report" to the Bangko Sentral yearly, to be submitted on the last banking day of January.

⁶ Pursuant to Sections 605 and 614 of the Peso RTGS Rules and Memorandum No. M-2023-020, sponsoring RTGS participants shall provide the Bangko Sentral with a "Monthly Monitoring Report on Sponsored Participation in

Types of Violations	Imposable Monetary Penalties
1. Delayed Report A report that was submitted after the reporting deadline but not beyond the date the next report becomes due	For UBs: Fine of Php500 per calendar day of delay For IBs: Fine of Php500 per calendar day of delay For KBs: Fine of Php400 per calendar day of delay For DBs/TBs: Fine of Php300 per calendar day of delay For RBs/CBs: Fine of Php200 per calendar day of delay For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php200 per calendar day of delay For FMIs/CSOs: Fine of Php200 per calendar day of delay
2. Erroneous Report A report that is incomplete or inaccurate Regardless of being penalized under this item, the participant is required to submit the correct report within 90 calendar days from its due date. Otherwise, the participant shall also be subject to the provisions of Section 3 below.	For UBs: Fine of Php15,000 per submission of an erroneous report For IBs: Fine of Php15,000 per submission of an erroneous report For KBs: Fine of Php12,000 per submission of an erroneous report For DBs/TBs: Fine of Php9,000 per submission of an erroneous report For RBs/CBs: Fine of Php6,000 per submission of an erroneous report For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php6,000 per submission of an erroneous report For FMIs/CSOs:

the Peso Real-Time Gross Settlement (RTGS) Payment System" to be submitted via email within ten (10) calendar days from the end of the reference period beginning June 2023.

Types of Violations	Imposable Monetary Penalties
	Fine of Php6,000 per submission of an erroneous report
3. Unsubmitted Report A report that remains unsubmitted after the next report becomes due. Regardless of being penalized under this item, the participant is required to submit the report within 90 calendar days from its due date. Otherwise, the participant shall also be subject to the provisions of Section 3 below.	For UBs: Fine of Php30,000 per violation For IBs: Fine of Php30,000 per violation For KBs: Fine of Php24,000 per violation For DBs/TBs: Fine of Php18,000 per violation For RBs/CBs: Fine of Php12,000 per violation For NBQBs/ Non-bank EMIs/ Other Participants Maintaining SAs with the Bangko Sentral: Fine of Php12,000 per violation For FMIs/CSOs: Fine of Php12,000 per violation

Section 3. Violations not included in Sections 1 and 2 above, and non-compliance with applicable laws, and the implementing guidelines, rules and regulations issued by the Bangko Sentral, as well as commission of a combination of violations, or multiple⁷ cases of the same violation shall be subject to penalties and sanctions ranging from a fine of Php5,000.00 to Php100,000.00, and/or suspension or termination of participation in the ISF and the Peso RTGS Payment System.

Section 4. Once the Bangko Sentral, through its appropriate department, ascertains that a participant has committed a punishable violation, it shall send a notice of violation with corresponding penalty to the participant. The participant shall justify within fifteen (15) calendar days from receipt of notice why it should not be penalized or sanctioned as indicated in the notice. The justification shall be signed by the President (or equivalent) of the concerned participant and sent to the Head of the appropriate Bangko Sentral department.

The recommendation to sanction or impose penalties shall be approved by the Bangko Sentral. The Bangko Sentral's decision shall be communicated to the concerned participant.

Section 5. The decision of the Bangko Sentral imposing sanctions and/or monetary penalties shall become final and executory after fifteen (15) calendar days from receipt of the decision, unless a motion for reconsideration is timely filed, duly signed by the President (or equivalent) of the concerned participant and copy furnished the Head of the

⁷ More than three (3) violations in a calendar year

appropriate Bangko Sentral department. The decision of the Bangko Sentral on the motion for reconsideration shall be final and executory.

Section 6. The amount of fine due from a participant shall be deducted from its SA with the Bangko Sentral. If a participant does not have such an SA, the fine shall be collected from its designated bank's SA."

Section 2. This Memorandum shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

For information and guidance.


ELI M. REMOLONA, JR.
Governor

Digitally signed by Eli M. Remolona Jr.
Date: 2024.12.11 11:53:44 +08'00'

11 December 2024

