



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR MONETARY STABILITY SECTOR

MEMORANDUM NO. M-2017- 012

To : ALL AUTHORIZED AGENT BANKS

**Subject : GUIDELINES AND PROCEDURES GOVERNING THE SUBMISSION
BY BANKS TO BSP OF CURRENCY NOTES/COINS FOR DEPOSIT/
REDEMPTION**

Pursuant to the Clean Note and Coin Policy of the Bangko Sentral ng Pilipinas (BSP), banks are reminded to strictly comply with the provisions of BSP Circular No. 829, series of 2014, and BSP Circular No. 931, series of 2016, covering amendments to the consolidated rules and regulation on currency notes and coins and the new service fees for banks' deposits and withdrawal transactions and amendments to operational processes under the enhanced cash management services and guidelines on Clean Note and Coin Policy, respectively. As part of the aforesaid regulations, BSP would like to emphasize the following guidelines and processes governing classification and handling of currency for deposit and mutilated currency for redemption, to wit:

I. Currency Deposit¹

A. Banknotes

Deposits must be sorted by series and denominations, as follows:

(i) **New/Fit Banknote Deposits** refer to: (a) clean notes such that the prints are clear and the genuineness is obvious; (b) notes without writing and/or heavy creases; and (c) notes that can maintain their upright position when held at the mid- portion of one of the shorter borders.

(ii) **Unfit Banknote Deposits** refer to banknotes that do not qualify as fit banknotes.

(iii) **Mixed Banknote Deposits** (for Cash Department only) refer to deposits which consist of combination of fit and unfit banknotes in a bundle or wrapper.

Pins, clips, staple wires and stickers/adhesive residue, if any, must be removed prior to deposit.

B. Coins

Coin deposits shall be sorted into fit and unfit. Coin deposits shall be free of adhesive tapes, and shall not be inserted with foreign coins, token coins or other objects.

¹ BSP Circular No. 931, series of 2016, Section 3.

A currency coin shall be considered unfit for circulation when: (i) it is bent or twisted out of shape or defaced, but its genuineness and/or denomination can still be readily and clearly determined/identified; or (ii) it has been considerably reduced in weight by natural abrasion/wear and tear.²

II. Mutilated Currency³

A. Banknotes

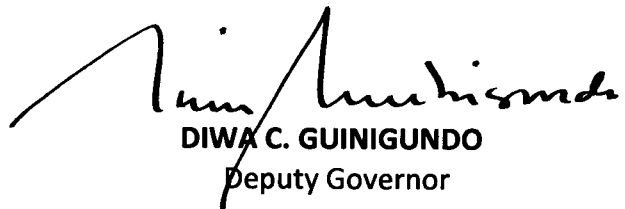
A currency note shall be considered mutilated when: (i) torn parts of the banknote are joined together with adhesive tape aimed at preserving as nearly as possible the original design and size of the note; or (ii) the original size of the note has been reduced/lost through wear and tear or has been otherwise torn, damaged, defaced or perforated through action of insects, chemicals or other causes; or (iii) it is scorched or burned to such an extent that although recognizable as such, it has become frail and brittle as to render further handling thereof impossible without disintegration or breaking; or (iv) it is split edgewise; or (v) it has lost all the signatures inscribed thereon; or (vi) the Embedded Security Thread or Windowed Security Thread placed on the banknote is lost.

B. Coins

A currency coin shall be considered mutilated when: (i) it shows signs of filing, clipping or perforation; or (ii) it shows signs of having been burned or corroded or has been so defaced, that its genuineness and/or denomination cannot be readily and clearly identified.

Banks shall accept from the public mutilated notes and coins for referral/transmittal to the Currency Issue and Integrity Office-Quezon City or any of the BSP Regional Offices/Branches for determination of redemption value.

For guidance and strict compliance.



DIWA C. GUINIGUNDO
Deputy Governor

11 April 2017

² BSP Circular No. 829, series of 2014, Chapter V, Section 18.

³ BSP Circular No. 829, series of 2014, Chapter V.