



BANGKO SENTRAL NG PILIPINAS

MEMORANDUM NO. M-2021- 006

To : ALL AUTHORIZED AGENT BANKS

Subject : ADVISORY ON ORGANIZATION CHANGES IN THE PAYMENTS AND CURRENCY MANAGEMENT OPERATIONS SUB-SECTOR

The Monetary Board in its Resolution No. 1659, dated 17 December 2020, approved the operationalization of the Payments and Currency Management Sector (PCMS). This new Sector is responsible for maintaining the safety and integrity of the Philippine currency and ensuring a well-functioning payments and cash ecosystem that facilitates economic activity and supports long-run economic growth.

Under the PCMS is the restructured Payments and Currency Management Operations Sub-Sector (PCMOSS, formerly the Metro Manila Currency Operations Sub-Sector), which is mandated to oversee the operations and activities of the Cash Department (CD) and the Payments and Settlements Office (PSO).

The PCMOSS shall lead the development and implementation of tactical strategies to ensure efficient currency distribution, and sound and secure settlement of financial market transactions and other critical interbank fund transfers through the BSP-operated Philippine Payment and Settlement System (*PhilPaSS*). It shall ensure timely and adequate currency distribution in Metro Manila and other assigned areas. It shall also be responsible for the retirement of unfit currency notes and coins and the promotion of proactive partnerships with Authorized Agent Banks (AABs), government agencies, and private institutions. Moreover, it shall maintain the efficient and safe conduct of settlement transactions in support of the smooth functioning of the financial system and the digital transformation initiative of the BSP.

The CD shall continue to service currency deposit and withdrawal transactions of AABs in Metro Manila and other assigned areas. This Department shall promote and manage the Cash Service Alliance to facilitate efficient circulation of fit Philippine currency to support economic transactions, and to strengthen cooperation among banks and enable their proactive role in cash circulation management.

The PSO shall mainly sustain the continuous flow of large value payments in the financial system. In addition, this Office shall administer the Personal Equity and Retirement Account System (PERASys) which supports the operation of the PERA Program that is expected to boost capital market development by attracting the untapped retail market to invest in financial market instruments through the Program.

C. C. C.

BENJAMIN E. DIOKNO

Governor

14 January 2021