

1111 PHILIPPINE AND FOREIGN CURRENCY NOTES AND COINS

The following rules and regulations shall govern the treatment and disposition of counterfeit Philippine and foreign currency notes and coins, the reproduction and/or use of facsimiles of legal tender Philippine currency notes and coins, the replacement and redemption of legal tender Philippine currency notes and coins considered mutilated or unfit for circulation, and the treatment and disposition of Philippine currency notes and coins called in for replacement.

The guidelines and procedures governing currency deposits and withdrawals of banks for credit to and debit from their DDAs with the Bangko Sentral is provided in *Appendix 84*.

Definition of terms. For purposes of this Section, the following terms are defined:

- a. *Legal Tender Philippine currency* – Notes and coins issued and circulating in accordance with R.A. No. 7653, which when offered for the payment of public or private debt must be accepted.
- b. *Counterfeit Note* – An imitation of a legal and genuine note intended to deceive or to be taken for that which is original, legal and genuine.
- c. *Counterfeit Coin* – An imitation or forged design of a genuine and legal coin regardless of its intrinsic value or metallic composition, intended to deceive or pass for the genuine coin.
- d. *Unauthorized reproduction of legal tender Philippine note* – A reproduction of a facsimile or any illustration or object bearing the likeness or similitude of legal tender Philippine currency note or any part thereof, without prior authority from the Governor of Bangko Sentral or his duly authorized representative.
- e. *Unauthorized reproduction of legal tender Philippine coin* – A reproduction of a facsimile or any object in metal form bearing the likeness or similitude of legal tender Philippine currency coin or any part thereof, without prior authority from the Governor of Bangko Sentral or his duly authorized representative.

Treatment and disposition of counterfeit Philippine and foreign currency notes and coins. Any person or entity, public or private, who receives or takes hold of a note or coin which is counterfeit or whose genuineness is questionable, whether Philippine or foreign currency, shall issue a temporary receipt to its owner/holder and must indicate therein his name, address and community tax certificate number of a reference number sourced from any Philippine government-issued ID or passport number, or in case of a foreigner, the date of receipt, the denomination, serial number of the note or the coin series as the case may be. The owner/holder shall be required to countersign the receipt and in case of

refusal, the reason shall be stated in the receipt.

THE CURRENCY ISSUE AND INTEGRITY OFFICE

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In cases where personal delivery to the Currency Issue and Integrity Office (CIIO), Bangko Sentral ng Pilipinas, Quezon City, is not feasible, delivery of the afore stated notes or coins may be made through any of the following agencies:

- (1) The Bangko Sentral Regional
- (2) Any banking institution under the supervision of the Bangko Sentral.

Any law enforcement agency which conducted any seizure of notes and coins, whether Philippine or foreign, which are counterfeits or suspected to be counterfeit currency, shall within five (5) working days from date of seizure, advise in writing the CIIO, Bangko Sentral ng Pilipinas, Quezon City of said seizure enclosing therewith a copy of the receipt and inventory taken on the seized items. All seized notes or coins which are not or no longer needed as evidence in any investigation/legal proceedings shall be immediately turned over to the CIIO, Bangko Sentral ng Pilipinas, for proper disposition.

The CIIO, Bangko Sentral ng Pilipinas, after examining all notes and coins, whether Philippine or foreign, submitted to it for examination and/or determination as to its genuineness, shall:

- (a) Issue a corresponding certification for the currency examined, if needed;
- (b) Stamp the word "COUNTERFEIT" on both the front and the back of each note found to be counterfeit; and
- (c) Return to the owner/holder, and/or sender the Philippine or foreign currency notes or coins found to be genuine in accordance with existing accounting and auditing regulations.

All notes and coins, whether Philippine or foreign, determined by the CIIO, Bangko Sentral ng Pilipinas, to be counterfeit currency, shall not be returned to the owner/holder, but shall be retained and later disposed of in accordance with such guidelines as may be adopted by the Bangko Sentral, except those which will be used as evidence in an investigation or legal proceedings, in which case, the same shall be retained and preserved by the Bangko Sentral for evidentiary purposes.

The Bangko Sentral shall extend assistance as may be requested of it in the investigation, apprehension and/or prosecution of person/s responsible for counterfeiting of notes and coins, both Philippine and foreign.

Reproduction and/or use of facsimiles of legal tender Philippine currency notes. No person or entity, public or private, shall design, engrave, print, make or execute in any other manner, or utter, issue, distribute, circulate or use any handbill, advertisement, placard, circular, card, or any other object whatsoever bearing the facsimile, likeness or similitude of any legal tender Philippine currency note, or any part thereof, whether in black and white or any color or combination of colors, without prior authority therefor having been secured from the Governor, Bangko Sentral or his duly authorized representative.

The reproduction and/or use of facsimiles or any illustration bearing the likeness or similitude of legal tender Philippine currency notes referred to above may be authorized by the Governor, Bangko Sentral, or his duly authorized representative, for printed illustrations in articles, books, journals, newspapers, or other similar materials and strictly for numismatic, educational, historical, newsworthy or other purposes which will maintain, promote or enhance the integrity and dignity of said note: *Provided, however,* That any such facsimile or illustration shall be of a size less than three-fifths (3/5) or more than one and one-half (1-1/2) times in size of the currency note being illustrated and that there will be no deviation from the purpose for which the notes will be used.

Reproduction and/or use of facsimiles of legal tender Philippine currency coins. No person or entity, public or private, shall design, engrave, print, make or execute in any other manner, or utter, issue, distribute, circulate or use any handbill, advertisement, placard, circular, card, or any other object whatsoever bearing the facsimile, likeness or similitude of any legal tender Philippine currency coin or any part thereof, in metal form, irrespective of size and metallic composition, without prior authority from the Governor, Bangko Sentral or his duly authorized representative

The reproduction and/or use of facsimiles or of any object bearing the likeness or similitude of legal tender Philippine currency coins referred to above may be authorized by the Governor, Bangko Sentral, or his duly authorized representative, strictly for numismatic, educational, historical and other purposes which will maintain, promote or enhance the integrity and dignity of said coins.

Clean note and coin policy. As part of banks' duties to effect an expeditious withdrawal from circulation of unfit Philippine currency notes classified under this Section (*Replacement and redemption of legal tender Philippine currency notes and coins considered mutilated or unfit for circulation*), banks and their branches shall observe the guidelines and procedures governing currency deposits and withdrawals of banks provided in *Appendix 84*.

Provincial branches of banks may make direct deposits of currency notes, duly identified and sorted, with the nearest Bangko Sentral Regional Office/Branch. In areas where there are no Bangko Sentral Regional Offices/Branches, provincial branches of banks shall arrange with their respective Head Offices the shipment of their unfit or dirty notes for deposit with the CD, Bangko Sentral in

Quezon City. Cost of shipment and other related expenses to be incurred shall be solely for the account of the bank concerned.

Coins submitted by banks to Bangko Sentral for deposit determination of redemption value shall be packed/bagged in accordance with the following procedure:

- a. Coins shall be free from adhesive tapes;
- b. Coins shall be sorted into fit, unfit or mutilated, per denomination and per series;
- c. Each bag of coins shall contain the following standard number of pieces and amount per denomination:

Denomination	Pieces Per Bag	Amount Per Bag
10-piso	1,200	12,000.00
5-piso	1,500	7,500.00
1-piso	2,000	2,000.00
25-sentimo	3,000	750.00
10-sentimo	4,500	450.00
5-sentimo	5,000	250.00
1-sentimo	5,000	50.00

Provided, however, That in the case of unfit or mutilated coins, these could be packed in amounts of One Thousand Pesos (P1,000.00) for denomination 10-, 5-, and 1-piso; and fifty pesos (P50.00) for 25-, 10-, 5-, and 1-sentimo.

The CD and the Regional Offices/Branches of Bangko Sentral may refuse acceptance of cash deposits that do not conform to these guidelines and procedures.

Replacement and redemption of legal tender Philippine currency notes and coins considered mutilated or unfit for circulation.

- a. *Unfit currency note.* A currency note shall be considered unfit for circulation when:

- (1) It contains heavy creases which break the fiber of the paper and indicate that disintegration has begun; or
- (2) It is badly soiled/contaminated and/ or with writings even if it has proper life or sizing; or
- (3) It presents a limp or rag like appearance and/or it cannot sustain its upright position when held at the mid portion of one of the shorter borders.

b. *Mutilated currency note.* A currency note shall be considered mutilated when:

- (1) Torn parts of banknote are joined together with adhesive tape aimed at preserving as nearly as possible the original design and size of the note; or
- (2) 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
- (3) 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
- (4) It is split edgewise; or
- (5) It has lost all the signatures inscribed thereon; or
- (6) The Embedded Security Thread or Windowed Security Thread placed on the banknote is lost.

c. *Unfit currency coin.* A currency coin shall be considered unfit for circulation when:

- (1) 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
- (2) It has been considerably reduced in weight by natural abrasion/wear and tear.

d. *Mutilated currency coin.* A currency coin shall be considered mutilated when:

- (1) It shows signs of filing, clipping or perforation; or
- (2) It shows signs of having been burned or has been so defaced, that its genuineness and/or denomination cannot be readily and clearly identified.

e. Currency notes and coins considered unfit for circulation shall not be re-circulated, but may be presented for exchange to or deposited with any bank.

f. Banks shall accept from the public mutilated notes and coins for referral/transmittal to CIO, Bangko Sentral - Quezon City or any of the Bangko Sentral Regional Offices/Branches for determination of redemption value. Banks may charge reasonable handling fees from clients and/ or the general public relative to the handling/ transporting to Bangko Sentral of mutilated notes and coins.

g. The Bangko Sentral shall replace or redeem notes and coins considered unfit for circulation or mutilated except under the following conditions:

- (1) Identification of notes and coins is impossible; or
- (2) Coins that show signs of filing, clipping or perforations; or
- (3) Notes which have lost more than two-fifths (2/5) of their surface or all of the signatures inscribed thereon; or
- (4) Notes which are split edgewise resulting in the loss of the whole of or part of, either the face or back portion of the banknote paper; or
- (5) Notes where the Embedded Security Thread or Windowed Security Thread placed thereon is completely lost except when the damage appears to be caused by wear and tear, accidental burning, action of water or chemical or bites of rodents/insects and the likes.

Notes and coins falling under any of the classifications mentioned under Item “g” above shall be withdrawn from circulation and demonetized without compensation to the owner/bearer.

Treatment and disposition of Philippine currency notes and coins called in for replacement. Any person or entity, public or private, who receives, takes, holds or has in his possession Philippine currency notes and coins called in for replacement shall forward the same during the redemption period to:

- a. Any authorized agent banks of the Bangko Sentral when the notes are still considered legal tender, within one (1) year from the date of call; or
- b. The CD or Regional Offices/Branches of the Bangko Sentral, within the redemption period as may be determined by the Monetary Board.

The CD or Regional Offices/Branches of the Bangko Sentral shall exchange the notes/coins called in for replacement if presented to the Bangko Sentral within the redemption period as determined by the Monetary Board and subsequently dispose the same in accordance with Bangko Sentral procedures for disposal

Enforcement action. Consistent with Sec. 002, the Bangko Sentral may deploy enforcement actions to promote adherence to the requirements set forth under this Section, and bring about timely corrective actions. The Bangko Sentral may issue directives or impose sanctions on the bank, for violation of the provisions under this Section, which may include, among others, restrictions or prohibitions from certain authorities/activities. Sanctions may likewise be imposed on bank directors, officers and employees concerned.

Further, any violation of the provisions of this Section, shall subject the offender to imprisonment of

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not less than five (5) years, but not more than ten (10) years. In case the Revised Penal Code provides for a greater penalty, then that penalty shall be imposed

(Circular Nos. 931 dated 09 December 2016, 930 dated 18 November 2016, 897 dated 06 January 2016 and 829 dated 13 March 2014)