

**275 CASH PICK-UP/CASH DELIVERY SERVICES; CASH AGENTS**

Subject to approval by the Deputy Governor of appropriate Sector of the Bangko Sentral, a bank may accredit third party service providers, which may be authorized by customers to perform cash/check pick-up and/or cash delivery services on their behalf, or contract third party entities as cash agents to accept and disburse cash on the bank's behalf in order to promote operational efficiency, more expanded service delivery channels, and greater convenience of banking customers.

Once given such approval, a bank may continuously undertake these activities unless otherwise ordered by the Bangko Sentral.

**Cash pick-up/Cash delivery services.** A bank may accredit third party service provider/s, which may be authorized by customers to pick-up cash/checks for deposit and/or deliver proceeds from cash withdrawal and/or cash exchange, subject to the following conditions:

- a. The bank shall exercise due diligence to assure itself that prudent security measures are observed by the service provider, and that customer risk of loss shall be covered by insurance;
- b. The customer executes a written authorization for the cash/check pick-up and/or cash delivery and accepts that no deposit relationship exists with the bank for the cash/checks in transit;
- c. Customer deposit accounts shall be credited or debited when the cash/checks picked up or cash delivered are turned over to the bank by the service provider and vice-versa consistent with procedures for transactions made by clients within bank premises; and
- d. The bank shall ensure due diligence and compliance with applicable rules, regulations and policies on anti-money laundering, consumer protection, bank secrecy, and customer data confidentiality.

The board of directors shall adopt clearly-defined written policies, procedures and controls for cash/check pick-up/cash delivery services, including, but not limited to, the criteria for determining to whom the service will be made available, and the terms and conditions for such services.

**Use of cash agents.** A bank may contract third party entities as cash agents subject to existing rules on outsourcing: Provided, That the following conditions are complied with:

- a. The bank shall have an electronic banking solution to implement its cash agent operations and comply with the requirements of Part Seven, on the Guidelines on Electronic Banking Services and Operations. The bank shall deploy to its cash agents a device through which its customers

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can perform secure online, real-time deposit and withdrawal transactions for his/her own bank account, fund transfers and bills payment (self-service transactions).

b. Cash agents shall be allowed to accept and disburse cash on bank's behalf in connection with the following self-service transactions of customers:

- (1) Deposit and withdrawal transactions performed by the customer on his bank account;
- (2) Fund transfers performed by the customer;
- (3) Bills payment; and
- (4) Payments due to government institutions, e.g., members' contributions to the SSS and premiums payable to the Philhealth.

In addition to the above, cash agents are also allowed to perform the following for the bank:

- (a) Perform Know-Your-Customer and other related processes in accordance with existing regulations;
- (b) Collect and forward applications for opening a savings account;
- (c) Accept and forward loan application documents; and
- (d) Market, sell and service insurance products in accordance with existing regulations.

c. The bank assumes full responsibility and liability for all acts and omissions of its cash agents on bank-related services. The bank shall exercise due diligence to ensure its cash agents comply with applicable rules, regulations, and policies on anti-money laundering, consumer protection, bank secrecy and customer data confidentiality.

The board of directors of the bank shall adopt clearly-defined written policies, procedures and controls for its cash agent operations, including but not limited to cash agent selection and due diligence, and customer care arrangements.

Upon receipt of notice of Bangko Sentral approval to contract cash agents, the bank shall inform the Bangko Sentral of the target launch date of such service, which shall be within six (6) months from the date of said approval.

*(Circular No. 940 dated 20 January 2017)*