

**[ BSP CIRCULAR NO. 471, S. 2005, January 24, 2005 ]**

**TO ISSUE RULES AND REGULATIONS THAT SHALL GOVERN THE REGISTRATION AND OPERATIONS OF FOREIGN EXCHANGE DEALERS/MONEY CHANGERS AND REMITTANCE AGENTS**

Pursuant to Monetary Board Resolution No. 75 dated 20 January 2005, the rules and regulations that shall govern the registration and operations of foreign exchange dealers/money changers and remittance agents are hereby issued as follows:

**Section 1. Registration.** Qualified persons or non-bank institutions wishing to act as foreign exchange dealers (FXDs)/money changers (MCs) and/or remittance agents (RAs) are required to register with the Bangko Sentral ng Pilipinas (BSP) before they can operate as such.

For this purpose, the term MCs, interchangeably referred to as FXDs, shall refer to those regularly engaged in the business of buying and/or selling foreign currencies.

RAs, on the other hand, shall refer to persons or entities that offer to remit, transfer or transmit money on behalf of any person to another person and/or entity. These include money or cash couriers, money transmission agents, remittance companies and the like.

**Section 2. Application for Registration.** The application for a certificate of registration to act as FXD/MC and/or RA, in the prescribed form (Annex A), must be duly supported by the following documents:

- a. Incorporation papers duly authenticated by the Securities and Exchange Commission (for corporation/partnership); or copy of the Certificate of Registration duly authenticated by the Department of Trade and Industry (for single proprietorship);
- b. Copy of business license/permit from the city or municipality having territorial jurisdiction over the place of establishment and operation;
- c. List of stockholders/partners/proprietor/directors/principal officers as the case maybe;
- d. Notarized Deed of Undertaking (Annex B\*) to strictly comply with the requirements of all relevant laws, rules and regulations, signed either by the owner, partner, president or officer of equivalent rank; and
- e. Any additional documents which the BSP may require from time to time.

FXDs/MCs and RAs existing prior to the effectivity date of this Circular may continue to operate as such provided that an application for registration supported by

documents mentioned above has been filed within ninety (90) calendar days from effectivity date of this Circular.

A Certificate of Registration to act as FXD/MC or RA shall be issued by the BSP and shall become the basis for an electronic registry of all BSP-registered FXDs/MCs and RAs in the country.

**Section 3. Applicability of Other Laws/Regulations.** All FXDs/MCs and RAs are subject to the provisions of R.A. No. 7653 (The New Central Bank Act) and R.A. No. 9160 (Anti-Money Laundering Act of 2001, as amended by R.A. No. 9194) and its implementing rules and regulations, particularly on customer identification, record keeping and reporting of covered transactions and suspicious transactions as well as those which may hereafter be issued.

**Section 4. Required Seminar/Training.** Prior to the issuance of the Certificate of Registration, the officer(s) as well as the personnel directly involved in foreign exchange operations shall attend a seminar on the requirements of the anti-money laundering law particularly on customer identification, record keeping and reporting of covered and suspicious transactions to be conducted by the Anti-Money Laundering Council (AMLC) or by any of its recognized or accredited service providers. The provisions of this Section shall also apply to officers appointed after the issuance of the Certificate of Registration.

The officer(s) in-charge and the personnel who attended the required seminar shall echo the said training to all employees within thirty (30) calendar days from such attendance or as new employees are hired.

**Section 5. Sale and Purchase of Foreign Currencies by FXDs/MCs.** The following minimum procedures shall be observed on sale and purchase of foreign currencies by FXDs/MCs:

- a. Official receipts, in case of sales, and accountable forms in case of purchases, shall be issued in numerical order to evidence sale/purchase of foreign currencies;
- b. The amount of foreign currencies sold shall be indicated in the official receipts both in words and in figures. The staff serving the particular transaction as well as the person buying/selling foreign currency shall sign in their usual signatures on the receipt;
- c. A Daily Record of Foreign Exchange Transactions shall be maintained where all foreign exchange sale and purchase transactions shall be posted chronologically. The Daily Record shall be kept on file at the FXD/MC premises and shall be available for AMLC inspection/examination any time;
- d. All copies of cancelled receipts shall be marked and stamped "CANCELLED" for internal control purposes; and
- e. Foreign exchange transactions shall be conducted only at the entity's principal place of business and other authorized branches.

**Section 6. Application to Sell/Purchase Foreign Currencies by FXDs/MCs.** FXDs/MCs shall require the seller or buyer of foreign currency to fill up and sign an application form, which shall contain the following minimum data and information:

- a. For individual customers -

1. Date
2. Printed name and signature of customer
3. Present address
4. Permanent address
5. Date and place of birth
6. Telephone number
7. Nationality
8. Amount and currency sold/purchased in words and figures
9. Source of foreign currency/ies or purpose of purchase

b. For corporate/juridical customers - In addition to a signed application containing the applicable information in a.1 to 9 above, photocopies of the following documents shall be required:

1. Articles of Incorporation/Partnership
2. By-Laws
3. Official address or principal business address
4. List of directors/partners/principal stockholders
5. Authority and identification of the person purporting to act in behalf of the client.

For subsequent transactions with the same corporate client, FXDs/MCs need not require submission of additional documents enumerated in b.1 to 5 unless there are changes thereto.

As a means of further identification, FXDs/MCs shall require the presentation of a government-issued identification document such as SSS/GSIS/voter's ID, driver's license or passport.

A sample of application to sell/purchase foreign currencies is shown in Annex C<sup>\*</sup>.

**Section 7. Additional Requirement.** FXDs/MCs shall require a notarized application together with supporting documents (Annex D<sup>\*</sup>) in case of sale of foreign exchange exceeding US\$5,000 or its equivalent to the same client. FXDs/MCs shall see to it that this limit on the sale of foreign exchange is not breached by the splitting of a foreign exchange purchase into smaller amounts so as to make it appear that the purchase does not violate the prescribed limit.

There is deemed to be splitting of foreign exchange if the FXD/MC sells foreign exchange to any one purchaser within a fifteen (15) banking day period, in such individual amounts which, when combined, amount to more than US\$5,000 or its equivalent.

**Section 8. Requirements for Remittance Agents.** All RAs shall maintain accurate and meaningful originator information on funds transferred/remitted by requiring the sender/remitter to fill up and sign an application form, which shall contain the following minimum data and information:

a. For individual customers -

1. Date
2. Printed name and signature of remitter
3. Present address
4. Permanent address