

Bureau of Customs desk in the arrival/departure areas of all international airports and seaports and may also be downloaded from the BSP website under Forms, Annexes and Appendices (Annex K) of the FX Manual] indicating allocations per person/traveler. In such a case, the child/children must likewise be physically present with the parent/guardian upon Customs inspection.

C. MERCHANDISE TRADE TRANSACTIONS (EXPORTS AND IMPORTS)

8. Are imports or exports of gold allowed?

The importation of gold in any form is allowed without restriction except for: (a) coin blanks, essentially of gold, which requires prior BSP approval; and (b) any article manufactured in whole or in part of gold, the stamps, brand or marks of which do not indicate the actual fineness of gold quality, which is prohibited.

The export of gold in any form is likewise allowed except for gold from small-scale mining, including panned gold, which is required to be sold to the BSP pursuant to Republic Act No. 7076 (People's Small-Scale Mining Act of 1991) dated 27 June 1991.

9. Can importers purchase FX from AABs/AAB-forex corps for advance payment of importations without prior BSP approval?

Importers may purchase FX from AABs/AAB-forex corps for advance payment of importations without prior BSP approval regardless of amount involved, subject to standard documentary requirements under Appendix 7 of the FX Manual.

10. Is registration with the BSP still required for imports under Documents against Acceptance (D/A) and Open Account (O/A) arrangements to be paid with FX to be purchased from AABs?

Registration of said importations is no longer required but the transactions must be reported to the BSP by AABs prior to payment in accordance with existing BSP rules.

11. Do amendments to Letters of Credit require prior BSP approval?

Amendment to Letters of Credit need not be referred to the BSP for approval.

12. Where can I find the list of regulated and prohibited items for repatriation and exportation?

A comprehensive list of these items is found in Appendices 2-3 (Regulated and Prohibited Reports) and 8-9 (Regulated and Prohibited Exports) of the FX Manual. Queries on regulated items may be directed to the agency/institution that issues the

import/export clearance/s, as indicated in aforesaid Appendices.

D. OTHERS

13. Is payment in foreign currency allowed for resident-to-resident FX transactions?

While the repeal of the Uniform Currency Law authorizes Philippine residents to denominate transactions in currencies other than the Philippine peso, existing policies on FX transactions prohibit resident-to-resident transactions from being funded with FX purchased from AABs/AAB-forex corps (Circular Letter dated 24 September 2002). Foreign loan proceeds that are used for payments to residents (other than banks) in foreign currency are not eligible for registration and repayment with FX sourced from AABs/AAB-forex corps.



BANGKO SENTRAL NG PILIPINAS
International Operations Department

Frequently Asked Questions
on

Foreign Exchange Regulations

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DEPARTMENT**

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h/t

A. SALE OF FOREIGN EXCHANGE (FX) BY BANKS, THEIR SUBSIDIARY/AFFILIATE FOREX CORPORATIONS, AND OTHER NON-BANK ENTITIES OPERATING AS FX DEALERS/MONEY CHANGERS

1. Who can purchase FX from Authorized Agent Banks (AABs)¹, their subsidiary/affiliate forex corporations (AAB-forex corps) in the Philippines, and other non-bank entities operating as FX dealers/money changers (FXDs/MCs)?

Residents and non-residents may purchase FX from AABs, AAB-forex corps, and other non-bank entities operating as FXDs/MCs subject to specific requirements. The sale of FX by AABs/AAB-forex corps is governed by the Manual of Regulations on Foreign Exchange Transactions (the "FX Manual"), issued under Circular No. 645 dated 13 February 2009, as amended,² while the sale by FXDs/MCs is governed by Circular No. 471 dated 24 January 2005, as amended by Circular No. 652 dated 5 May 2009.

2. Why is there a need to present supporting documents before FX can be purchased?

Documents evidence the existence of legitimate outstanding FX obligations that may be serviced using FX resources of the banking system in accordance with existing policy.

3. How much FX can residents buy to cover payments to non-resident beneficiaries for non-trade transactions without need for prior BSP approval?

AABs/AAB-forex corps may sell FX to residents without need for prior BSP approval to cover payments to non-resident beneficiaries for non-trade purposes (other than for foreign/foreign currency loans and investments) subject to the following:

- For FX sales not exceeding US\$120,000.00 per application or its equivalent in other foreign currency

¹ AABs refer to all categories of banks (except offshore banking units) duly licensed by the BSP. It is understood that each category of bank should function within the operational parameters defined by existing laws/regulations for the specific bank category to which they respectively belong.

² The FX Manual replaced Circular No. 1389 dated 13 April 1993, as amended. A copy of the FX Manual and the corresponding amendments thereto may be accessed at:

<http://www.bsp.gov.ph/downloads/Regulations/MOREXT/MOREXT.pdf>,
<http://www.bsp.gov.ph/downloads/Regulations/MOREXT/MOREXT-6265.zip>,
http://www.bsp.gov.ph/downloads/Regulations/sg.MOREXT_amendments.a

- Accomplished application to purchase FX using the prescribed form

- For FX sales exceeding US\$120,000.00 per application or its equivalent in other foreign currency

- Accomplished application to purchase FX using the prescribed form; and
- Supporting documents required under existing rules.

Non-bank entities operating as FXDs/MCs may sell FX for non-trade purposes subject to submission of an accomplished application form to purchase FX and submission/presentation of supporting documents listed in Section 2, Item A of BSP Circular No. 652³ for amounts exceeding US\$10,000 or its equivalent. For the sale of FX for all other purposes, FXDs/MCs shall require submission of an accomplished application form to purchase FX and supporting documents listed in Section 2, Items B, C and D of the same Circular, regardless of the amount involved.

4. How much FX can non-resident tourists or balikbayans purchase from AABs/AAB-forex corps?

Non-resident tourists or balikbayans may purchase FX from AABs/AAB-forex corps up to the amount shown to have been sold by them for pesos. They may also reconvert at airports or other ports of exit unspent pesos up to a maximum of US\$10,000.00 or its equivalent in other foreign currency calculated at prevailing exchange rates, without showing proofs of previous sale of FX for pesos.

B. IMPORT AND EXPORT OF PHILIPPINE AND FOREIGN CURRENCIES

5. Can a person bring in or take out of the country any amount of Philippine currency?

A person may, without prior BSP approval, import or export, or bring in or take out of the country, or electronically transfer, legal tender Philippine notes and coins, checks, money orders or other bills of exchange drawn in pesos against banks operating in the Philippines not exceeding ₱10,000.00; prior written authorization from the BSP, through the International Operations Department (IOD), is required for amounts exceeding ₱10,000.00. BSP generally grants approval for such cross-border transfer in excess of the limit only for numismatic purposes and for testing of banknote counting machines which must be returned to the Philippines after the conduct of the test.

6. Is there any restriction or limit in the amount of foreign currency that a person may bring in or take out of the Philippines?

There is no restriction or limit on the amount of foreign currency that a person may bring in or take out of the Philippines but the bringing in or taking out of the Philippines of foreign currency, as well as other FX-denominated bearer monetary instruments, (whereby title thereto passes to another by endorsement, assignment or delivery) in excess of US\$10,000.00 or its equivalent in other foreign currency must be declared in writing using the prescribed Foreign Currency and Other FX-Denominated Bearer Monetary Instruments Declaration Form. [The form is available at the Bureau of Customs desk in the arrival/departure areas of all international airports and seaports and may also be downloaded from the BSP website under Forms, Annexes and Appendices (Annex K) of the FX Manual].

The declaration should include foreign currencies purchased from the banking system which were not directly remitted to the beneficiary as an exception to Appendix 1 of the FX Manual, such as travel funds, medical expenses abroad not yet incurred, and sales proceeds of emigrant's domestic assets (if emigrant is still in the Philippines). Failure to do so shall subject the violator to sanctions, including confiscation of the foreign currency or monetary instruments involved.

7. Will a child traveling with his parents or guardian be entitled to bring out/into the Philippines PHP10,000.00 (without BSP approval) and/or US\$10,000.00 or its equivalent in other foreign currency (without declaration)?

Yes. Each child traveling with his/her parent/guardian may be allowed to bring out of/into the Philippines up to PHP10,000.00 without prior BSP approval. Each person, parent/guardian and child, should not hand carry an amount exceeding PHP10,000.00. If any child is not of age/capable to handle currency, then the total amount of pesos allocated for each child shall be hand carried by the parent or guardian but it should be ensured that a) the child/children are physically present with the parent/guardian upon Customs inspection; b) the total amount allocated per person, inclusive of the allotment for the child/children, should not average more than PHP10,000.00; and (c) the amount of allocation per person is fully explained to authorities by the parent/guardian.

On the other hand, each child traveling with his/her parent/guardian may be allowed to bring out of/into the Philippines up to US\$10,000.00 or its equivalent in other foreign currency without written declaration. It should be noted, however, that if the amount to be hand carried by each person (including children) is in excess of US\$10,000.00 or its equivalent in other foreign exchange, the total amount to be transported should be declared in writing using the prescribed declaration form [the form is available at the