

## **Rafael Buenaventura: Implementation of BSP rules on the transport of currencies**

Keynote address by Mr Rafael Buenaventura, Governor of Bangko Sentral ng Pilipinas (Central Bank of the Philippines), at the BSP Strategic Planning Conference, Manila, at the signing of the Memorandum of Agreement for the Effective Implementation of BSP rules on Physical Cross-border Transport of Currencies, Manila, 17 January 2005.

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Good afternoon, friends, ladies and gentlemen.

I would like to thank the agencies represented here for their full cooperation in the preparation of the Memorandum of Agreement (MOA) for the effective implementation of BSP rules on the physical cross-border transport of currencies, which will be signed today. We know that, each agency has more than enough work in its hands, and therefore, it is not easy to define and accept additional responsibilities, as would be the case in this MOA. I also want to thank the following signatories to this MOA who have taken time off from their busy schedules for this signing ceremony:

1. Bureau of Customs  
Commissioner George M. Jereos,
2. Manila International Airport Authority  
General Manager Alfonso G. Cusi,
3. Philippine National Police Director  
General Edgar B. Aglipay,
4. Bureau of Immigration  
Commissioner Alipio F. Fernandez
5. Air Transportation Office  
Executive Director Helen N. Camua, and
6. Philippine Ports Authority  
General Manager Oscar M. Sevilla.

Of course, I am also a signatory under two hats, as BSP Governor and as Chairman of the Anti-Money Laundering Council.

This MOA seeks to ensure the effective implementation of BSP rules on the physical cross-border transport of foreign currencies and the Philippine peso (PhP).

BSP Circular No. 308 dated 15 November 2001, as amended, requires any person who brings in or out of the Philippines in excess of US\$10,000 or its equivalent to declare the same in writing using the prescribed foreign currency declaration form. Other countries such as the United States, South Korea, and Malaysia broadly require similar customs procedures in the transport of foreign currency. The Circular was issued as part of a package of measures to help curb money laundering activities. As early as June 2000, the BSP has adopted anti-money laundering measures to be at par with international practices.

The monitoring of the cross-border transport of currencies is covered under the 9th Special Recommendation of the Financial Action Task Force (FATF), the body that evaluates the anti-money laundering regimes of individual countries.

Meanwhile, Section 4 of Circular No. 1389 dated 13 April 1993, as amended, requires any person who brings in or out of the Philippines an amount exceeding PhP 10,000 to obtain prior BSP authorization therefore. The rule was promulgated to help prevent speculation against the peso and maintain the convertibility of the currency.

Vigilance in the implementation of the BSP rules, particularly in the transport of foreign currencies, is important in addressing incidents such as recent events involving the discovery by U.S. customs authorities of large amounts of undeclared foreign currency found in the possession of Filipino citizens arriving in the U.S. We are glad that we will be assisted by other government agencies in this regard.

The MOA defines the functions and responsibilities of the various government agencies involved and aims to promote harmony and maximum cooperation in the implementation of BSP rules on the transport of currencies.

The MOA demonstrates the strong commitment of the government, thru the heads of the various agencies who are signatories to the agreement, in instituting measures versus money laundering in the Philippines.

Again, thank you for your support and we look forward to the smooth implementation of the MOA.