



IF “crumpled” does not even begin to describe your P20 bill, chances are it is “unfit.”

Unbeknownst to many, bills are actually classified as “fit” or “unfit.”

In a recent financial education expo, the Bangko Sentral ng Pilipinas (BSP) revealed a number of tell-tale signs to determine the “health” of your bill.

A fit bill has the following characteristics:

- The size of the note fits a long wallet.
- The bill is fairly clean such that its genuineness is very obvious.
- The banknote paper is strong enough to withstand ordinary wear and tear.
- Should the bill possess creases and folds, they should “not have broken nor weakened” the note.

An unfit bill, on the other hand, is characterized by the following:

- It is tainted with ink or other chemicals.
- It is limp or has a “rag-like” appearance.
- The note contains heavy creases which break the fiber of the paper and indicate that disintegration has begun.
- It is badly soiled.
- It contains writings.

Section 19 of BSP Circular No. 61 Series of 1995 states that “currency notes and coins considered unfit for circulation shall not be recirculated, but may be presented for exchange to or deposited with any bank.”

However, some bills, unfit to the point of being mutilated, can only be exchanged at the BSP (either with the BSP's Cash Department at the Security Plant Complex in Quezon City, or any BSP Regional Office or Branch).

Banks are not required to redeem or accept mutilated currency notes and coins for deposit.

They can, however, extend service to the client or the public by accepting the mutilated currency for submission to the BSP.

The BSP, in turn, will examine and determine the currency's redemption value.

Here are some characteristics of mutilated currency:

- The note is split edgewise.
- It is scorched or burned that the note becomes fragile or brittle and susceptible to disintegration or breaking.
- Fragments of the currency or torn notes are joined together with transparent tape or staple wire to preserve the original design and size of the note.

A bill is also considered mutilated if its original size has been lost through various causes such as: accidental tearing; ordinary wear and tear; damage due to the action of water, chemicals and other elements; and perforation through the action of insects, chemicals, rodents and the like.

According to Section 15 of Republic Act No. 7653 or the New Central Bank Act, the BSP will replace unfit or mutilated bills and coins with adequate ones.

However, it will not replace notes and coins that have become impossible to identify: coins which show signs of filing, clipping or perforation; and notes which have lost more than two-fifths (2/5) of their surface or all of the signatures inscribed on them.

The BSP will withdraw the notes and coins in such mutilated condition and demonetize them without compensation to the bearer.

Remember that while paper money naturally have a limited life span and will eventually become unfit in time, it is a criminal offense to deliberately mutilate them.

Presidential Decree No. 247 prohibits and penalizes the “defacement, mutilation, tearing, burning or destruction of BSP notes and coins.”

Let us always put in mind that our money reflects the culture of our land and reveals what is important to us as a people.

We should remember at all times to respect our bills and coins like the treasure that they truly are.

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