

DEPARTMENT OF TOURISM

MANILA

**RULES AND REGULATIONS TO GOVERN THE
ACCREDITATION OF FOREIGN EXCHANGE DEALERS**

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER NO. 120 DATED JANUARY 30, 1987, THE FOLLOWING RULES AND REGULATIONS ARE HEREBY PROMULGATED TO GOVERN THE ACCREDITATION OF FOREIGN EXCHANGE DEALERS.

**CHAPTER I
DEFINITION OF TERMS**

Section 1. Definition of terms.- When used in these rules, the following terms shall, unless the context otherwise indicates, have the following meaning:

- A. Foreign Exchange - refers to currency notes/coins issued by foreign governments; instruments of payment or funds, held in foreign banks abroad and denominated in foreign currency.
- B. Foreign Exchange Dealer - any establishment engaged in buying and selling foreign currency to foreign or local tourists.
- C. Department - the Department of Tourism
- D. Accreditation-a certification issued by the Department that the holder is recognized by the Department as having complied with its minimum standards in the operation of the establishment concerned.

**CHAPTER II
MINIMUM REQUIREMENTS FOR THE ACCREDITATION
OF FOREIGN EXCHANGE DEALERS**

Section 1. Minimum Requirements - For purposes of accreditation, the following are the minimum office requirements for the establishment, operation and maintenance of Foreign Exchange Dealers.

- A. The Foreign Exchange establishment shall be located in a commercial district with pleasant and decent atmosphere.;
- B. It shall be located at the ground floor of a building;
- C. It shall be easily identifiable with a signage and shall be used exclusively for foreign exchange business.;

- D. It shall conspicuously display the foreign currency exchange rates and its business hours of operation;
- E. It shall be presentable and airconditioned except in areas which are at least 3,000 feet above sea level;
- F. It shall be provided with a lounging area with adequate seating and telephone facilities;
- G. It shall be manned by well-groomed and courteous staff with clean uniform at all times;
- H. It shall be properly maintained, kept clean and secured at all times;
- I. It shall be provided with fire-fighting facilities in accordance with the Fire Code of the Philippines.; and
- J. Such other requirements as may be imposed by the Department or other concerned agencies.

CHAPTER III APPLICATION FOR ACCREDITATION

Section 1. Who May Apply. - The following may apply for accreditation as Foreign Exchange Dealer.

- A. A resident Filipino citizen registered as a single proprietorship;
- B. A partnership organized under the laws of the Philippines, at least 60% of its capital is owned by Filipino citizens; and
- C. A corporation organized under the laws of the Philippines, at least 60% of the subscribed common or voting shares of stock of which is owned by Filipino citizens and the composition of its Board of Directors being at least 60% Filipinos.

Section 2. Filing of Application. Any person, partnership or corporation desiring to operate and/or engage in the business of Foreign Exchange shall accomplish and file with the Department, the application for accreditation prescribed for such purpose.

Section 3. Documents Required to Support Application for Accreditation of Foreign Exchange Dealer. The application shall be accompanied by the following documents:

- A. In the case of single proprietorship, a certified true copy of its business name certificate and all amendments thereto duly registered with the Bureau of Trade Regulation and Consumer Protection, Department of Trade and Industry. In

- the case of corporation or partnership, a certified true copy of the articles of incorporation/partnership and its by-laws and all amendments thereto, duly registered with the Securities and Exchange Commission.;
- B. Appropriate mayor's permit and/or municipal license;
 - C. Certificate of registration from the Bureau of Internal Revenue as a foreign exchange dealer;
 - D. Resolution of the Board of Directors of the corporation authorizing the filing of the application and designating the person authorized to sign and transact business with the Department. If single proprietorship or partnership, a letter of authority from the owner/partners;
 - E. Complete list of all of its officers and employees indicating therein their nationality, home address and position, certified correct under oath by the General Manager/Owner ;
 - F. A copy of the police and NBI clearance of the proprietor and manager;
 - G. For alien officers and employees, valid visa from the Bureau of Immigration and the proper permit from the Department of Labor and Employment;
 - H. Latest Income Tax Return and Audited Financial Statements;
 - I. Proof of ownership or contract of lease or contract to lease the office space intended for the use of Foreign Exchange Dealership; and
 - J. Such other documents as may be required from time to time by the Department.

CHAPTER IV ISSUANCE OF ACCREDITATION

Section 1. Issuance of Certificate of Accreditation.- If the applicant has satisfactorily complied with the minimum standards and the prescribed requirements, the Department shall issue the Certificate of Accreditation in favor of the applicant.

Section 2. Validity of Accreditation.- The Accreditation duly issued to any Foreign Exchange Dealer shall be valid for a period of one (1) year from its date of issue, unless sooner revoked or cancelled for cause by the Department.

Section 3. Accreditation Fee.- An annual accreditation fee of Five Hundred (P500.00) Pesos shall be collected from the applicant that have complied with the requirements for accreditation.

Section 4. Display of Certificate of Accreditation.- The Certificate of Accreditation shall be displayed in a conspicuous place of the establishment

Section 5. Non-transferability of Certificate of Accreditation.- The rights and privileges granted under accreditation shall be non-transferable.

Section 6. DOT Stickers. DOT stickers shall be issued to all accredited foreign exchange dealer upon payment of Eighty (P80.00) Pesos which validity shall be co-terminous with the establishment's accreditation.

Section 7. Request for Department Identification Cards. The Department Identification Cards shall be issued to officers or employees of Foreign Exchange Dealer upon request subject to payment of a nominal fee; Provided, that said employees or officers are included in the list of personnel of the operator concerned.

Section 8. Surrender of ID Card. The proprietor or manager shall, within seven (7) days notify the Department of officers and employees who have ceased to be employed from their firm and shall surrender said officers'/employees' ID cards.

CHAPTER V INSPECTION

Section 1. Creation of an Inspection Team. The Department shall create an inspection team composed of at least two (2) members from the Department to conduct inspection of the establishment to determine whether it meets the minimum standards set by the Department.

Section 2. Inspection Checklist to be Accomplished During Ocular Inspection of the Foreign Exchange Establishment. The DOT inspection team shall provide itself with a set of inspection checklist of minimum standard requirements. All deficiencies found as well as the requirements duly complied with shall be noted in the checklist.

Section 3. All Observations of the Applicant to be Entered in the Inspection Checklist. Any observation of the applicant or its duly authorized representative present at the time of the inspection on any adverse findings of the team shall be entered in the inspection checklist. The applicant shall then be furnished with a copy of the accomplished inspection checklist.

Section 4. Report of the Team. - Within five (5) days from the date of the inspection of the establishment, the team shall render a report of its findings and recommendations.

Section 5. Defects and Deficiencies Found During Inspection. Where certain defects and deficiencies have been found in the course of the inspection, the

Department shall serve notice and give direction to the proprietor or manager to rectify the defects or deficiencies within a reasonable period of time.

Section 6. Periodic Inspection. When necessary or when the public interest and safety dictates, the Department may send an inspection team, for the purpose of finding out whether the establishment is being kept and/or managed in a manner conformable to the standards set by the Department. The inspection shall be conducted at a reasonable time of the day with due regard and respect to the right of privacy of parties concerned.

Section 7. Penalty for Failure to Remedy the Defects, etc . If the management fails to remedy the defects or deficiencies noted in the inspection report, the Department may upon due notice cancel the certificate of accreditation of the establishment and require it to surrender the Department's accreditation certificate and sticker issued or deny its application for accreditation, as the case may be.

Section 8. Service. Foreign Exchange Dealers shall provide service that is safe, comfortable and convenient as possible.

CHAPTER VI GROUNDS FOR CANCELLATION OF ACCREDITATION

Section 1. Grounds for Cancellation of Accreditation.- Any of the following acts or omissions shall be sufficient ground for the cancellation of accreditation:

- A. Making any false declaration or statement or making use of any such declaration or statement or any document containing the same or committing fraud or any act of misrepresentation for the purpose of obtaining the grant of accreditation;
- B. Failure to maintain the standards and requirements for accreditation as prescribed in these rules;
- C. Violation of or non-compliance with any of the provisions of these rules, promulgated orders, decisions and circulars issued by the Department or any other concerned government agencies;
- D. Promoting, facilitating or conducting activities constituting prostitution or other illegal undertakings;
- E. Gross and evident bad faith in dealing with clients or fraudulent solicitation of business;
- F. Failure to specify in the print media advertisements the DOT accreditation number;

- G. Tolerance of gross misconduct, discourtesy, dishonesty or misrepresentation committed by any of the operator's officers or employees against its clients to the deterrent of the tourism industry.
- H. Any other act or omission that works against the interest of the tourism industry.

CHAPTER VII
**GROUND FOR DISQUALIFICATION OF
APPLICATION FOR ACCREDITATION**

Section 1. **Grounds for Disqualification of Application for Accreditation.** Any person/partnership/corporation/partner/stockholder who has been previously declared bankrupt or has been convicted of a criminal offense or whose accreditation has been cancelled shall be disqualified to apply for accreditation.

CHAPTER VIII
MISCELLANEOUS PROVISIONS

Section 1. Confidential Character of Data- Information and documents received or filed with the Department in pursuance of the requirements of these Rules shall be treated as confidential and shall not be divulged to any private party without the consent of the establishment concerned.

Section 2. Separability Clause.- The provisions of these rules are hereby declared separable, and in the event that said provisions or any part thereof are declared invalid, the validity of all the other provisions shall not be affected thereby.

Section 3. Repealing Clause.- All existing rules and regulations or circulars issued by the Department of Tourism which are inconsistent with the provisions of these Rules are hereby repealed and/or modified accordingly.

Section 4. Effectivity.- These Rules and Regulations shall take effect immediately.

**APPROVED AND PROMULGATED THIS _____ DAY OF _____
MANILA, PHILIPPINES**

GEMMA CRUZ-ARANETA
Secretary

Attested by:

ORESTES R. RICAFORTE
Undersecretary
Tourism Services and Regional Offices

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10/13/99

9/27/99
10/7/99
10/8/99
10/11/99

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- B. Appropriate mayor's permit and/or municipal license;
 - C. Certificate of registration from the Bureau of Internal Revenue as a foreign exchange dealer; *(copied from Requirements for membership of Association of Authorized Foreign Exchange Buyers of the Central Bank of the Philippines, Inc)*
 - D. Resolution of the Board of Directors of the corporation authorizing the filing of the application and designating the person authorized to sign and transact business with the Department. If single proprietorship or partnership, a letter of authority from the owner/partners;
 - E. Complete list of all of its officers and employees indicating therein their nationality, home address and position, certified correct under oath by the General Manager/Owner ;
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