

Clean Note and Coin Policy: Awareness, Practices, and Challenges for an Enhanced Implementation

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ABSTRACT

Unfit and contaminated currency in circulation remains a concern in many public markets, particularly in wet markets where money is frequently exposed to water, food products, and unsanitary conditions. The Bangko Sentral ng Pilipinas implemented the Clean Note and Coin Policy to promote proper handling and preservation of Philippine currency. This study examined the level of awareness, practices, and challenges encountered by entrepreneurs in the implementation of the Clean Note Coin Policy at the Teodoro Arcenas Trade Center in Roxas City. Specifically, it determined whether the profile of the entrepreneurs influences their awareness, identified their currency-handling practices, examined compliance challenges, and proposed strategies to enhance policy implementation. This study employed a convergent mixed-method research design involving 199 registered stall owners for the quantitative phase and 10 key informants for the qualitative phase. Data were collected through a validated survey questionnaire and semi-structured interviews. Quantitative data were analyzed using frequency, percentage, mean, and standard deviation, while qualitative data were analyzed through thematic analysis. Findings revealed that entrepreneurs demonstrated a moderate level of awareness of the policy. However, consistent best practices were not fully observed as vendors often prioritized the monetary value rather than the physical condition of currency during transactions. Environmental factors such as exposure to water, product contamination, and the fast-paced nature of wet market transactions were identified as major challenges affecting compliance. Limited awareness and insufficient educational programs affect effective policy implementation. The Bangko Sentral ng Pilipinas and the local government may strengthen information dissemination campaigns, conduct regular financial education activities, and install educational materials within market areas to improve awareness and promote proper currency handling practices.

Keywords: Clean Note and Coin Policy, Awareness, Practices, Challenges, Implementation

INTRODUCTION

Since the development of modern economies, money has remained one of the most essential instruments facilitating trade, economic stability, and social development. Across the world, currencies serve not only as a medium of exchange but also as a store of value and unit of account that allows economies to function efficiently. Because of this, central banks continuously implement policies to maintain the integrity, quality, and security of their currencies. According to Van der Horst *et al.* (2020), maintaining public confidence in currency is essential because damaged or counterfeit money can weaken trust in the financial system and disrupt economic transactions. Similarly, Ramsden (2019) emphasized that currency management programs, including clean note policies, are important in sustaining efficient payment systems, particularly in cash-dependent economies.

Globally, damaged and counterfeit currency remains a persistent concern among financial institutions. The Bank for International Settlements (2018) emphasized that central banks must monitor the quality of circulating money since unfit banknotes increase replacement costs and may reduce transaction efficiency. Studies also showed that counterfeit currency can negatively affect small businesses because they are more vulnerable to financial

losses due to limited access to verification technologies (Alday *et al.*, 2016). This is particularly evident in developing countries, where cash transactions remain dominant.

In many developing countries, including the Philippines, cash remains the most widely used payment method despite the growth of digital platforms. According to Chaves *et al.* (2019), about 51.3% of Filipinos still prefer cash payments due to accessibility and convenience. This high dependence increases the importance of maintaining the physical quality of money since banknotes and coins are frequently exchanged and exposed to improper handling and environmental conditions.

In the Philippines, the Bangko Sentral ng Pilipinas (BSP) is mandated to maintain currency integrity as the country's central monetary authority. Under Republic Act No. 7653 and Republic Act No. 11211, the BSP regulates the issuance, circulation, and replacement of Philippine currency to ensure stability and security. According to BSP (2020), maintaining currency quality is necessary to ensure efficient transactions and preserve public confidence in the Philippine peso.

To support this mandate, the BSP implemented the Clean Note and Coin Policy (CNCP), which promotes proper handling of money and discourages practices such as stapling, writing, crumpling, and exposing banknotes to moisture. According to BSP (2018), the policy aims to extend the lifespan of banknotes, reduce replacement costs, and promote respect for the national currency. The BSP also emphasized that public cooperation is necessary since the condition of money largely depends on how it is handled.

Despite these efforts, currency-related problems, such as counterfeiting and circulation of unfit money, continue to exist. The BSP reports (2021) showed that counterfeit confiscations still occur annually, indicating the need for continued monitoring and awareness. Domingo (2022) further reported that BSP and the Philippine National Police operations continue to apprehend individuals involved in counterfeit distribution. Calderon (2022) also noted that although counterfeit levels remain below global thresholds, continuous vigilance is necessary due to the improvement in counterfeiting methods. While technological innovations, such as mobile detection applications and image-processing techniques, have been developed (Alday *et al.*, 2016; Ballado *et al.*, 2017), most studies have focused on detection rather than the awareness and practices of everyday currency users. This indicates a deficiency in research on how ordinary citizens and entrepreneurs handle money.

One sector that heavily depends on cash transactions is the wet market industry, which plays an important economic role by providing food distribution and employment opportunities for small entrepreneurs. According to Zhong *et al.* (2021), wet markets strengthen local economies by supporting micro-entrepreneurs and supply chains, while Tsuchiya *et al.* (2015) highlighted their role in strengthening food security through direct producer-consumer interaction.

In the Philippine context, wet markets remain significant economic centers, particularly in provincial cities where informal entrepreneurship is common. Mele and Russo (2019) noted that public markets create economic opportunities for marginalized sectors. However, due to fast transactions and cash exchanges, proper currency handling may not always be prioritized.

This situation is evident in Roxas City, known as the Seafood Capital of the Philippines due to its rich marine resources. The strong fishing and seafood trading industry creates an active wet market environment, where money circulates rapidly. Because of the nature of these transactions, banknotes are often exposed to water, dirt, and frequent handling, contributing to deterioration. Among entrepreneurs operating in areas such as the Teodoro Arcenas Trade Center (TATC) and other wet market facilities, daily operations require fast transactions. Because vendors handle wet commodities, maintaining clean banknotes may not always be practical. According to Cruz *et al.* (2018), small entrepreneurs often prioritize operational efficiency over compliance with financial handling practices due to business demands, suggesting practical challenges in policy implementation.

Awareness also remains a major factor affecting compliance. Shankaraiah (2017) found that many clients remain unaware of financial policies despite available programs, suggesting that dissemination efforts may not effectively reach grassroots stakeholders. Financial education research also emphasized the need for localized awareness programs to improve policy effectiveness among informal sectors (Lusardi, 2019).

Local evidence further supported this concern. During the Bangko Sentral ng Pilipinas (BSP) Piso Caravan in Roxas City in 2023, thousands of damaged coins and banknotes were exchanged, indicating the continued presence of unfit currency in circulation (Lumaque, 2023). While this reflects Bangko Sentral ng Pilipinas (BSP) intervention efforts, it also suggests the need for stronger preventive awareness.

Although studies have discussed counterfeit detection and financial awareness, few have examined the implementation of the Clean Note and Coin Policy (CNCP) at the local level, particularly among wet market entrepreneurs. Most research focused on banking systems and technology, leaving a gap in understanding the actual practices of small vendors who represent a large portion of currency users. This lack of localized research represents a clear deficiency. There is limited empirical evidence on whether market entrepreneurs are aware of the CNCP, how they practice proper currency handling, and what challenges they face in compliance. Without this information, it is difficult to determine the effectiveness of BSP awareness programs among grassroots economic actors.

Therefore, this study aimed to address this gap by examining the awareness, practices, and challenges in the implementation of the CNCP among wet market entrepreneurs in Roxas City. This study also aimed to contribute to existing knowledge by providing localized evidence on how currency policies are practiced at the grassroots level. The findings may also assist the BSP, local government units, and market administrators in developing more targeted education programs to strengthen awareness and promote responsible currency handling practices among entrepreneurs.

LITERATURE REVIEW

Bangko Sentral ng Pilipinas (BSP) Mandates on Currency Management

Central banks play a crucial role in ensuring the stability, security, and integrity of national currencies as part of maintaining a country's financial system. They are responsible not only for controlling the money supply but also for ensuring that the physical condition of money in circulation meets acceptable quality standards. Currency management is considered an important function because the physical condition of money affects transaction efficiency, public confidence, and the overall effectiveness of the payment system. According to the Bangko Sentral ng Pilipinas (BSP) (2018), maintaining the quality of circulating banknotes and coins is necessary to promote efficient transactions and sustain trust in the Philippine financial system.

In the Philippines, the BSP is mandated under Republic Act No. 7653, as amended by Republic Act No. 11211, to regulate the issuance, circulation, replacement, and withdrawal of Philippine currency. As the central monetary authority, the BSP is responsible for ensuring that only clean, fit, and genuine banknotes and coins remain in circulation. This responsibility includes monitoring the physical condition of currency and replacing those that are considered unfit due to excessive wear, tear, mutilation, or contamination (BSP, 2020). As part of its currency management function, the BSP also implements policies requiring financial institutions to assist in maintaining currency quality. Banks and other financial institutions are required to sort and identify unfit banknotes and coins and return them to the BSP for proper disposal and replacement. This process helps prevent the continuous circulation of damaged currency and supports the overall goal of maintaining a clean currency system (BSP, 2016). These policies emphasized that maintaining currency quality is a shared responsibility not only of the BSP but also of financial institutions and the general public.

In addition to regulatory measures, the BSP also conducts various public awareness campaigns to promote responsible currency handling. These initiatives include educational programs, distribution of informational materials, currency exchange caravans, and partnerships with local government units and financial institutions. According to the Philippine News Agency (2019), these programs are intended to educate the public about proper money handling practices and encourage cooperation in preserving the quality of Philippine currency.

Furthermore, the Bangko Sentral ng Pilipinas (BSP) also utilizes community outreach programs, such as the Piso Caravan, which allows the public to exchange damaged currency and learn about proper currency handling practices. These programs demonstrate BSP's proactive approach not only in enforcing regulations but also in

strengthening financial literacy among grassroots communities. Such efforts recognized that policy effectiveness depends largely on public awareness and cooperation.

These mandates highlighted the role of BSP not only as a regulator of the monetary system but also as an educator and advocate of responsible financial behavior. Modern central banking functions increasingly include financial education as part of policy implementation because compliance often depends on how well the public understands regulations. This suggests that the successful implementation of the Clean Note and Coin Policy (CNCP) depends not only on enforcement but also on the effectiveness of awareness programs. These mandates justify the importance of examining whether grassroots entrepreneurs, particularly those operating in wet market environments, such as the Teodoro Arcenas Trade Center (TATC), are aware of these policies and how they apply them in their daily business transactions. Since entrepreneurs in wet markets are among the most frequent handlers of cash, they represent an important group whose practices may directly influence the condition of money in circulation.

Furthermore, examining Bangko Sentral ng Pilipinas (BSP) mandates provides a policy context for understanding why awareness, practices, and challenges must be studied together. While BSP policies provide the guidelines for proper currency handling, the actual implementation depends on the behavior of currency users, such as entrepreneurs. If entrepreneurs lack awareness or face practical challenges, policy implementation may not be fully effective, despite the presence of regulations.

This discussion therefore supported the need for the present study by establishing that while BSP mandates clearly define the responsibilities for maintaining currency integrity, there remains a need to assess how these policies are understood and practiced at the grassroots level. By examining the awareness and experiences of Teodoro Arcenas Trade Center (TATC) entrepreneurs, this study contributes to understanding whether BSP mandates effectively translate into actual practice and what improvements may be necessary to enhance policy implementation.

Clean Note and Coin Policy (CNCP)

The CNCP is one of the BSP's major initiatives designed to maintain the physical integrity and cleanliness of Philippine currency. The policy aims to ensure that unfit banknotes and coins are removed from circulation and replaced with new ones to maintain public confidence in the currency system (BSP, 2018). Recent Bangko Sentral ng Pilipinas (BSP) advisories also emphasized that proper handling of banknotes extends their lifespan and reduces replacement costs. These guidelines encourage the public to handle money carefully, keep banknotes clean, and avoid unnecessary markings (BSP, 2025).

Teodoro Arcenas Trade Center (TATC) Profile and Entrepreneurial Context

Entrepreneurs operating in wet markets represent a significant sector of the informal and micro-enterprise economy, particularly in developing countries where small businesses depend largely on cash transactions for their daily operations. These entrepreneurs play an important role in local economic development by providing essential goods, supporting local supply chains, and creating livelihood opportunities within communities. However, literature on small business environments indicated that entrepreneurs often operate in fast-paced and highly competitive settings where operational efficiency and daily survival of the business may take priority over compliance with administrative or regulatory policies (Hisrich et al., 2017).

Literature further suggested that the nature of micro and small enterprises often requires entrepreneurs to focus more on immediate business needs such as sales, inventory management, and customer relations rather than regulatory compliance. Because of limited manpower and resources, entrepreneurs may not always have the capacity to fully monitor or implement financial handling policies unless these are directly connected to their operational priorities. This situation highlighted the importance of understanding how business environments influence the adoption of financial policies such as the Clean Note and Coin Policy (CNCP).

Similarly, micro-entrepreneurs also revealed that business practices are strongly influenced by the personal and professional profiles of entrepreneurs. Factors, such as educational attainment, years of business experience,

type of business, and exposure to financial information, significantly affect how entrepreneurs adopt new knowledge and practices related to financial management. According to Lusardi (2019), financial literacy plays an important role in shaping how individuals make financial decisions and comply with financial regulations. Entrepreneurs who possess higher levels of financial knowledge are more likely to adopt proper financial practices because they better understand the long-term benefits of compliance. Experience in business operations can influence how entrepreneurs respond to new policies. More experienced entrepreneurs may develop adaptive practices based on their exposure to previous regulations, while newer entrepreneurs may rely more heavily on information dissemination and training programs. This indicates that the profile characteristics of entrepreneurs may influence their level of awareness and their ability to adopt policies such as the Clean Note and Coin Policy (CNCP). This idea directly supported the present study's objective of determining whether the profile of entrepreneurs influences their awareness and adoption of the policy.

Awareness, Practices, and Challenges of the Clean Note and Coin Policy

Awareness is considered a fundamental factor influencing policy adoption because individuals cannot implement policies they do not understand. Studies on financial literacy emphasized that awareness of financial systems, policies, and regulations significantly affects financial behavior and decision-making among individuals and entrepreneurs. Financial literacy is often associated with the ability to understand financial information and translate it into responsible financial practices (Culebro-Martínez et al., 2024). Similarly, Agyapong and Attram (2019) found that financial literacy among small business owners positively influences their ability to make sound financial decisions and improve business performance. Their study showed that entrepreneurs who understand financial policies are more capable of complying with financial regulations because they better appreciate their importance.

In another study, Espelita et al. (2025) found that awareness of monetary policies significantly influences financial behavior, particularly saving and investment decisions. Their findings suggest that knowledge plays an important role in shaping attitudes toward financial systems and compliance behavior. Furthermore, Lusardi (2019) emphasized that many individuals, particularly those involved in informal or small-scale economic activities, have low levels of financial literacy and often lack exposure to structured financial education. As a result, they tend to depend on personal experience or informal sources of knowledge rather than formal training, which may lead to gaps in their understanding of financial concepts, services, and regulations. This situation highlights the need for improved financial education programs to strengthen entrepreneurs' financial decision-making and awareness of policies affecting their businesses.

Research by Alshebami and Al Marri (2022) found that financial awareness does not always lead to behavioral adoption due to external constraints, such as lack of resources and environmental limitations. Their study showed that while knowledge is important, actual practices are influenced by contextual realities.

Similarly, research on Small and Medium Enterprises (SME) financial management showed that entrepreneurs with higher financial literacy tend to demonstrate better financial management practices such as record keeping, budgeting, and financial planning (Saharan et al., 2025).

These studies indicated that proper practices are often linked to knowledge and financial capability. However, these studies mainly focused on financial management practices rather than physical money-handling practices such as those promoted by the Clean Note and Coin Policy (CNCP).

Studies on SME financial behavior found that entrepreneurs may possess knowledge but still face operational constraints, such as time pressure, resource limitations, and environmental conditions that affect their compliance behavior (Culebro-Martínez et al., 2024).

Research on entrepreneurial financial behavior also suggested that demographic and business characteristics may influence how entrepreneurs respond to financial regulations. Factors, such as education, age, and business type, may affect their capacity to comply with financial policies (Mustafa et al., 2022). The findings highlighted that compliance is not only influenced by knowledge but also by contextual challenges. However, most existing

studies focused on challenges related to financial access and management rather than challenges related to physical currency handling.

METHODOLOGY

This study employed a convergent mixed-method research design to provide a comprehensive analysis of the research problem. This approach merged the two distinct methodologies: a quantitative cross-sectional survey design to gather broad numerical data, and a qualitative-descriptive approach to capture in-depth perspectives.

In a convergent design, the researcher typically collects both forms of data at roughly the same time and then integrates the information during the interpretation of the overall results. Any contradictions or incongruent findings between the quantitative and qualitative datasets are explained or further probed (Creswell & Creswell, 2023). This combined research design was highly suitable for this study, as it allowed for a deeper and more validated understanding of the practices and challenges in the implementation of the Clean Note and Coin Policy (CNCP) in Roxas City, Capiz.

This study was conducted at the Teodoro Arcenas Trade Center (TATC), a public market that serves as a key commercial hub in Roxas City.

The participants were the 199 out of 397 registered stall owners at TATC for the quantitative phase, and 10 registered stall owners for the qualitative phase. The participants were those individuals who voluntarily participated, who had enough knowledge, and who provided answers based on the research questions. This applied to the participants in both the quantitative and qualitative phases of the research. They were exclusively registered stall owners at TATC, which formed the core inclusion criterion. This meant that those not officially registered as stall owners at this specific location, such as stall helpers, employees, owners of stalls elsewhere, or customers, were excluded from the research. To determine the total sample size of 199 registered stall owners for the quantitative phase, the Cochran's formula was used with 0.05 margin of error. The sample size for each stall section was determined using the proportional allocation formula. The respondents were limited only to registered and active entrepreneurs operating within the TATC wet market during the period of data collection. Consumers, entrepreneurs outside the TATC, financial institutions, and other market vendors outside Roxas City were not included in the study. The study was also limited to the assessment of awareness, practices, and challenges based on the responses of the respondents through a survey questionnaire. Any information gathered relied on the honesty and accuracy of the respondents' answers.

The researcher employed stratified random sampling by convenience for the quantitative phase. For the qualitative phase, a smaller group was selected and included in the interviews. The distribution of the respondents reflected a diverse representation of stall owners across the different sections of TATC, ensuring that various types of business operations were captured in the study. The dominance of respondents from the wet market section showed that this area constituted the largest share of stall ownership, suggesting a strong demand for fresh products, such as fish and seafood. This was followed by the meat section, which also highlighted the importance of perishable goods in the daily operations of the trade center. This implies that a significant portion of the respondents are engaged in businesses that require strict handling, storage, and sanitation practices.

On the other hand, sections such as vegetables (15.10%), groceries (14.10%), and dry goods (10.60%) showed a moderate distribution of respondents, reflecting a balanced presence of both perishable and non-perishable product vendors. Meanwhile, smaller groups, including rice (4.50%), agricultural goods (2.00%), and especially miscellaneous (1.50%), showed limited representation, which may be due to fewer registered stall owners in these categories. Overall, the proportional distribution of respondents ensured that the data gathered provided a comprehensive view of the different sectors within the trade center, allowing for more reliable analysis of trends, practices, and challenges experienced by stall owners.

This study utilized both quantitative and qualitative research instruments to effectively gather data on the practices and challenges in the implementation of the Clean Note and Coin Policy (CNCP) at Teodoro Arcenas Trade Center (TATC). For the quantitative phase, a structured survey questionnaire was used to collect data from

the respondents. The questionnaire included closed-ended questions and Likert-scale items to assess the awareness of the respondents on the implementation of the CNCP. For the qualitative phase, semi-structured interviews using an interview guide were conducted with selected participants. This instrument allowed for in-depth exploration of the practices and challenges in the implementation of the CNCP. Open-ended questions were used to encourage participants to share detailed insights and personal experiences regarding their awareness. To ensure clear comprehension and accurate responses from the participants, the researcher translated both the structured survey questionnaire and the interview guide into the local language. The combination of surveys and interviews ensures a comprehensive understanding of the CNCP's implementation, addressing both measurable trends and deeper contextual factors that influence its acceptance and utilization.

The data gathering process followed a systematic approach to ensure accurate and reliable results. First, formal permission was obtained from the local market administrator to conduct the survey and interviews within the Teodoro Arcenas Trade Center (TATC). After securing approval, the researcher conducted a pilot test with a small group of respondents to assess the clarity and reliability of the research instruments. Any necessary revisions were made before the full implementation of data collection.

For the quantitative phase, survey questionnaires were distributed to selected respondents. Stratified random sampling by convenience was used, depending on the target population, to ensure diverse and representative responses. The respondents were given enough time to answer the survey, and the researcher was available to clarify any concerns. In the qualitative phase, key informant interviews were conducted with selected participants to gain deeper insights into their awareness regarding the Clean Notes and Coins Policy (CNCP). Interviews were recorded with the consent of the participants, and their responses were transcribed and analyzed. After data collection, all responses were reviewed, encoded, and analyzed using appropriate statistical tools for quantitative data and thematic analysis for qualitative responses. The findings were then interpreted to provide a comprehensive understanding of the factors affecting electronic payment adoption and its impact on local market development.

For the quantitative data, after the retrieval of the questionnaire, they were collated, scored, and entered into the master data. Then, they were ready for computer processing using a licensed IBM SPSS Statistics v28 program. The researcher made sure that the responses were properly scored and assigned their respective verbal interpretation for each indicator. Quantitative-descriptive data were analyzed using frequency, percentage, mean and standard deviation. For the qualitative data, responses from key informant interviews underwent thematic analysis. This study integrated the Six-Step Data Analysis Process of Braun and Clarke (2006). According to Braun and Clarke (2013), the 6-phase coding framework for thematic analysis was used to identify themes and patterns in the qualitative data. The patterns and recurring themes related to the awareness, best practices, and challenges in the implementation of the Clean Notes and Coins Policy (CNCP) were identified. The recorded interviews were transcribed, coded, and categorized into relevant themes to provide deeper insights.

In conducting this study, ethical standards in using the local language (Hiligaynon) were strictly followed to ensure clarity, respect, and cultural sensitivity.

RESULTS AND DISCUSSION

Level of Awareness of the Entrepreneurs in the Implementation of the Clean Note and Coin Policy

The result showed that the level of awareness was generally moderate with a mean score of 2.86. The moderate level of awareness on the CNCP can be attributed to the fact that vendors have moderate awareness that, "washing banknotes is prohibited" with a mean of 3.37, "folded banknotes can be accepted as long as the features are intact," scoring a mean of 3.16, "mutilated money is being replaced by the bank," scoring a mean of 3.15, "it is the obligation of the vendor to surrender the damaged money to any banks for replacement" with a mean of 3.12, "I am aware that damaged banknotes can be surrendered in the bank for replacement," scoring a mean of 3.10, "drawing or putting marks on banknotes is also prohibited" with a mean of 3.06, "deliberate tearing or destroying of money has legal liabilities" with a mean score of 3.01, "damaged money can be accepted and replaced in the bank" scored a mean of 2.94, and "only banknotes and coins with intact features are fit for circulation" with a mean score of 2.85.

On the other hand, the vendors disclosed a low level in the CNCP of the Bangko Sentral ng Pilipinas (BSP) with a mean score of 2.53, “information on how to take care of banknotes and coins have reached us” with a mean of 2.45, “orientation was given to wet market vendors on how to take care of the notes and coins” with a mean of 2.40, and “money cannot be replaced by candies in giving changes” scored 1.95 mean. The result showed that the vendors were moderately aware of the allowed and prohibited practices in handling and utilization of money, but they had a low level of awareness as far as proper information dissemination and formal orientation of the CNCP is concerned. Vendors reported low awareness regarding official guidelines from the BSP, lack of exposure to information campaigns, and minimal participation in formal orientations. This finding was also evident in the interviews conducted, in which vendors emphasized that their knowledge of money handling comes from daily transactions rather than structured information dissemination. Statements showed how the awareness of vendors was shaped by routine experience rather than formal guidance. At the same time, the challenges highlighted in the interviews helped explain why awareness does not always lead to proper practices. Vendors described how their working environment affected money handling. These showed that despite having some level of awareness, environmental and operational constraints make compliance of the CNCP difficult.

Moreover, one particularly concerning finding was the very low awareness regarding the prohibition of substituting money with items, such as candies when giving change, which reflected a gap in understanding consumer protection standards and monetary regulations. This showed that certain informal practices have become normalized within the market, despite being inconsistent with established policies, thereby reinforcing the need for targeted and context-specific information dissemination. The moderate awareness level implies that current dissemination strategies of the Clean Note and Coin Policy (CNCP) are insufficient, especially in reaching grassroots sectors, such as wet market vendors. Although the CNCP is well established at the institutional level, its limited awareness among vendors suggests that the ways it is communicated may not be effectively reaching those in the informal sector. To add, although that there was a moderate awareness of strategies, this knowledge was not translated into practice, showing gaps in behavioral compliance. Without consistent and accessible communication channels, policy understanding remains limited to commonly practiced behaviors rather than comprehensive compliance.

The findings reflected the Absorptive Capacity Theory of Cohen and Levinthal (1990), which provides a strong theoretical foundation for understanding how entrepreneurs at the Teodoro Arcenas Trade Center (TATC) wet market develop awareness of the CNCP and translate this awareness into actual practices, supported the idea that awareness alone is not sufficient for effective policy implementation. According to this theory, individuals must acquire first and integrate knowledge before they can apply it effectively; thus, the lack of exposure to formal information channels showed that vendors' absorption capacity is limited, preventing them from fully understanding and complying with the regulation.

Studies have also shown that financial literacy and policy awareness among small entrepreneurs are often moderate to low due to limited access to formal information channels. For instance, Lusardi (2019) emphasized that individuals engaged in informal or small-scale economic activities tend to rely more on experiential knowledge rather than structured financial education, resulting in partial understanding of financial regulations. Moreover, Culebro-Martínez *et al.* (2024) highlighted the importance of financial awareness in changing individuals' understanding and compliance with financial institutions. Without structured learning opportunities, knowledge becomes fragmented and incomplete.

Similarly, Agyapong and Attram (2019) pointed out that entrepreneurs with higher levels of financial literacy tends to demonstrate better understanding and compliance with financial policies. This low awareness observed with formal Bangko Sentral ng Pilipinas (BSP) campaigns and orientation indicates that vendors in the wet market have limited access to structure financial education that affects their level of awareness. Additionally, Espelita *et al.* (2025) gave emphasis that awareness of monetary policies is connected with financial behavior, and the limited awareness of vendors may hinder their ability to fully comply with the CNCP.

Practices of the Entrepreneurs in the Adoption of the Clean Note and Coin Policy

The results showed that all of the vendors were in agreement that they did not look into the physical condition of the money since they were more concerned about the value of the money used in buying the merchandise or

goods that they are selling. Thus, the dominant theme that emerged was the focus on the value of money instead of physical appearance. By looking into the details of the interviews, the fast pacing and busyness in the buying and selling of goods and services were the primary reasons why the vendors could no longer check and arrange the coins and bills that they had received. Along with other participants noting that they put the money in containers, cash box, or plastic bag. However, despite the absence of practices that ensures clean note and coin circulation in the wet market, the putting of the money in the container, cash box, or plastic bag symbolized that vendors gave more importance to the value of the money instead of giving attention to the physical condition of the money.

Being a pioneering study on Clean Note and Coin Policy (CNCP), the absence of identifiable practice or routine that would help in the preservation of the money gave the researcher a very good opportunity to propose programs that would help improve the awareness and practices of the vendors. As vendors shared their experiences, a recurring pattern became evident, implying that, money was treated less as something that needs care, that the wet market vendors tend to give little attention to its' physical condition and treat the money more as a simple means of exchange. All of the wet market vendors described their routine practices, such as placing cash in their pockets, containers, or plastic bags without paying much attention to its condition. Shedding light to their common approach of where the flow and speed of transactions take precedence over careful handling of the money. On a deeper level, this also implies that more than the lack of structured behavior, it reflected a deeper disconnection between knowledge and action. That simply increasing awareness of the CNCP is insufficient to ensure compliance. Vendors work in fast-paced, high-pressure environments, where efficiency often outweighs adherence to formal guidelines, so understanding the policy does not always lead to action.

These experiences of the vendors validated what Hisrich *et al.* (2017) observed that small entrepreneurs often focus on keeping their business running smoothly making sales, serving customers, and keeping the day moving rather than strictly following formal rules.

In the hustle and bustle of the wet market, where every transaction happens quickly, the vendors naturally develop habits that favor speed and efficiency, even if it means bending or overlooking certain guidelines. Their daily routines tell a story of practicality taking the lead over formal compliance; careful practices such as checking, cleaning, or properly storing money, are often seen as interruptions that slow down daily operations.

The lack of structured money-handling practices among vendors reflected what Lusardi (2019) described as a reliance on experiential knowledge in informal economic settings, where routine and familiarity often take precedence over formal financial education. Even when vendors are aware of policies, their actions may not change, a pattern supported by Alshebami and Al Marri (2022), who noted that financial awareness does not automatically translate into compliance, particularly under constraints like time pressure and limited resources.

Moreover, through the lens of the Absorptive Capacity Theory, the vendors' stories revealed a striking gap between 'knowing' and 'doing.' Many vendors clearly understand the basics of the policy. They can describe it and recognize its importance but putting that knowledge into consistent daily practice proves difficult. Cash handling routines rarely change, and careful practices are often overlooked in the rush of market life.

Furthermore, Minbaeva *et al.* (2020) suggested, knowledge only has value when it is internalized and applied, yet in the vendors' experiences, this step seems to remain unfinished, leaving awareness disconnected from actual behavior.

The findings also showed that the efforts to improve compliance with the Clean Note and Coin Policy (CNCP) cannot rely on awareness alone. The vendors may know the rules, but that does not always translate into practice, to what they already "know," but they do not necessarily "act." This demonstrated a need for interventions that go beyond simply sharing information, focusing instead on practical strategies like demonstrations, habit-building exercises, and easy routines that fit naturally into their busy workflow. At the same time, the findings revealed how informal business environments shaped adaptive but unstructured practices; unless policies are framed in ways that work within these everyday realities, the gap between knowing and actually doing is likely to remain. Although the vendors understood the importance of the CNCP, their routine handling of money often stored in pockets, containers, or plastic bags without inspection suggests that knowledge alone is insufficient to

influence actual practices. This emphasized the importance of developing context-specific approaches that move beyond awareness campaigns and focus on practical solutions adaptable to the dynamic nature of wet market operations. Addressing both working conditions and daily habits can help make policy compliance more attainable and sustainable.

Challenges Entrepreneurs Encountered in Adopting the Clean Note and Coin Policy

From the analysis, two main themes emerged, the type of products and water in the wet market and the sign of usage (wear and tear).

Out of the 10 vendors interviewed, eight shared that the type of products they sell and the constant use of water in the wet market posed the greatest challenge. Selling fish, meat, vegetables, agricultural goods, and sometimes grocery items inevitably exposes money to liquids and other substances, making it difficult to keep banknotes and coins clean. On the other hand, two participants mentioned that the frequent circulation of money itself also presented a challenge. The natural wear and tear that occurs as banknotes and coins are passed from hand to hand over time makes it harder to maintain the physical condition of money.

The narratives of the vendors during the interviews conducted revealed that the difficulties they face were closely tied to the nature of the goods they sell and the environment of the wet market. Constant exposure to water, fish, meat, and other perishable products often leaves their hands wet and dirty, making it challenging to handle money in a clean and careful way. From the interviews, it became clear that dealing with these conditions is an unavoidable part of daily operations. Vendors described how handling wet or messy goods inevitably affected the physical state of the money, which often became damp, stained, or soiled during transactions. Coupled with the rapid pace of buying and selling, this makes it difficult for vendors to check or manage the condition of the banknotes and coins they receive. Their experiences also highlighted the impact of money's continuous circulation. Banknotes and coins naturally show signs of wear, such as crumpling, stains, or accumulated dirt. Even though vendors were aware of this, the demands of the marketplace leave little room for careful attention, and money was largely treated as a medium for exchange rather than something to preserve.

The challenges shared by the vendors painted a picture of a work environment where following the policy is limited less by choice and more by circumstance. Constant contact with water, handling perishable goods, and the fast pace of transactions made it difficult to keep money clean and intact, as ensuring smooth daily operations takes priority over careful currency handling. These carry important implications for both policy and practice. Additionally, in the bustling environment of the wet market, the vendors' daily work-handling wet, perishable goods, and managing rapid transactions created conditions where keeping money clean and intact often took a backseat to keeping the business running. This exhibited that policy expectations, if applied uniformly, may unintentionally place a heavier burden on certain groups. It highlighted the need for approaches that consider the realities of different work environments, creating strategies that are fair, practical, and tailored to the specific context of the daily operations of the vendors.

The experiences shared by wet market vendors strongly reflected the points raised by the Organisation for Economic Co-operation and Development (2025), which highlighted that small entrepreneurs often face structural and environmental obstacles that make following financial policies challenging. In the context of the market, complying with the Clean Note and Coin Policy (CNCP) is less about willingness and more about what can realistically be done in a physically demanding environment. Culebro-Martínez *et al.* (2024) emphasized that workplace conditions and time pressures shape financial behavior. Vendors described how the fast pace of serving customers and handling perishable goods leaves little room for careful money handling, as keeping transactions moving smoothly takes priority over ideal practices. Mustafa *et al.* (2022) noted that the nature of the business and its operational context influence how entrepreneurs respond to financial regulations. In the wet and dynamic setting of the market, protecting the physical condition of money often becomes a secondary concern to meeting the immediate demands of everyday business.

Moreover, in a theoretical perspective, linking this to the Absorptive Capacity Theory of Cohen and Levinthal (1990), external conditions can strongly limit the ability to apply knowledge. Even when vendors were aware of

proper money-handling practices, the realities of their work environment created barriers that prevented them from putting that knowledge into action.

Generally, the difficulties vendors faced in handling money were closely tied to the environmental and operational realities of their work. Factors, such as wet conditions, perishable goods, and the fast pace of transactions, created a setting where maintaining clean and intact currency becomes a constant challenge, shaping the way vendors manage money in their daily routines. This highlighted the need for strategies that are sensitive to the realities of vendors' work environments. The findings suggest that simply raising awareness about the Clean Note and Coin Policy (CNCP) is not enough. In the busy and fast-paced environment of wet markets, vendors faced practical challenges that made proper money-handling difficult. To improve compliance, interventions need to be practical and tailored to the market setting. Thus, promoting simple, easy-to-follow handling techniques, providing accessible educational materials, and incorporating hygiene-focused practices into daily routines are suggested. By designing strategies that fit the actual working conditions of vendors, the policy is more likely to be followed consistently, leading to realistic and sustainable improvements in money management.

Insights for the Enhancement of the Clean Note and Coin Policy Implementation

Based on the findings of the study, the level of awareness of the Clean Note and Coin Policy (CNCP) among vendors is generally high; however, the information dissemination efforts of the Bangko Sentral ng Pilipinas (BSP) are perceived as low among vendors. Awareness of the policy is not dependent on the entrepreneurs' profile; demographic factors such as age, sex, education, and business type do not significantly influence the awareness of the vendors, suggesting that shared experiences and exposure within the market contribute to a consistent level of understanding. Formal campaigns and structured orientations have not sufficiently reached vendors in the wet market. Although vendors possess a basic understanding of the proper handling of money, their knowledge appears to be derived mainly from experience rather than from formal sources of education or information.

In response to this, it is proposed that the BSP, in coordination with the local government of Roxas City, conduct regular and localized information dissemination campaigns at the Teodoro Arcenas Trade Center (TATC) and other informal wet markets. These campaigns may be conducted once or twice a year and may focus on strengthening both awareness and understanding of the CNCP among wet market vendors.

In terms of practices, the vendors tend to prioritize the value of money over its physical condition, often overlooking proper handling procedures. This behavior is largely influenced by the fast-paced and demanding nature of market activities, where transactions are continuous and time-sensitive. There is a noticeable gap between awareness and actual practice. It is recommended that information dissemination efforts go beyond theoretical knowledge and include practical guidance on proper money handling. This may involve incorporating demonstrations, simple routines, and applicable techniques that vendors can easily adopt within their daily operations. Bangko Sentral ng Pilipinas (BSP) may install instructional posters and visual materials in strategic areas of the market to reinforce proper practices among both vendors and consumers.

As to the challenges encountered, environmental factors, such as the nature of goods sold and the frequent exposure to water, contribute to the deterioration of banknotes and coins. These conditions present a significant barrier to maintaining clean and fit currency in circulation. This showed that compliance with the policy is not solely dependent on awareness but also influenced by the working environment of the vendors.

It is important to integrate practical and hygiene-oriented strategies into policy implementation. Information campaigns may include guidance on proper money handling under wet and high-activity conditions, such as the use of dry containers, designated storage, and basic sanitation practices. Aligning policy recommendations with the realities of the wet market environment, the effectiveness and sustainability of the policy can be significantly improved. Collaboration between the BSP, local government units, and market authorities is needed to create an enabling environment that supports vendors in complying with the policy. Improving the implementation of the Clean Note and Coin Policy requires not only strengthening awareness but also addressing behavioral gaps and environmental constraints.

CONCLUSIONS

The study indicates that while vendors possess some basic knowledge of the proper handling of money, this knowledge remains limited and insufficient to support effective implementation of the policy. The absence of a structured and consistent information dissemination program significantly contributes to this gap. Without proper orientation, training, or visible guidance, vendors are less likely to fully understand or prioritize the importance of maintaining clean and fit currency in circulation. Vendors tend to prioritize the monetary value of cash rather than its physical condition. This behavior is largely influenced by the fast-paced and transactional nature of the wet market environment, where efficiency and speed are essential. As a result, less attention is given to whether the notes and coins being exchanged are clean, folded, or damaged, which undermines the intent of the policy. The physical environment of the wet market presents inherent challenges to the implementation of the CNCP. The types of goods sold, particularly wet, products such as fish, meat, and vegetables—combined with the frequent use of water, contribute to the rapid deterioration and contamination of currency. These conditions make it difficult for vendors to consistently maintain clean money during daily transactions. Given these realities, strengthening information dissemination efforts is essential to improving policy implementation. Initiatives such as educational campaigns, orientations, and the strategic placement of instructional posters within the market can help raise awareness and encourage better practices among vendors. These measures can serve as practical and accessible tools to promote behavioral change and enhance compliance with the Clean Note and Coin Policy (CNCP) in wet market settings.

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Conflict Of Interest

The author confirms no conflicts of interest.

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