

NRPS Updates and BSP Circular No. 1033

Updates on Digitalization and NRPS Projects of the BSP
20-21 May 2019 | Cordillera Convention Hall, Baguio Country Club, Baguio



BANGKO SENTRAL NG PILIPINAS

NATIONAL RETAIL PAYMENT SYSTEM (NRPS)

PESONet

instaPay



48

37

**P 92.4
billion**

**P 12.8
billion**

75% ↑

67,293% ↑



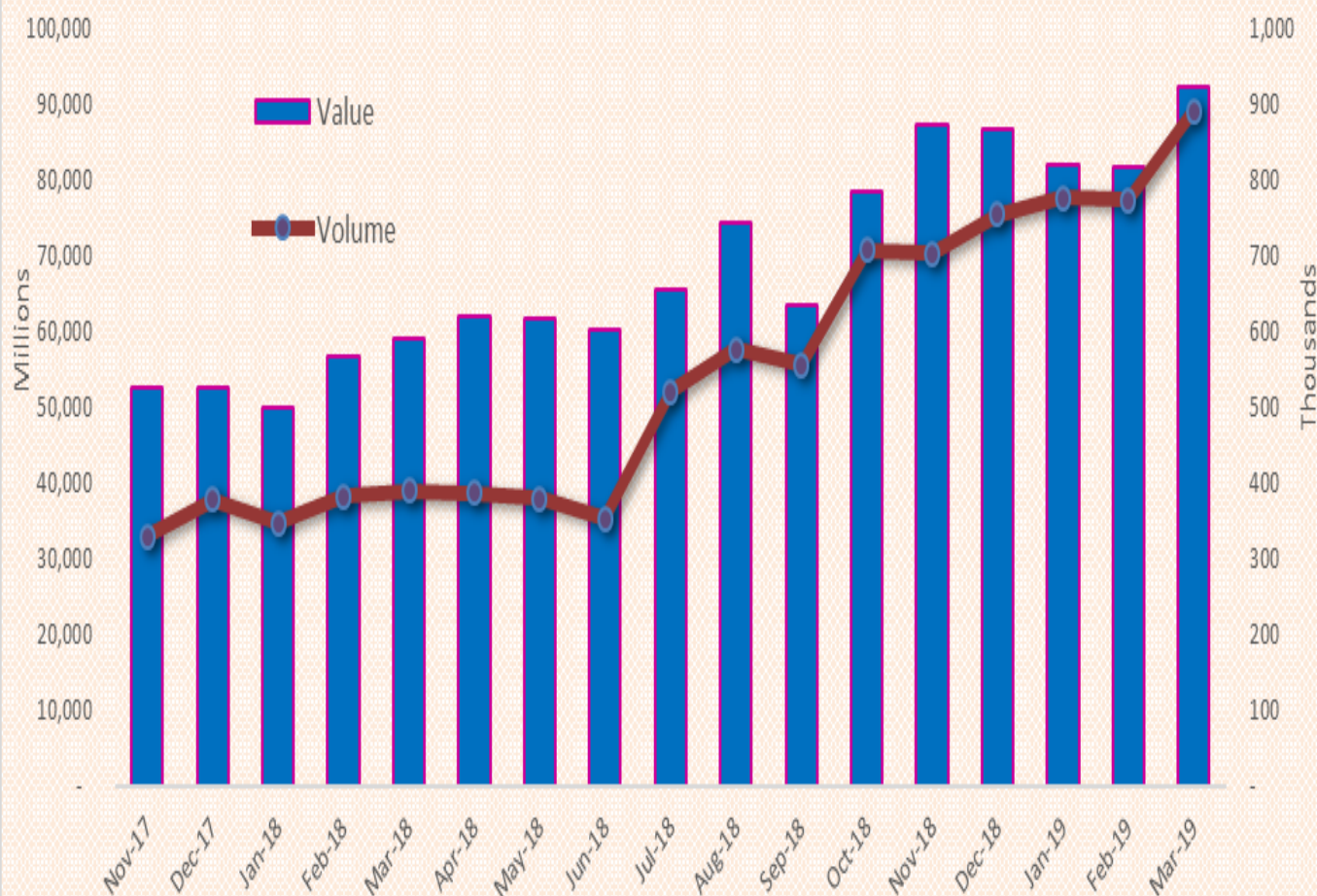
BANGKO SENTRAL NG PILIPINAS

PESONet transactions (as of 31 March 2019)



Month	Volume	Value
Nov-17	329,906	52.7 B
Dec-17	377,933	52.5 B
Jan-18	347,679	49.9 B
Feb-18	382,878	56.8 B
Mar-18	390,735	59.0 B
Apr-18	387,990	62.0 B
May-18	380,567	61.6 B
Jun-18	353,927	60.1 B
Jul-18	521,551	65.5 B
Aug-18	577,354	74.4 B
Sep-18	555,972	63.5 B
Oct-18	707,794	78.3 B
Nov-18	702,885	87.1 B
Dec-18	755,514	86.7 B
Jan-19	776,784	81.9 B
Feb-19	774,295	81.8 B
Mar-19	892,208	92.4 B

PESONet Performance (Nov 2017 - Mar 2019)

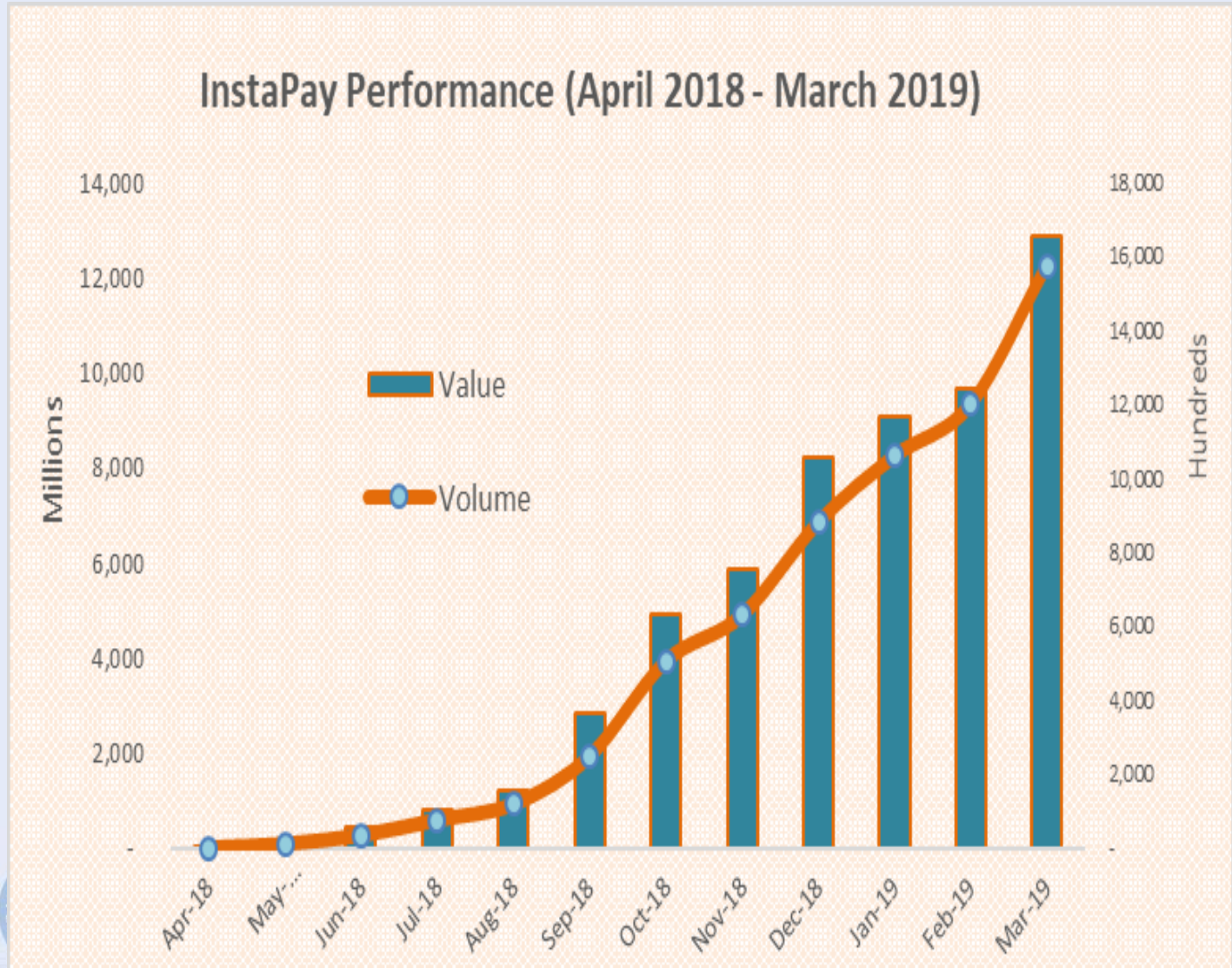


BANGKO SENTRAL NG PILIPINAS

InstaPay transactions (as of 31 March 2019)



Period	Volume	Value
Apr-18	1,740	19.2 M
May-18	12,548	190.9 M
Jun-18	35,827	436 M
Jul-18	77,360	813 M
Aug-18	120,007	1.2 B
Sep-18	250,368	2.8 B
Oct-18	506,819	4.9 B
Nov-18	630,895	5.8 B
Dec-18	882,114	8.2 B
Jan-19	1,061,420	9 B
Feb-19	1,201,226	9.6 B
Mar-19	1,577,137	12.8 B



PESONet (AVP)





BANGKO SENTRAL NG PILIPINAS

InstaPay (AVP)



BANGKO SENTRAL NG PILIPINAS

Existing Automated Clearing Houses (ACH)

Particulars		
Crediting to Beneficiary Account	Same day credit during banking days	Available 24 x 7 and real-time credit
Transaction Limit	None	P 50,000.00 per transaction
Fee	Fees may vary across the participating banks and non-bank electronic money issuers	
Who pays the fee?	Only the sender pays; Amount transferred is credited to the recipient's account in full.	



BANGKO SENTRAL NG PILIPINAS

BSP Circular No. 1033 – Amendments to the Regulations on Electronic Banking and Other Electronic Operations



BANGKO SENTRAL NG PILIPINAS



Electronic Payment and Financial Services (EPFS)

Products and services offered by BSFI:

- ✓ Allow customers to electronically access information;
- ✓ Move or receive funds from one account to another; or
- ✓ Avail credit, investment, trust, or other banking products and services.



BANGKO SENTRAL NG PILIPINAS





EPFS Classification & Licensing Requirements

Classification	Category of License/Authority	
Advanced EPFS In addition to basic, this enable customers to send funds & initiate other financial transactionss	Type A <ul style="list-style-type: none">• Eligibility Test & Self-Assessment• License Application	Type B <ul style="list-style-type: none">• License Application
Basic EPFS Limited to services allowing only receipt of funds or access to information	Type C Notification letter and details of EPFS functionality	

In general, changes do not need prior BSP approval EXCEPT the following:

1. Upgrade in EPFS from purely informational to transactional services;
2. Replacement of platform; and
3. Change in system architecture.



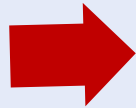
BANGKO SENTRAL NG PILIPINAS



ACH Participation Process

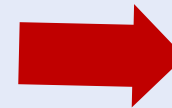
Secure a Confirmation of Eligibility (COE)

- ✓ Letter of Intent submitted to PSOD with a certification on self-assessment



Submit the ff. minimum documentary requirements to the PSMB

- ✓ Valid Confirmation of Eligibility (valid 6 months from date of issuance).
- ✓ Corporate Secretary's Certificate the Board's (or equivalent) approval of the ACH participation.
- ✓ Settlement sponsorship agreement, if applicable
- ✓ For more info.
<http://www.philpayments.org.ph/how-to-join>



Participate in an Automated Clearing House:

- ✓ Confirmation of Eligibility
- ✓ Copy of the approval of membership in PSMB*
- ✓ Compliance with technical and operational requirements of the ACH
- ✓ Signing on the ACH agreement

*BSP Circular Letter 2018-005 dated 12 January 2018 – MB in its Res. No. 59 dated 11 January 2018, recognized the Phil. Payments Management, Inc. (PPMI) as the PSMB under NRPS Framework

Comply with all other requirements set by BSP, PSMB, and ACH



Transitory Provision

- Re-register BSP-approved EPFS by electronically submitting accomplished forms to epfs-licensing@bsp.gov.ph
- Submit the required certification to the Financial Technology Sub-sector of the Bangko Sentral
- Deadline was 31 March 2019.
- Failure to re-register shall result in the revocation of the issued license/s.



BANGKO SENTRAL NG PILIPINAS

Initiatives to advance e-payments

National QR Code Standard

**Government
e-payments**
*(collections and
disbursements)*

2018



2019



BANGKO SENTRAL NG PILIPINAS

Initiatives to advance e-payments

- ❑ The BSP welcomes innovative solutions that help advance the growth of e-payments.
- ❑ Key reminders to proponents:
 - All clearing arrangements shall be done within the NRPS governance structure
 - PESONet and InstaPay are the only recognized ACHs at present
 - Settlement shall be in central bank money through the PhilPaSS
 - Any electronic payments product or service which may not fully satisfy the above requirements shall be evaluated by the BSP for possible placement in a regulatory sandbox prior to mainstream implementation.
- ❑ The BSP, though open for innovation, has not received any formal application from the rural banking industry for approval of a new payment infrastructure that may be placed in a regulatory sandbox.



BANGKO SENTRAL NG PILIPINAS

Benefits of NRPS

Cost Savings

25-56% of invoice processing per annum

\$1.52 per payment – switch from check to direct credit

\$272 million or 8.5% of net profit after tax of banking sector in 2013

Reduced cash handling cost

Increased Economic Activities

Faster payment turnover leads to higher economic activities

Country with high level of electronic payment transactions per capita = high level of per capita income

Bigger Market

98% of unbanked Filipinos can be banked through electronic channels

Cross selling opportunities

New Business Models

Bank and Non-bank partnerships

Government and Private partnerships

Industry-wide collaboration

Reduced Risks → Enhanced Risk Management

Effective and efficient retail payment system

Thank You!



Website : <http://www.bsp.gov.ph>
Email : psod@bsp.gov.ph



BANGKO SENTRAL NG PILIPINAS