

UPDATES ON BSP PAYMENT INITIATIVES

Mr. Jay M. Dizon
Deputy Director

Payment System Oversight Department (PSOD)

RBAP 62nd Charter Anniversary Symposium | 07 November 2019, Manila Hotel



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Opportunities in Digital Finance



National Retail Payment System (NRPS) Regulatory Updates



Ongoing Initiatives



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Opportunities in Digital Finance



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Opportunities in Digital Finance

23

median age of
Filipinos
(PSA, 2015)



7 out of 10

without bank deposit
but with mobile phone
(World Bank, 2017)

9 out of 10

adults with payment
transactions
(BSP, 2017)

1/3

of the population
are millennials
(PSA, 2015)

18%

of account owners use
account for payments
(BSP, 2017)

113%

SIM
penetration
(GSMA, 2017)



63%

smartphone
adoption
(GSMA, 2017)



63%

social media
penetration
(We Are Social, 2018)



58%

unique mobile
user penetration
(We Are Social, 2018)



63%

internet
users
(We Are Social, 2018)



**3 hrs,
57 mins**

average time
spent on social
media per day
(We Are Social, 2017)



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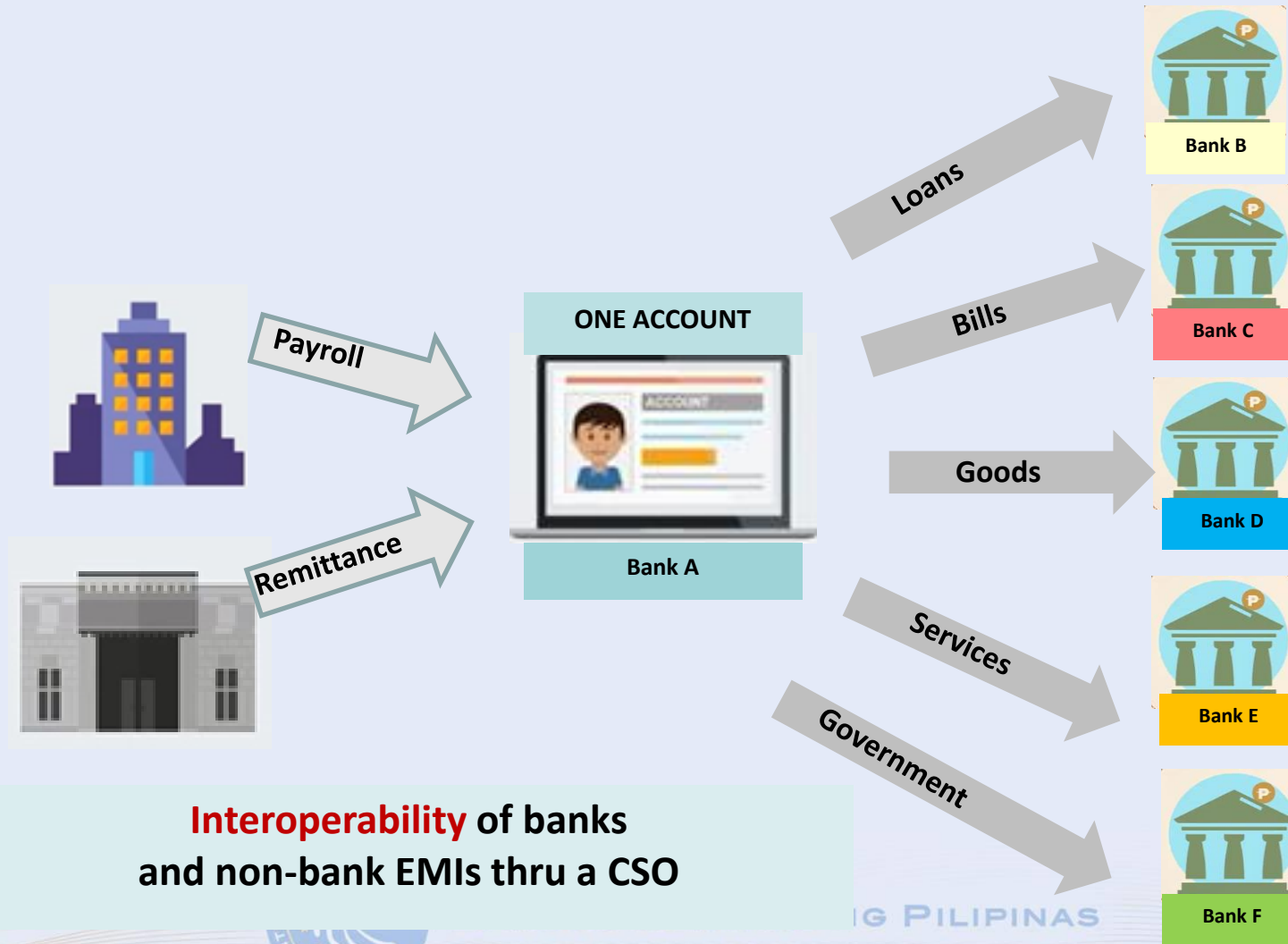


National Retail Payment System (NRPS) Regulatory Updates

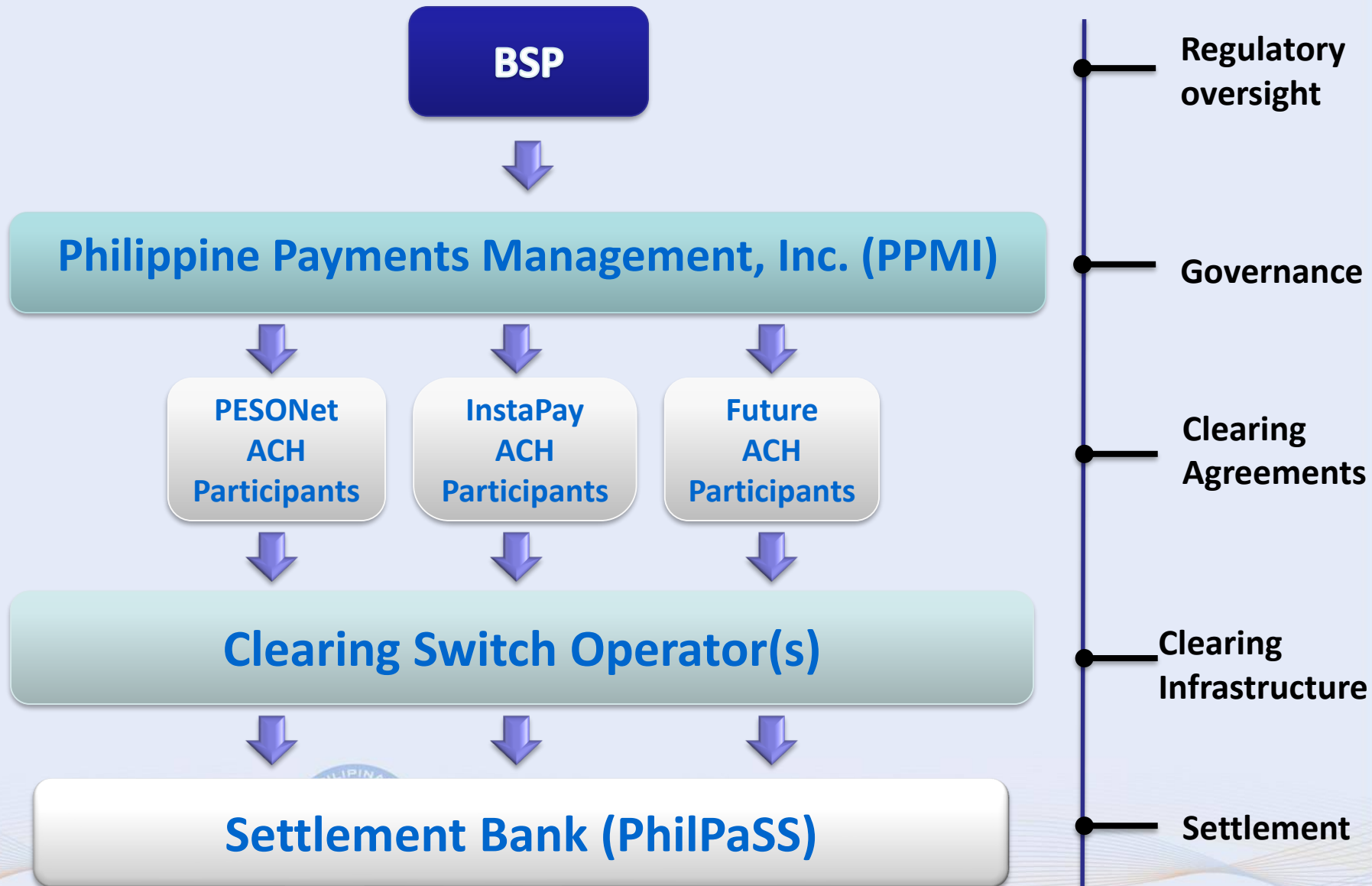


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NRPS Vision



NRPS Governance Framework



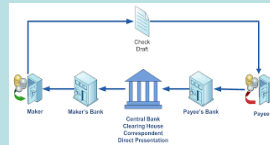
Enhanced Legal Mandate of the BSP Over Payment Systems

BSP Roles

Overseer



Operator



Catalyst



Republic Act No. 1127, the National Payment Systems Act (NPSA), signed into law on 30 October 2018, provides for the regulation and supervision of payment systems in the Philippines



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Republic Act No. 11211, amending the New Central Bank Act empowers the BSP to oversee payment and settlement systems (PSS) in the Philippines, including critical financial market infrastructures (FMIs)

Policy Objectives

Safe, efficient and reliable payment systems

Achieve stability and effectiveness of monetary and financial system

Manage systemic risk

Promote sustainable economic growth

Electronic Payment and Financial Services (EPFS)

BSP Circular No. 1033

Products and services offered by BSFI that:

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



Classification	Category of License/Authority	
Advanced EPFS In addition to basic, this enable customers to send funds & initiate other financial transactions	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 signed by the President or its equivalent and the details of EPFS functionality	

Registration of Operators of Payment Systems under NPSA

BSP Circular No. 1049

Registration by self-assessment

- Maintains platform that enables payments/fund transfers (covers inter- and intra-institution transfers)
- Operates system/network that enables payment/fund transfers thru use of payment instrument
- Provides system that processes payments on behalf of any person or government

Documentary requirements to be submitted thru e-registration

- Application for Registration
- Business Plan
- Copy of business registration/permit

Notification requirements

- Change of ownership or control
- Suspension or revocation of permits and licenses
- Changes in key officers/ reps. Authorized to officially communicate with BSP
- Change of registered/business name



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Adoption of National QR Code Standard

BSP Circular No. 1055

Principles

- Lead: PSMB
- Interoperability of multiple payment schemes
- Simplicity to encourage QR-enabled payments
- Accessibility for open infrastructure

National Standard

- Globally-recognized
- Utmost concern is safety of users
- Appropriate treatment in fee determination
- Proper management of threats and vulnerabilities

Implementation

- All PSPs to adopt the national standard within 30 days from PSMB's notification to BSP
- PSPs that deployed QR codes have until 30 June 2020 to adopt the national standard
- Circular Letter 2019-080 PPMI Approval of EMV QR Code as the National QR Code Standard



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Ongoing Initiatives



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Ongoing Initiatives to advance e-Payments



Government E-Payment

Digitalization of government collections and disbursements



National QR Code Standard

Enabling interoperability in QR-driven payment solutions to provide efficiencies in P2P/P2B payments



National Payments Diagnostics

Continuous assessment and monitoring of PH transition to a more cash-lite economy



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Thank you!

For questions, please email psod@bsp.gov.ph



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