

# BSP's Regulatory Support to Digital Transformation

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**BANGKO SENTRAL NG PILIPINAS**



# BUILDING BLOCKS OF DIGITAL TRANSFORMATION

**MOBILE**

**NETWORKS**

**DATA**

**CLOUD**



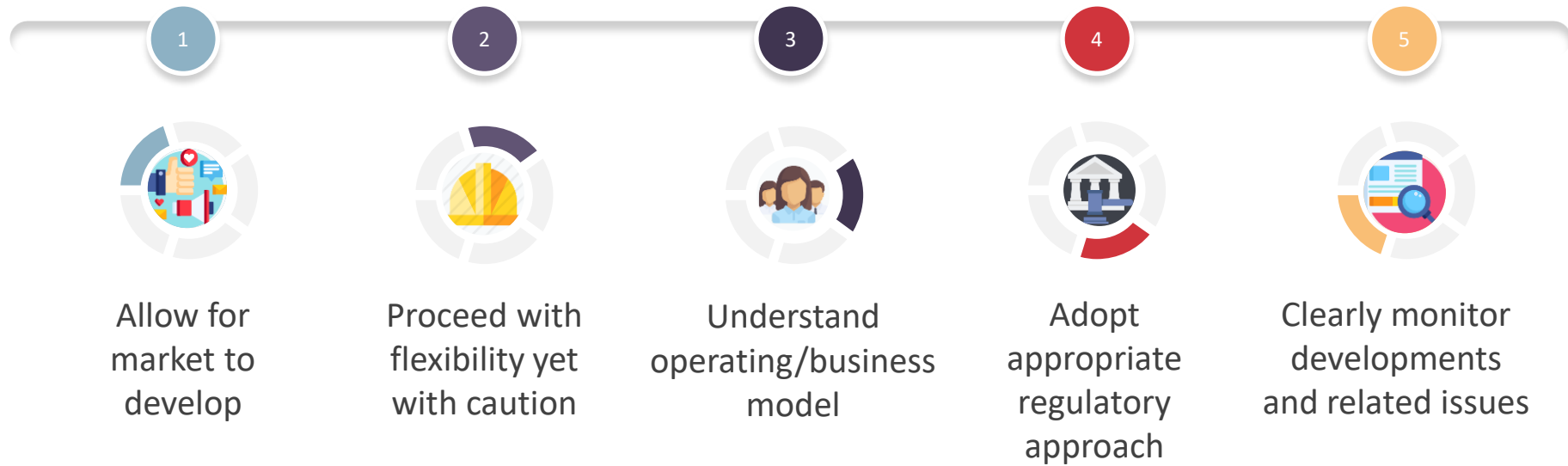
**FINTECH**

**ROADMAP**

**COLLABORATIVE ENGAGEMENTS**

**CAPACITY BUILDING**

**COMMENSURATE REGULATIONS**



# Crafting Commensurate Regulations



**BSP Cir. 1019 dtd. 10/31/2018** – Technology & Cyber-Risk Reporting & Notification Requirements



**M-2019-016 dtd. 6/11/2019** – Cyber Threat Intelligence and Collaboration



**BSP Cir. 1048 dtd. 9/06/2019** – Revised Consumer Protection Framework

**ATM**

**Various Memoranda** – covering ATMs for Virtual Currencies (VCs), Sound Risk Management Practices when Dealing with VCEs, SWIFT Attacks, BIN Attacks, Spear Phishing and Malware Attacks



# Addressing Regulatory Gaps

Embark on policy enhancements



**Cloud  
Computing**



**QR  
Payments**



**Virtual  
Currencies**



**Electronic  
Banking**

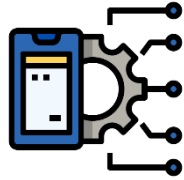
# Capacity Building Programs

BUILD CAPACITY			
FINANCIAL TECHNOLOGY SUBSECTOR			
<i>Fostering Responsible Financial Innovation in the Industry</i>			
PSOD		TRISD	
<i>Safe &amp; Efficient Payment System</i>		<i>Safe &amp; Resilient Technology Infrastructure</i>	
Payment System Oversight	Payments Policy Framework	IT Onsite and Offsite Supervision	IT Policy Framework
NRPS Enforcement	Licensing of E-Payments	Cybersecurity Surveillance	FinTech Innovation

# Technological Disruption within the BSP

ADOPT REGTECH/SUPTECH SOLUTIONS

API System



Automated  
Complaint-  
Handling  
Portal



FI Portal



Regulatory  
Compliance  
Automation





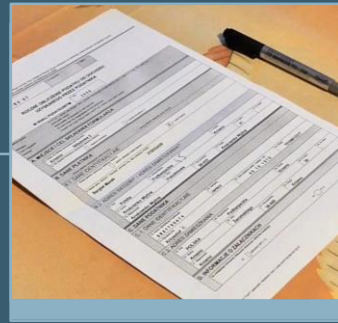


# National Retail Payment System

A framework to create a safe, efficient, and reliable electronic retail payment system



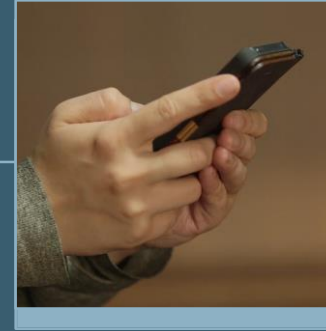
**1** BILLS  
PAYMENT



**2** BANKING  
PRODUCTS &  
REMITTANCES



**3** PURCHASE  
OF GOODS



**4** PERSON TO  
PERSON  
TRANSFER

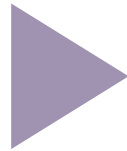


**5** SERVICE &  
TRANSPORT  
PAYMENT

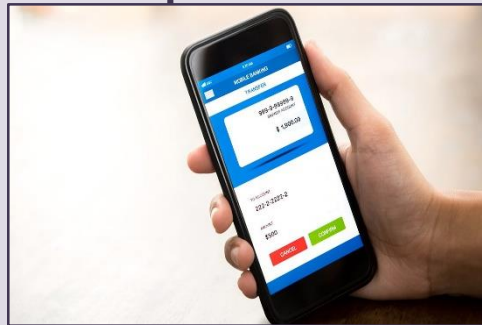
# Moving Towards Electronic Banking



**BRICK AND MORTAR  
APPROACH**



**20++ Rural Banks**



**Mobile Banking**



**Electronic Banking**



**NFC Payments**

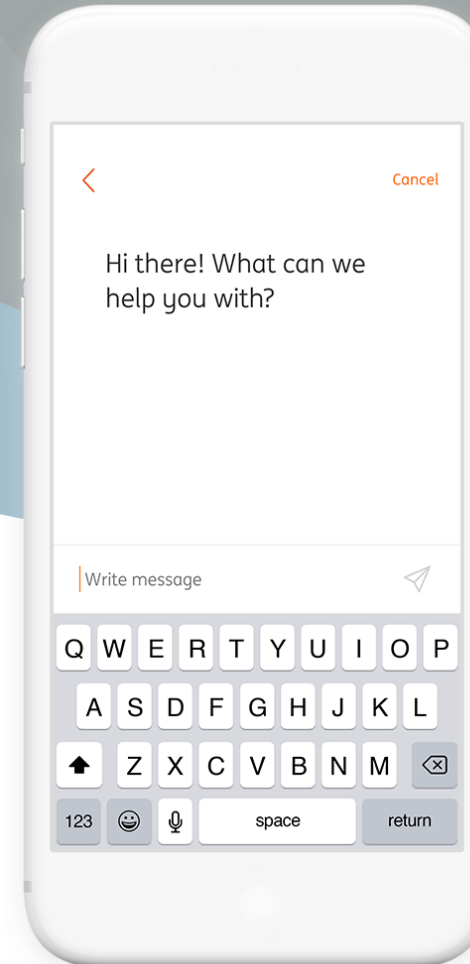
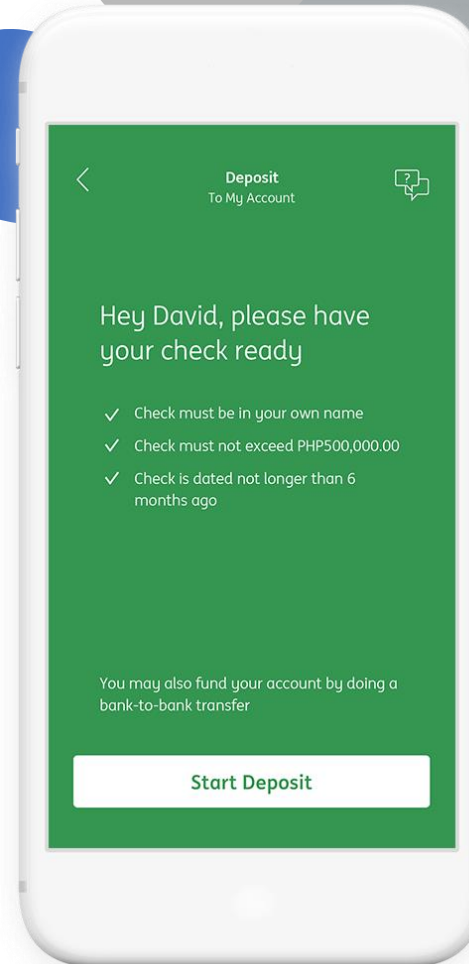
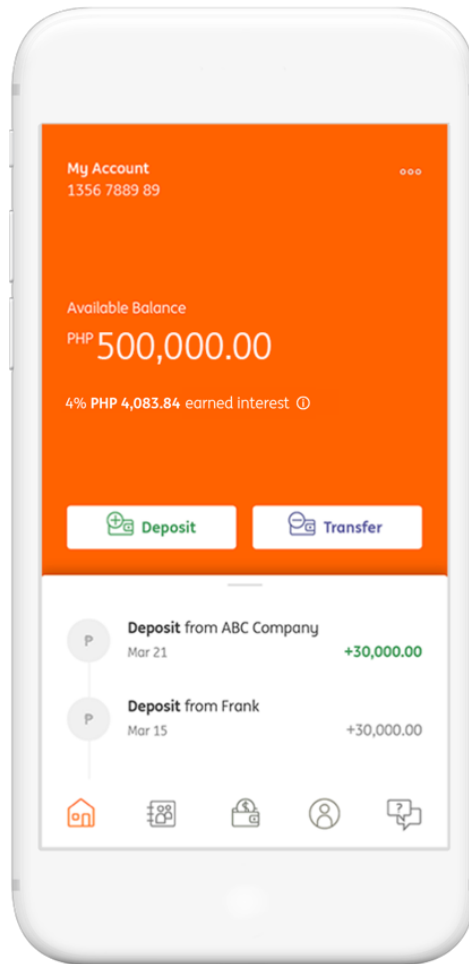


# DIGITAL BANKING IN THE PHILIPPINES





# MOBILE BANKING





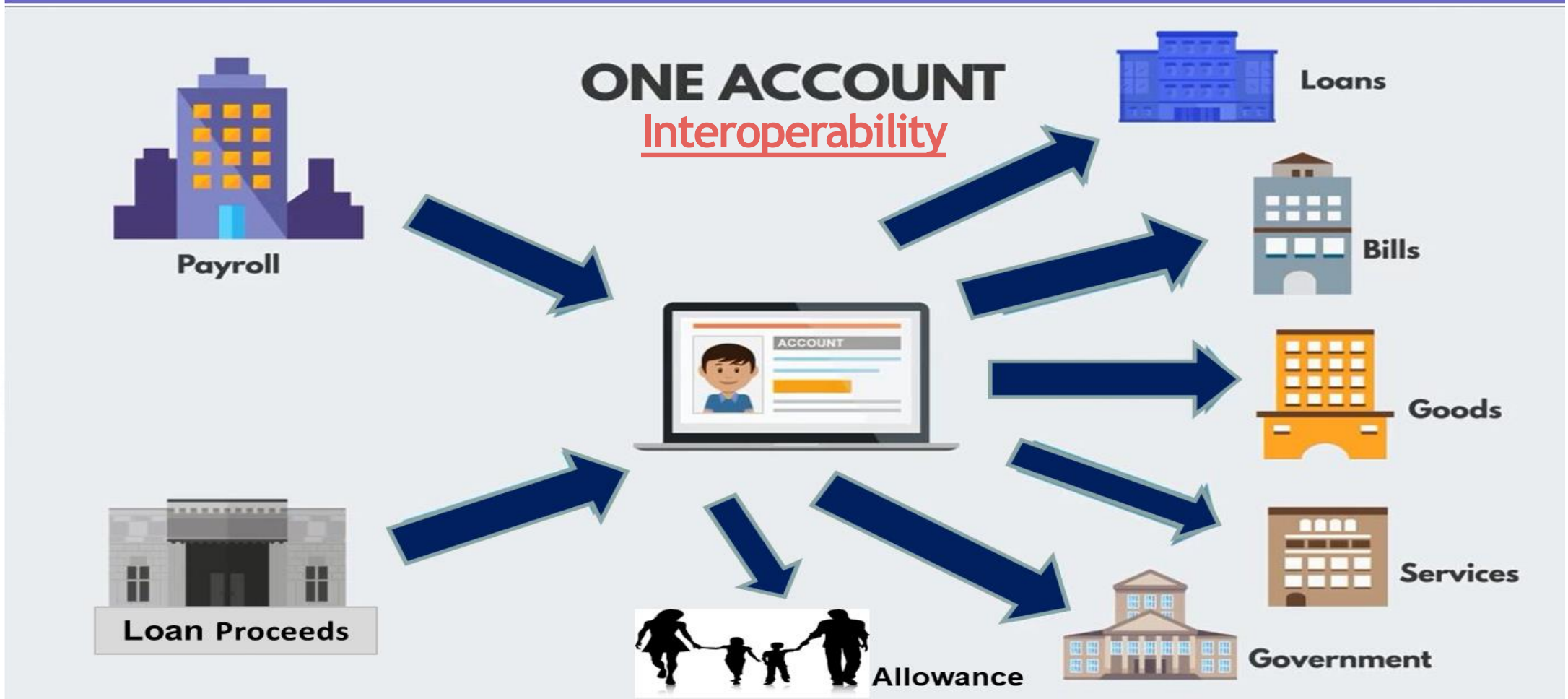
# Technology Aided Face to Face Verification

4. Choose and take a  
photo of your valid ID



# BSP Initiative: The National Retail Payment System (NRPS)

NRPS is a policy and regulatory framework that aims to establish a safe, efficient, reliable, affordable and inclusive retail payment system in the Philippines.







# DIGITAL BANKING SUPERVISORY CONCERNS

COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

GOVERNANCE, EFFICIENCY & INTEROPERABILITY

CYBERSECURITY, DATA PRIVACY & OPERATIONAL RESILIENCE

COMPLIANCE WITH AML & CONSUMER PROTECTION REGULATIONS



# Role of Policy Makers and Regulators



- Recognize the potential benefits of digital innovation as well as attendant risks.



- Create an enabling policy and regulatory environment.



- Calibrate regulations according to the magnitude of risks.



- Promote a level playing field.



- Ensure financial stability, financial integrity, cyber security and consumer protection.



**Disclaimer:** “The views expressed in this presentation may contain personal opinions and may not necessarily reflect the views of the Bangko Sentral ng Pilipinas (BSP) Management.”

# THANK YOU!



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