

Roadmap to Digitalization

Pia Bernadette Roman Tayag
Managing Director

MCPI Annual Conference
Ermita, Manila
25 July 2019



BANGKO SENTRAL NG PILIPINAS

The Vision



Goal: To increase the share of electronic payments

20% by 2020

Status of Electronic Payments

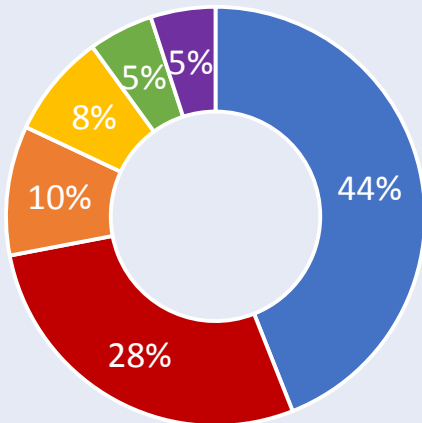
		PAYEE		
		Government	Businesses	Persons
P A Y E R	Monthly volume of transactions; % digitized, 2015			
	Government	4.5 million txns/ month (84% digital)	0.8 million txns/ month (0.07% digital)	12 million txns/ month (46% digital)
	Businesses	3.3 million txns/ month (50% digital)	536 million txns/ month (0.26% digital)	62 million txns/ month (7% digital)
Persons		0.7 million txns/ month (1% digital)	1900 million txns/ month (0.53% digital)	20 million txns/ month (2% digital)

Source: Better Than Cash Alliance (BTCA). Philippines – Country Diagnostic



BANGKO SENTRAL NG PILIPINAS

Fintech Landscape in the Philippines



- Payments
- Alternative financing
- Remittance
- Comparison/marketplace
- Credit rating/analytics
- Others



Current State of Financial Inclusion

ACCESS

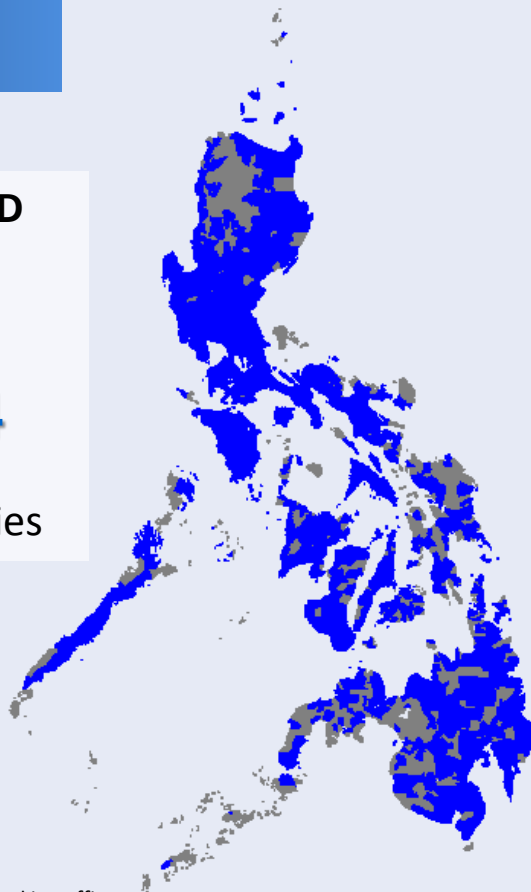
UNBANKED



536

out of

1,634

cities and municipalities



 With at least one banking office
 Unbanked

USAGE

48% of adults have savings, but...

7 in 10 keep their savings at home

22% of adults have outstanding loans, but...

4 in 10 obtain their loan from informal sources

88% of adults have payment transactions but...

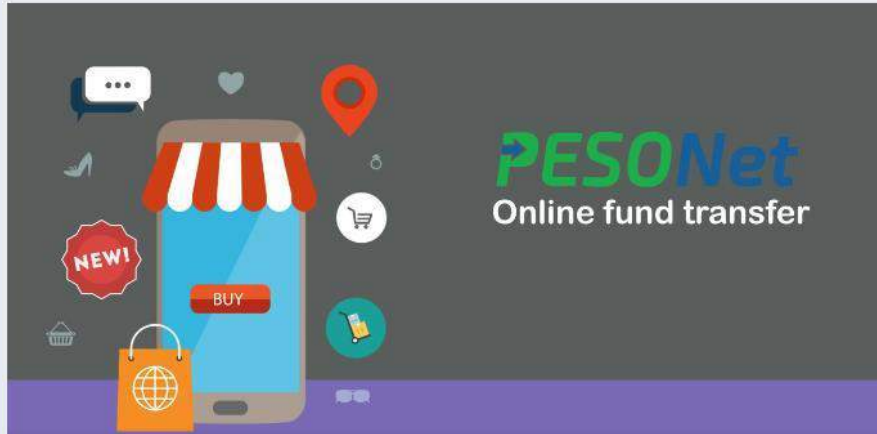
6 in 10 pay using cash

23% adults with a formal account

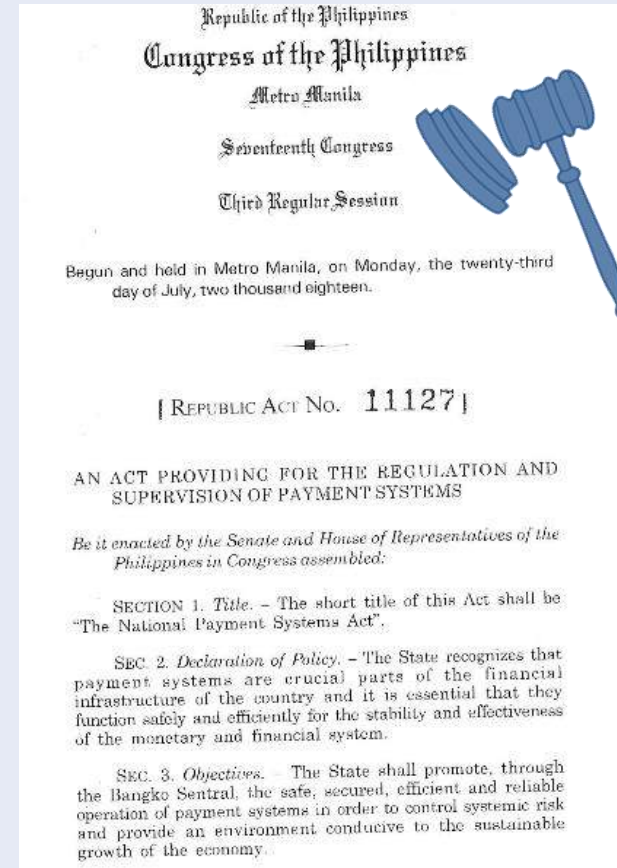


BANGKO SENTRAL NG PILIPINAS

National Retail Payment System (NRPS) & National Payment System Act (NPSA)



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



The NPSA gives supervisory and regulatory powers to the BSP over payment system operators in the Philippines.

Digital Payments Roadmap



Strategic Initiatives

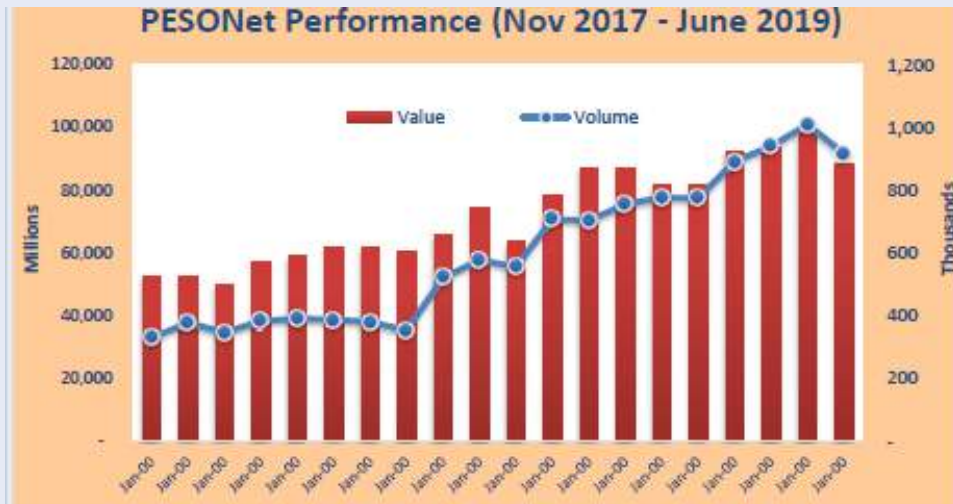
Bulk and recurring payments

- **PESONet ACH** - Funds available to payee on same day at full value with no transaction limit. Serves as alternative for check payments. (November 2017)

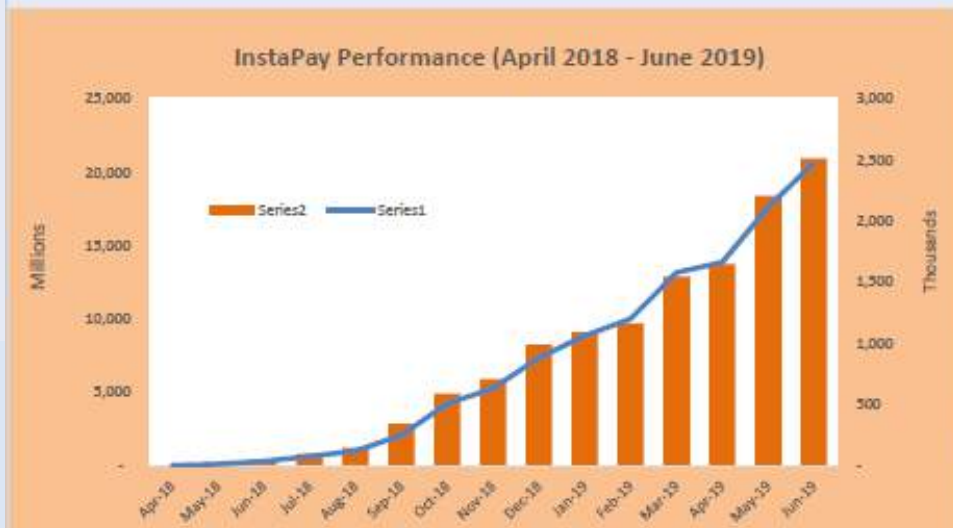
Realtime low value payments

- **InstaPay ACH** - Funds available to payee instantly at full value, but each transaction is subject to P50 thousand limit. Serves as alternative for ATM cash withdrawal. (April 2018)

PESONet & InstaPay: Results So Far



PESONet	June 2017	June 2019	% Change
Volume	329,906	916,793	178%
Value (Php)	52,763,876,332	88,103,695,919	67%
Participants	40	51	28%



InstaPay	Apr 2018	June 2019	% Change
Volume	1,740	2,476,280	142,215%
Value (Php)	19,119,358	20,922,617,362	109,332%
Participants	16	42	163%

TRAL NG PILIPINAS

Next Steps

National QR Code
Standard

Government
e-payments
*(collections and
disbursements)*

2018



2019



BANGKO SENTRAL NG PILIPINAS

Digital Financial Inclusion



**Democratized
access to a
transaction account**

*Basic Deposit
Account
E-Money Account*



**Expansive network
of low-cost touch
points**

*Cash agents
E-Money agents*



**Efficient retail
payment system**

*NRPS
(PESONet, InstaPay)*

Enabling financial infrastructure:
national ID (PhilSys), digital connectivity

Strong cybersecurity, sound market conduct,
financial and digital literacy

Other Initiatives



Leveraging on compelling use cases for digital payments (e.g., social transfers, disbursement of wages to informal sector, payment of government fees)



Enhanced Financial Consumer Protection Framework and Financial Consumer Protection Bill



Financial and digital literacy



Thank you!

Center for Learning and Inclusion Advocacy
Bangko Sentral ng Pilipinas
Email: IFASInfo@bsp.gov.ph
Direct Line: (632) 7087482



BANGKO SENTRAL NG PILIPINAS
www.bsp.gov.ph