

# 16<sup>th</sup> Annual Public Policy Conference

Innovating governance: Building resilience against COVID-19 and other risks

*Webinar 4: “SMART Systems for Agile Governance Under the new Normal”*

24 September 2020

## Balancing Innovation-Risks Tradeoffs: Reaping the Benefits while Managing the Risks

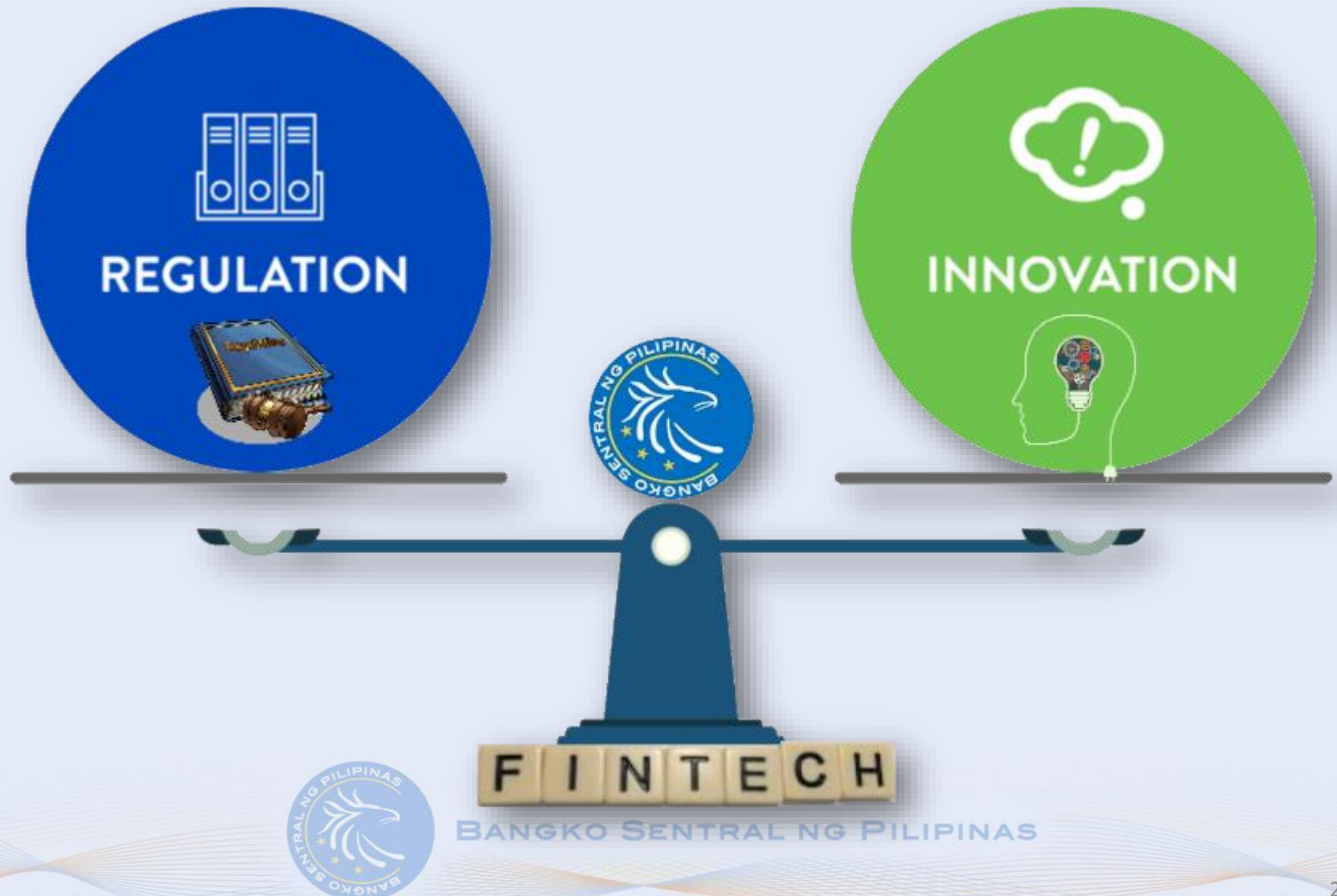
**LAURA L. IGNACIO**

Center for Monetary and Financial Policy  
Monetary Policy Sub-Sector



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# Balancing innovation with regulation



# A safe, reliable and interoperable payment system for the New Economy Arrangement



**PESONet**

60 participating institutions



**instaPay**

47 participating institutions

As of end-August 2020



**EGov Pay Facility**

Digitalization of government collections and disbursements

**QR Ph**

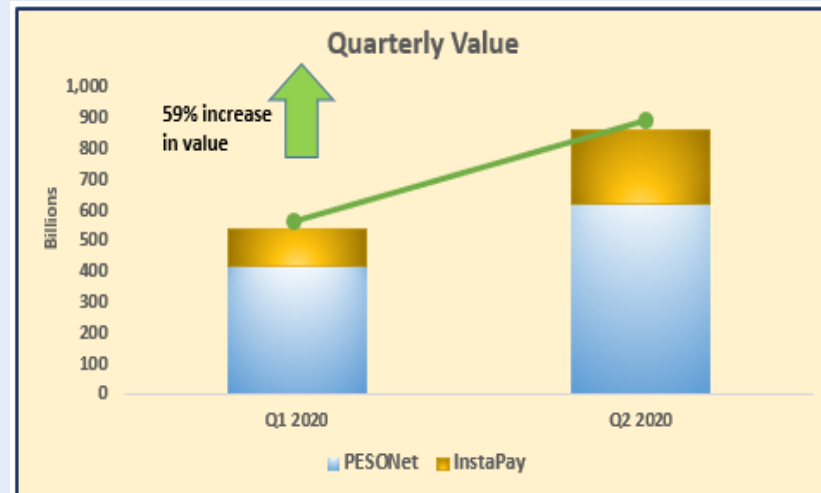
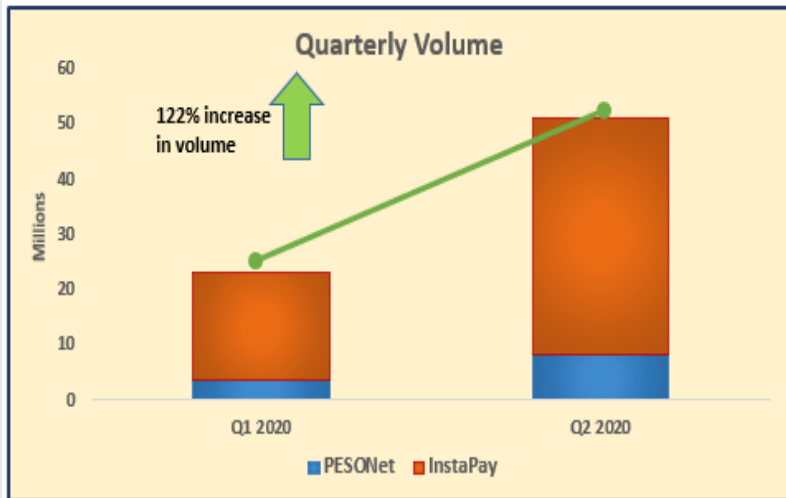
Payment through code scanning



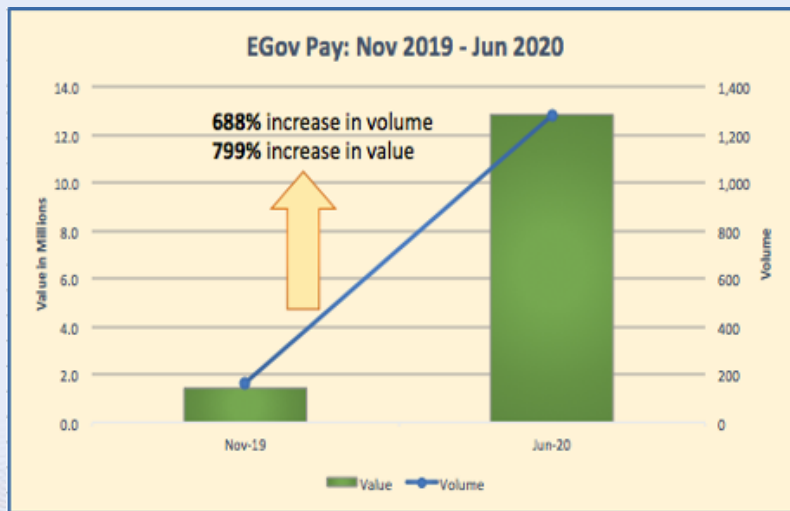
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# Growing preference for digital transactions

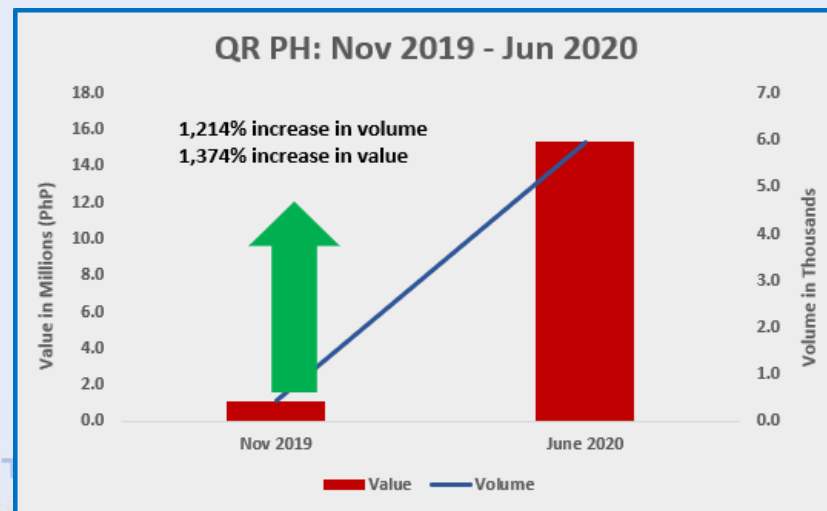
## Combined PESONET and INSTAPAY Transactions



## EGov Pay Transactions



## QR Ph Transactions



# Digitization and financial inclusion

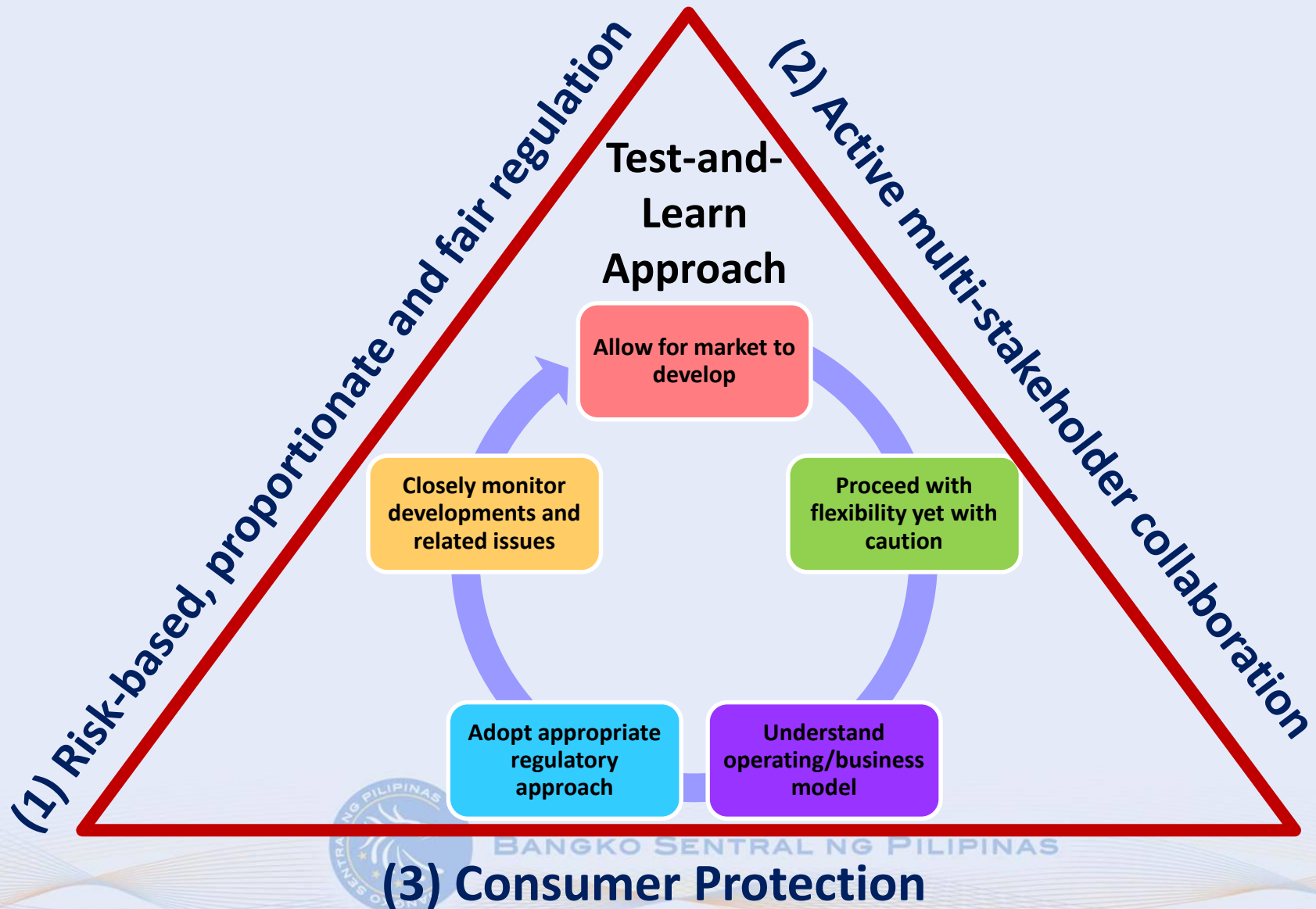
- ❑ Efficient retail payment system
  - ✓ Zero fees on InstaPay and PESONet
  - ✓ Digitalization of payments (social benefits, wages, transportation)
- ❑ Democratized access to a transaction account
- ❑ Expansive network of low-cost touchpoints
- ❑ Support to the National ID (PhilSys)



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# BSP Regulatory Framework – Striking the Right Balance



## Adoption of RegTech Solutions



API System



Automated Complaint-  
Handling Portal  
(Chatbot)



FI Portal

# Increase Reliance in Digital Platforms in the New Normal

## What we expect?

- ✓ Increased utilization of online banking and payment transactions
- ✓ Increased demand for certain financial products
- ✓ Increased usage of non-bank channels (i.e., remittance centers) to send and receive money

## What we must be done?

- ✓ Strengthen infrastructure for and regulation of online financial services
- ✓ Strengthen financial inclusion by leveraging on financial technology



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# Key takeaways

- Pandemic has accelerated adoption and usage of technological innovations in the payments system.
- Innovations have provided benefits to consumers and businesses but have also presented risks that have to be managed.
- The BSP remains vigilant against potential risks to allow consumers and businesses to reap the benefits of innovations.



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