



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2020-047

To : **ALL BSP-SUPERVISED FINANCIAL INSTITUTIONS (BSFIs)**

Subject : **Responsible Marketing on Digital Banking Services**

The BSP actively pursues the advancement of digital solutions in the delivery of financial services. In view of the potential for digital innovations to elevate the reliability and inclusivity of financial services available to Filipino consumers, the BSP remains supportive of institutions willing and capable to adopt a digital banking business model.

Accordingly, the BSP recognizes that certain BSP-Supervised Financial Institutions (BSFIs) have eagerly sought to pronounce their digital capabilities by marketing themselves as “digital banks”. For purposes of providing clarity, the BSP reiterates that no distinct “digital banking” license is issued to institutions that have pursued a digital-centric business model. Instead, institutions offering digital-centric financial services are either an existing universal, commercial, thrift or rural bank or have applied either as a universal, commercial, thrift or rural bank, in accordance with the existing bank licensing regime. In lieu of a unique “digital bank license type”, the specific guiding rules for conducting digital banking services are laid out in BSP Circular No. 1033 on Electronic Payment and Financial Services (EPFS). The EPFS regulations provide the licensing requirements which entities must comply with to offer payments and financial services through digital channels.

While the BSP encourages supervised institutions to actively offer digital solutions, BSFIs are reminded to exercise caution when publicly promoting themselves as digital banks, in the absence of a separate licensing framework for a full-fledged digital bank for now. Pending formal issuance of such a framework, BSFIs should refrain from making representations that could generate ambiguities in the current state of licensing regime for banks. Nevertheless, this does not dampen the BSP’s continuing support to BSFIs that embrace a digital transformation in their respective businesses, especially at this time when it matters most to our stakeholders.

For information and guidance.


CHUCHI G. FONACIER
Deputy Governor

01 June 2020