



September 3, 2021

SEN. JUAN EDGARDO “SONNY” ANGARA

Chairperson

Sub-Committee on Senate Bill 1764 – Use of Digital Payments

Senate of the Philippines

Pasay City

Dear Senator Angara:

The undersigned members of the Joint Foreign Chambers (JFC) and Philippine business groups (PBGs) write to express support for your and Sen. Grace Poe’s filing of Senate Bill 1764 entitled, “An Act Promoting the Adoption of Digital Payments for Financial Transactions of the Government and all Merchants and for other Purposes,” as well as for the initiation by your Sub-Committee of deliberation on this bill on September 6.

The Philippines is a pioneer of digital payments, having launched mobile money in 2001, especially to facilitate inbound transfers from Filipinos working overseas. Nevertheless, by 2015 the share of digital payments in the country was only about 1% or 26 million of the total 2.5 billion payments per month. However, the volume of digital payments is moving upwards at a significant pace.

In 2018, the total monthly volume reached 20 times its volume in 2013. By the first half of 2020, the BPS and Better than Cash Alliance’s 2021 Report estimated a monthly average of 4.6 billion online payments. Online transactions in the same period also comprised 25% of all payments, compared to 20% in 2018. The subsequent explosion of e-commerce and e-services during the ongoing COVID-19 pandemic is further accelerating adaption of digital payments.

In addition to this encouraging data, the business community predicts more high growth for such payments should laws be enacted to (i) promote and encourage utilization of digital payments and (ii) create a stronger economic environment to accelerate adoption of digital payments.

The JFC and PBGs are of the opinion that the promotion of digital payments is needed more than ever, given the current public health crisis due to the COVID-19 pandemic. The pandemic restricts movement of goods and persons, preventing face-to-face interactions. As an ultimate form of social distancing, digital transactions entail zero risk for transmission of COVID-19.

Another strong argument to accelerate the shift to digital and cashless payments is that government can save some US\$100 million or Php 5 billion annually, which can support alternative national priorities. Further, digital payments lower transaction costs, are

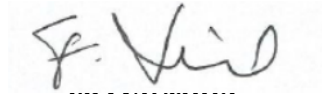
environmentally friendly, and reduce resistance and barriers to more citizens owning financial transaction accounts, since Filipinos own more cell phones than bank accounts.

The State recognizes the vital role of information and communications technology in nation-building and the need of promoting ease of doing business and efficient delivery of good and services to the general public. Pursuant to which, the *Bangko Sentral ng Pilipinas* has prepared its Digital Payments Transformation Roadmap for 2020 to 2023. Further, the BSP continues to foster the growth and development of digital payment innovations through enabling policies and regulations and promoting financial inclusion.

SB 1764 accelerates the needed shift to digital payments through its aim of facilitating transactions, arrangements, or exchanges of goods and services by promoting the universal use of safe and efficient digital payments in financial transactions of the government and the general public.

The House approved the counterpart House Bill 8992 last March 25. We are hopeful that the initiation by your Sub-Committee of complementary Senate action will facilitate passage of this important legislation in the remaining months of the 18th Congress.

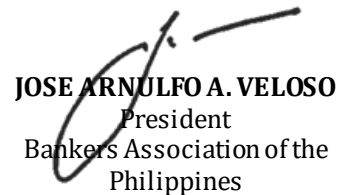
Thank you and best regards,



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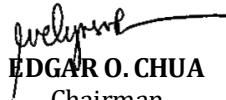
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