

SENATE  
P. S. Res No. 129

19 SEP 10 A10 :34

RECEIVED BY \_\_\_\_\_

Introduced by Senator Francis "Tol" N. Tolentino

**RESOLUTION**  
**DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE STATUS OF REGULATIONS BY THE BANGKO SENTRAL NG PILIPINAS AND OTHER RELEVANT GOVERNMENT AGENCIES CONCERNING CRYPTOCURRENCIES AND OTHER DIGITAL CURRENCIES IN THE PHILIPPINES**

- 1 WHEREAS, the use of cryptocurrencies and other virtual currencies has been  
2 continuously rising in the Philippines;
- 3 WHEREAS, the value of virtual currency transactions in the country amounted  
4 to \$390.37 million dollars for 2018, almost double from 2017's \$189.18 million;
- 5 WHEREAS, there are benefits to allowing the use of these currencies in the  
6 country as they provide Filipinos access to the global market, banking services to  
7 underserved citizens, and ease in making cheaper remittances to and from abroad for  
8 international corporations as well as from overseas Filipinos;
- 9 WHEREAS, along with these benefits are risks to individual users of virtual  
10 currencies such as price volatility and security risks, as well as risks to the state as  
11 these currencies can affect our monetary stability and can easily be used for illegal  
12 activities such as money laundering and drug trade;
- 13 WHEREAS, in response to these risks, certain countries have found it wise to  
14 ban the use of cryptocurrencies in their jurisdictions including China, Russia, and  
15 Vietnam;

1           WHEREAS, in the Philippines, the Bangko Sentral ng Pilipinas (BSP) has issued  
2 a warning advisory on Virtual Currencies as early as March 6, 2014, highlighting the  
3 risks that users face when using them;

4           WHEREAS, the BSP observing the gaining momentum in the usage of virtual  
5 currencies as a medium for payment in the country, issued another advisory on the  
6 use of virtual currencies on December 29, 2017 informing the public of the different  
7 illegal schemes these currencies are being used in and again enumerating the risks in  
8 the use of virtual currencies;

9           WHEREAS, the BSP again on June 13, 2019 issued a Public Advisory on Virtual  
10 Currencies ATMs reminding the public to transact only with BSP registered entities.

11           WHEREAS, there is clearly still a need to monitor and regulate virtual currencies  
12 to mitigate the risks in its usage as there are still no existing laws or rules that  
13 completely and competently regulate this subject matter;

14           WHEREAS, this lacuna in the law causes fear and confusion in the use of this  
15 innovation and at the same time threatens our nation's economic stability and security;

16           WHEREAS, in response to this dilemma, the Bangko Sentral ng Pilipinas on  
17 February 6, 2017, issued BSP Circular No. 944 entitled Guidelines for Virtual Currency  
18 (VC) Exchanges, requiring the registration and continuous regulation of virtual  
19 currency exchanges in the Philippines, similar to policies also set by other countries  
20 like the United States, Japan, Germany, Sweden, and Canada among others;

21           WHEREAS, usage in the country is still expected to grow as more and more  
22 people venture into this innovation and as traditional institutions adopt this technology  
23 like the Union Bank of the Philippines, which has started installing cryptocurrency  
24 ATMs in April 2019 and has created and launched their own cryptocurrency dubbed  
25 as PHX which is expected to increase the public's trust in the use of this type of  
26 currency;


27           WHEREAS, the existing regulation, though commendable, only covers  
28 regulation of virtual currency exchanges which still leaves various aspects of  
29 cryptocurrencies still remain unregulated such as its classification and taxation among  
30 others;

31           WHEREAS, there is a need to determine whether legislative action is still  
32 required to protect the people from the inherent risks of virtual currencies, from

1 racketeering schemes and other business scams that can easily use them, and as well  
2 as to determine whether virtual currencies should be considered as legal tender and  
3 what their proper classification is, for taxation purposes;

4       RESOLVED BY THE SENATE, as it is hereby resolved, to direct the appropriate  
5 Senate Committee to conduct an inquiry on the status of regulations by the Bangko  
6 Sentral ng Pilipinas and other relevant government agencies concerning  
7 cryptocurrencies and other digital currencies in the Philippines.

Adopted,

  
**FRANCIS "TOL" N. TOLENTINO**  
Senator