



REPUBLIC OF THE PHILIPPINES  
PHILSYS INTER-AGENCY COMMITTEE ON LEGAL  
AFFAIRS

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IAC on Legal Affairs Resolution No. 10  
Series of 2023

**RECOMMENDING THE APPROVAL OF THE PHILSYS CO-LOCATION  
STRATEGY TO BANKS AND ELECTRONIC MONEY ISSUERS  
SUPERVISED BY THE BANGKO SENTRAL NG PILIPINAS**

**WHEREAS**, pursuant to Section 2 of Republic Act No. 11055 or the "Philippine Identification System (PhilSys) Act", it is the declared policy of the State to establish a single national identification system referred to as the "Philippine Identification System (PhilSys)" for all citizens and resident aliens of the Republic of the Philippines;

**WHEREAS**, Section 15 of the PhilSys Act mandates the Philippine Statistics Authority (PSA) as the primary implementing agency to carry out the provisions of the PhilSys Act and to be responsible for the overall planning, management, and administration of the PhilSys;

**WHEREAS**, Section 3 of the PhilSys Act states that PhilSys shall be a social and economic platform through which all transactions including public and private services can be availed of and shall serve as the link in the promotion of seamless service delivery, enhancing administrative governance, reducing corruption, strengthening financial inclusion, and promoting ease of doing business;

**WHEREAS**, pursuant to the National Government's financial inclusion agenda, the PSA entered into a memorandum of agreement (MOA) with the Land Bank of the Philippines to co-locate with the PSA and participate in the National ID registration by providing transactional accounts to the registrants, which will qualify registrants to be considered as "banked" and financially included, and make future government assistance disbursements more efficient;

**WHEREAS**, based on the Bangko Sentral ng Pilipinas (BSP) 2021 Financial Inclusion Survey Report, forty-four percent (44%) of Filipino adults remain unbanked due to lack of requirements, such as identification documents and costs concerns;

**WHEREAS**, the Office of the President Memorandum Circular No. 97, s. 2022, otherwise known as "Institutionalizing Whole-of-Government Support for the National Strategy for Financial Inclusion (NFSI) 2022-2028", directs all departments, agencies, and instrumentalities of the government, including state universities and colleges, government-owned or -controlled corporations, and foreign-based government agencies to support the implementation of the NFSI, in line with their respective functions and mandates;

**WHEREAS**, one of the strategic objectives identified as a major area of intervention to achieve the desired outcomes of the NFSI is the promotion of inclusive digital finance, which entails the employment of digital technologies to facilitate significant cost-efficiencies and innovation that enable the viable delivery of financial services to the low-income mass market and small enterprises;

**WHEREAS**, the Vision and Strategic Outcomes provided in BSP Digital Payments Transformation Roadmap 2020-2023 states that the BSP's thrust to promote financial inclusion and digitalization of payments are mutually reinforcing;

**WHEREAS**, Executive Order (EO) No. 170, s. 2022, otherwise known as the "Adoption of Digital Payments for Government Disbursements and Collections", directed departments, agencies, and instrumentalities of the government, including state universities and colleges, government-owned or -controlled corporation to adopt digital payments for their respective disbursements and collections;

**WHEREAS**, under Section 1 (h) of EO No. 170, s. 2022, a transaction account refers to a bank account or e-money account held with a BSP-supervised financial institution that can be used to store, send, and receive funds, thus, the coverage of the EO includes banks, as well as Electronic Money Issuers (EMIs);

**WHEREAS**, the expansion of the co-location strategy is in line with the state policies under EO No. 170, s. 2022, as it promotes the use of digital payment services across various sectors for a fast, convenient, secure, and transparent mode of delivering government services and transacting business;

**WHEREAS**, the PSPCC members discussed the expansion of co-location strategy to include interested banks and EMIs during the 37th and 38th PSPCC meetings. During these meetings, the PSA confirmed that it is consistent with the PhilSys Act, its IRR, and other related issuances;

**WHEREAS**, on 22 March 2023, the PSA endorsed to the Inter-Agency Committee (IAC) on Legal Affairs for its review, the draft PhilSys Policy Coordination Council (PSPCC) Resolution No. 26, or the "Resolution Approving the PhilSys Co-location Strategy to Banks and Electronic Money Issuers Supervised by the Bangko Sentral ng Pilipinas";

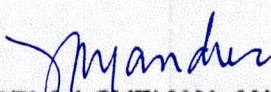
**WHEREAS**, the draft PSPCC Resolution No. 26 was reviewed and revised by the IAC on Legal Affairs to ensure that the provisions stated therein are consistent with the PhilSys Act and its revised IRR, and other relevant issuances.

**NOW THEREFORE, BE IT RESOLVED**, that the IAC on Legal Affairs recommends to the PSPCC the approval of the PSPCC Resolution No. 26, specifically:

1. Pursuant to the PhilSys Act, NFSI and EO No. 170, s. 2022, in order to meet the objectives on streamlined and seamless process in the delivery of services and to ensure financial inclusion of unbanked Filipinos, PSA shall expand its co-location strategy and authorize interested banks and EMIs under the supervision of the BSP to provide assistance in the opening of a transaction account in their respective systems, using the Transaction Reference Number (TRN), to Filipinos who have completed Step 2 registration in PhilSys;
2. PSA shall issue an advisory directing interested banks and EMIs to submit their request for co-location to the PhilSys Registry Office, and upon approval of the request, they shall be co-located in the PhilSys Registration Centers and during mobile registrations to provide those who have completed PhilSys Step 2 registration the opportunity to open a transaction account using the TRN and credentials presented in their PhilSys registration;
3. Prior to the commencement of the co-location, PSA and interested banks and EMIs shall enter into a MOA which shall provide the responsibilities of each party, the terms and conditions of the implementation of the co-location strategy, among others; and
4. The PSA shall allocate a specific area inside the PSA Registration Center/Sites for the banks and EMIs, under a rent-free arrangement, where PhilSys registration and transaction account opening may be done simultaneously.

Adopted this 11<sup>th</sup> day of May 2023, in Quezon City.

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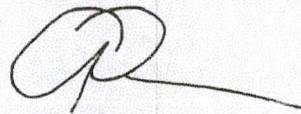
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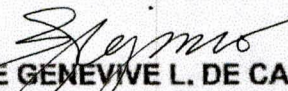


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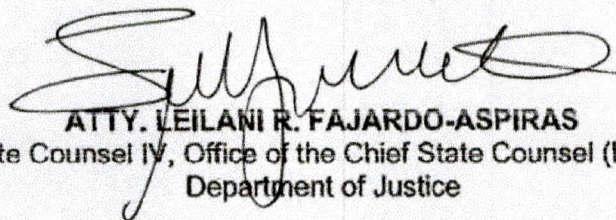
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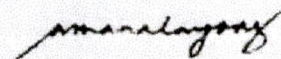
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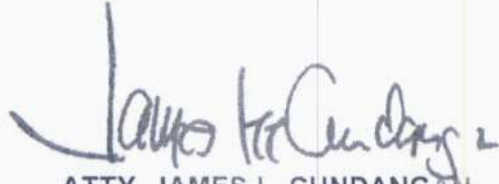


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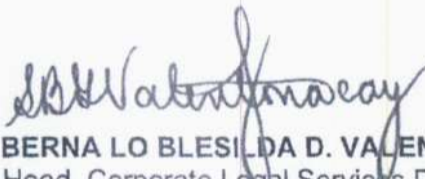
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