

## **Benjamin E Diokno: Philippine identification system - paving the way towards financial inclusion**

Speech by Mr Benjamin E Diokno, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the Roundtable Discussion on "Championing and Accelerating Good Digital ID for All" during the World Bank Group/IMF Annual Meetings, Washington DC, 17 October 2019.

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Good morning! It is a privilege and honor to be speaking before a chosen group of eminent dignitaries on a very important and growing topic across the globe.

The innovation, development and advancement of technologies has ushered us to a new digital world, and reshaped mindsets, perspectives and decisions of government officials and regulators. Technologies have greatly influenced the way we go about our normal ways and they continue to do so as we speak.

The journey for a national ID for the Philippines started 30 years ago. But it failed to pass one Congress after another. Finally last year, the Philippine ID System Act was passed. And I am happy to announce that on 07 October 2019, we had a milestone as the Central Bank of the Philippines signed the memorandum of agreement (MOA) with the Philippine Statistics Authority that starts the implementation of the "Philippine Identification System (PhilSys) Act.

The law, which promulgates the policy of the State to establish a single national identification system, mandates the issuance of a unique, non-transferable card to all citizens or resident aliens registered under the PhilSys. The law is beneficial for all Filipinos as it provides "a means of simplifying public and private transaction" through a reliable and nationally-accepted proof of identity. Having this proof of identity has far-reaching benefits, particularly in promoting financial inclusion.

With the "Philippine ID", unbanked Filipinos will have a proof of identity which is a key requirement in opening a bank account. It will be easier for unbanked Filipinos to open bank accounts and avail of financial services—a win for our financial inclusion agenda. This will enable more of our marginalized countrymen to enjoy gains from and participate more actively in the country's growing economy.

As such, the Central Bank of the Philippines is glad to take part in this game-changing reform as we join the other countries in providing a foundational platform for the delivery of services. The Central Bank of the Philippines, as the national security printer for the Philippine currency, has the capability and integrity to produce high quality and secured materials. Under the MOA, the BSP shall produce one hundred sixteen million pieces of blank cards for the Phil ID for three years. We will print the ID at less than \$1 a piece – 60 cents to be exact. We will provide the needed equipment and space for the embedding of personal information onto the blank cards, which will be done by the Philippine Statistics Authority.

The card issuance will start in April 2020.

I'll stop here and I look forward to a meaningful conversation regarding the National ID System for all.

Thank you.