



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2022-035

To : **All Applicants for an Authority to Operate as a Virtual Asset Service Provider (VASP)**

Subject : **Modified Approach in the Grant of VASP Licenses**

The Monetary Board, in its Resolution No. 1141 dated 04 August 2022, approved a modified approach in the grant of new Virtual Asset Service Provider (VASP) licenses.

The Bangko Sentral aims to strike a balance between promoting innovation in the financial sector and ensuring that associated risks remain within manageable levels. In this light, the Bangko Sentral recognizes that as VAs offer opportunities to promote greater access to financial services at reduced costs, they also pose varied risks that may undermine financial stability.

In this regard, the regular application window for new VASP licenses shall be closed for three (3) years, starting **01 September 2022**, subject to re-assessment based on market developments.

Applications that have completed/passed Stage 2 of the licensing process on or before 31 August 2022 will be processed and assessed for completeness and sufficiency of documentation/information submitted, as well as compliance with the licensing criteria to operate as a VASP based on Stage 3 requirements. Applications with incomplete requirements as of 31 August 2022 will be returned and tagged as "closed". The Bangko Sentral will no longer process these applications further.

Meanwhile, existing BSP Supervised Financial Institutions (BSFIs) who wish to expand operations by offering VASP services, including non-custodial VASPs who wish to offer safekeeping and/or custodial services, may still apply for a VASP license provided that they have a Supervisory Assessment Framework (SAFr) composite rating of at least "stable"¹. Due consideration shall be given to the BSFI's risk management systems including its client suitability assessment and onboarding processes, as well as financial consumer education and awareness programs in the evaluation of its application.

For guidance and implementation.


CHUCHI G. FONACIER
Officer-In-Charge

10 August 2022

¹ In lieu of the SAFr composite rating, the CAMELS composite rating of at least "3" shall be used. If neither a SAFr nor CAMELS rating is available, any equivalent assessment that satisfies the descriptive criteria of SAFr composite rating "3 - Stable" may be used.