



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS

First Regular Session

HOUSE BILL NO. 4792

Introduced by Representative EDGAR R. ERICE

EXPLANATORY NOTE

We live in a time when money is no longer just something we hold in our hands, it now flows through our phones, our computers, and even across borders with just a single click. Digitalization has given us speed, convenience, and access. For many Filipinos who once had no bank accounts, it has opened doors to opportunities they never thought possible.

But with these opportunities also come dangers. Cryptocurrencies promise freedom and innovation, but without rules, they can also bring chaos. We have heard stories of hardworking Filipinos losing their savings to scams, or being trapped in the wild swings of a market with no safety net. Behind every statistic is a father, a mother, a student, in short, real lives are affected.

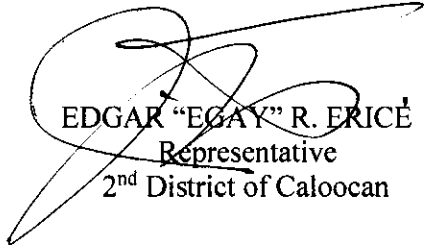
This is why regulation should not be about limiting progress, it should be about protecting people. Regulation is about ensuring that the future of money serves the many, not just the few. It is about building a system where trust is stronger than fear, and where innovation uplifts rather than exploits. With balanced regulation and strong oversight, we can unlock the benefits of digital money while protecting the integrity of our financial system.

By positioning the Philippines as a blockchain innovation hub, this bill can help us capture a share of Southeast Asia's projected \$1 trillion digital economy by 2030. Blockchain is not limited to cryptocurrency, it is also the backbone solution in supply chain, digital identity, government transparency, and cross-border trade. With this framework, we attract foreign direct investment and create thousands of high-skilled jobs in tech, finance, and compliance.

1 Unlike most financial laws written by and for elites, this bill mandates representation
2 from citizens, OFWs, and civil society in the National Council on Digital Assets and Tokenized
3 Investments (NCDATI). Policies will no longer be crafted behind closed doors but shaped with
4 the voices of ordinary Filipinos. This bill simply expands consumer choice, allowing payments
5 in stablecoins or crypto at stores, online, and even for government services, with receipts
6 always in peso equivalents. Importantly, adoption is voluntary. no one is forced to use crypto,
7 but every Filipino gains the freedom to choose.

8 If we regulate wisely, we can embrace the digital future with confidence. We can create
9 a Philippines where technology empowers every Filipino, and where no one is left unprotected
10 in the new age of money.

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EDGAR "EGAY" R. ERICE
Representative
2nd District of Caloocan



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HOUSE BILL NO. 4792

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AN ACT

TO CREATE THE NATIONAL COUNCIL ON DIGITAL ASSETS AND TOKENIZED INVESTMENTS (NCDATI) FOR THE PURPOSE OF ESTABLISHING A NATIONAL FRAMEWORK FOR REAL-WORLD ASSET TOKENIZATION, RESPONSIBLE CRYPTOCURRENCY ADOPTION, STABLECOIN UTILIZATION, DEVELOPMENT OF LOCAL AND FOREIGN EXCHANGES, PROMOTION OF DECENTRALIZED FINANCE, AND RETAIL ACCEPTANCE OF CRYPTO PAYMENTS, PROVIDING FOR CITIZEN PARTICIPATION, INVESTOR PROTECTIONS, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled

1 **Section 1. Short Title.** This Act shall be known as the “Philippine Tokenization and
2 Crypto Adoption Act of 2025.”

3
4 **Section 2. Declaration of Policy.** The 1987 Philippine Constitution declares that the
5 State shall give priority to education, science and technology, arts, culture, and sports to foster
6 patriotism and nationalism, accelerate social progress, and promote total human liberation and

development. The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments. Such policy shall be attained through creation of a Government Institution, under the direct supervision of Department of Finance, with the following purpose:

- i. Promote responsible blockchain and tokenization adoption for inclusive economic growth.
- ii. Provide citizen participation mechanisms in policy and regulation.
- iii. Develop local exchanges to meet global standards, while allowing foreign exchange participation under clear rules.
- iv. Promote safe participation in decentralized exchanges (DEX) and decentralized finance (DeFi) through sandboxes.
- v. Empower MSMEs, startups, and PPP projects with tokenized funding models.
- vi. Protect consumers, OFWs, and retail investors from fraud, manipulation, and unsafe platforms.
- vii. Encourage voluntary adoption of crypto in retail commerce.
- viii. Discourages gambling by offering transparent, productive investment opportunities.
- ix. Uphold constitutional restrictions while welcoming global participation in non-land assets.

Section 3. Definition of Terms. For the purposes of this Act:

- a. **Real-World Asset (RWA) Tokenization** – the process of digitally representing ownership rights or claims in assets (real estate, commodities, IP, securities, PPP projects) using blockchain tokens.
- b. **Tokenized Security** – a blockchain token representing a security regulated by SEC.
- c. **Fractional Ownership** – ownership model where multiple investors hold tokens, each representing a proportional share.
- d. **Stablecoin** – a blockchain-issued token pegged to fiat or commodity, backed by liquid, verifiable reserves.
- e. **Algorithmic Stablecoin** – a stablecoin that maintains value through algorithmic adjustments, subject to stricter disclosures.

- 1 f. **Licensed Crypto-Asset Service Provider (CASP) and Virtual Asset Service**
2 **Provider (VASP)** – SEC/BSP licensed entity that manages digital asset
3 transactions and exchanges.
4
- 5 g. **Centralized Exchange (CEX)** – licensed custodial platform offering crypto trading
6 and fiat conversion.
7
- 8 h. **Decentralized Exchange (DEX)** – peer-to-peer blockchain protocol enabling
9 direct trading without intermediaries.
10
- 11 i. **Decentralized Finance (DeFi)** – blockchain-based services (lending, borrowing,
12 yield, derivatives) operated via smart contracts.
13
- 14 j. **Innovation Sandbox** – a regulator-supervised environment where new blockchain
15 services are tested under limited scope.
16
- 17 k. **PPP Tokenization** – token-based financing of public projects under NEDA/PPP
18 rules.
19
- 20 l. **Over-the-Counter (OTC) Transaction** – negotiated crypto trade outside
21 exchanges, subject to AML/KYC rules.
22
- 23 m. **Overseas Filipino Worker (OFW)** – as defined by RA 8042, including seafarers.
24
- 25 n. **Retail Investor** – an individual investing in tokenized/crypto assets for personal
26 purposes, subject to ceilings.
27
- 28 o. **Institutional Investor** – professional investors (banks, insurance, pension funds,
29 etc.) with higher exposure limits.
30
- 31 p. **Crypto Payment System** – platforms enabling settlement of retail/business
32 transactions in crypto or stablecoins, issuing peso-equivalent receipts.
33
- 34 q. **Citizen Participation Mechanisms** – mandated channels for public voice,
35 including NCDATI representation, annual consultations, and grievance systems.
36
- 37 r. **Consumer Protection Standards** – mandatory safeguards including risk
38 disclosures, dispute resolution, investor education, and redress.
39
- 40 s. **Cybersecurity Standards** – DICT-prescribed minimum protocols (encryption,
41 penetration testing, incident reporting).

42 **Section 4. National Council on Digital Assets and Tokenized Investments** 43 **(NCDATI)**

44 **a. Establishment**

45 The National Council on Digital Assets and Tokenized Investments (NCDATI) is
46 created under Department of Finance (DOF) as the lead coordinating and oversight
47 body.

1 **b. Composition**

2
3 The NCDATI shall be composed of the following personnel:

- 4
5 • Secretary of Finance (Chairperson)
6 • Governor of BSP (Co-Vice Chair)
7 • Chairperson of SEC (Co-Vice Chair)
8 • Secretary of DTI (Member)
9 • Secretary of DICT (Member)
10 • Director-General of NEDA (Member)
11 • Two (2) industry representatives from blockchain, fintech, businesses
12 • One (1) OFW or retail investor representative
13 • One (1) Civil Society Organization (CSO) representative on consumer protection
14

15 **Section 5. Committees.** The NCDATI shall create the following committees:

- 16
17 **I. Policy and Regulation Committee.** This committee shall ensure that the
18 implementing rules and regulations of NCDATI are clear and unambiguous in order
19 to protect Filipinos from “gray areas” often exploited by scams.

20 **Duties and Responsibilities:**

- 21 a. Draft and recommend unified policies on tokenization, exchanges, stablecoins,
22 DeFi, and digital asset adoption.
23
24 b. Harmonize Banko Sentral ng Pilipinas (BSP), Securities and Exchange
25 Commission (SEC), Department of Information and Communications
26
27 c. Technology (DICT), Department of Finance (DOF), and Department of Trade
28 and Industry (DTI) rules to prevent overlaps or gaps.
29
30 d. Review international best practices, such as but not limited to EU Markets in
31 Crypto-Assets (MiCA), Monetary Authority of Singapore (MAS) and United
32 States frameworks for adoption in PH context.
33

- 34 **II. Investor Protection Committee.** This committee shall ensure the protection of
35 Filipino Investors from scams or fraudulent schemes preventing or reducing
36 exposure to excessive risk. It is also the concern of this committee to ensure that
37 risk disclosures, ceilings, and grievance systems are clearly written in plain
38 language and to make sure that the regulation for Cryptocurrency will benefit the
39 common people and businesses.

40 **Duties and Responsibilities:**

- 41 a. Develop investor safeguards (clear disclosures, complaint resolution, redress
42 mechanisms).
43
44 b. Set investment ceilings for retail investors to avoid overexposure.
45
46 c. Create education campaigns for OFWs, MSMEs, and youth.

1
2 d. Monitor scam reports and coordinate with law enforcement.

3
4 e. Identify the nature of the tokens (security, commodity and others)

5
6 **III. Technology and Cybersecurity Committee.** This committee shall protect Filipino
7 users from hacks and data leaks which establishes trust in the digital money and
8 tokens

9 **Duties and Responsibilities:**

10 a. Establish national cybersecurity standards for exchanges, stablecoins, and
11 tokenized projects.

12
13 b. Certify platforms for compliance (penetration testing, encryption, disaster
14 recovery).

15
16 c. Oversee the sandbox environment for DEX and DeFi.

17
18 d. Investigate and respond to cyber incidents.
19

20 **IV. Market Development Committee.** This committee shall support ordinary local
21 businesses to benefit from blockchain by ensuring that the market can be used not
22 only by big corporations but also by small businesses and other Micro, Small, and
23 Medium Enterprise (MSME)

24 **Duties and Responsibilities:**

25 a. Promote adoption of tokenization in MSMEs, cooperatives, and PPPs.

26
27 b. Encourage merchants to adopt stablecoin/crypto payments.

28
29 c. Develop programs for local exchange growth and integration with foreign
30 exchanges.

31
32 d. Work with DTI and private sector to educate businesses on blockchain
33 opportunities.
34

35 **V. Foreign Investment Committee.** This committee shall make efforts to attract
36 foreign capital safely into the Philippine Market while also ensuring that Filipinos
37 can access the global opportunities without being exploited.

38 **Duties and Responsibilities:**

39 a. Define rules for foreign exchange participation in the Philippines.

40
41 b. Balance openness to foreign capital with protection of national interest.

42
43 c. Facilitate partnerships between local and international platforms.

- d. Ensure compliance with constitutional restrictions (e.g., land ownership).

Section 6. Powers and Functions. The NCDATI shall:

- a. Draft the National Tokenization Roadmap every three (3) years
- b. Accredite tokenization platforms, stablecoin issuers, local & foreign exchanges.
- c. Supervise DEX and DeFi sandboxes.
- d. Conduct annual citizen consultations nationwide and in OFW hubs.
- e. Conduct annual citizen consultations nationwide and in OFW hubs.
- f. Submit annual reports to Congress.
- g. Identify the token classifications (security, commodities and others)

Section 7. Tokenization for Businesses.

I. Eligible Entities. The following may participate in tokenization:

- a. Philippine-registered corporations – stock and non-stock corporations duly registered with the SEC.
- b. Micro, Small, and Medium Enterprises (MSMEs) – as defined under RA 9501 (Magna Carta for MSMEs).
- c. Cooperatives – duly registered under the Cooperative Development Authority (CDA).
- d. Startups and Social Enterprises – subject to SEC registration and simplified compliance mechanisms.

II. Eligible Assets. Tokenization shall be limited to legally recognized assets, subject to restrictions:

- a. **Philippine-registered corporations** – stock and non-stock corporations duly registered with the SEC.
- b. **Real Estate** – only via corporate structures compliant with Article XII, Section 7 of the 1987 Constitution (at least 60% Filipino ownership for landholding entities).
- c. **Commodities** – including agricultural goods, minerals, and energy resources, provided they comply with existing environmental and mining laws.

- d. **Equities and Debt Instruments** – tokenized shares, bonds, or revenue-participation tokens subject to SEC securities regulation.
- e. **Intellectual Property and Royalties** – tokenization of copyright, patents, trademarks, and creative royalties.
- f. **Public-Private Partnership (PPP) Projects** – tokenized participation in infrastructure, housing, energy, and social projects duly approved by NEDA/PPP Center.

III. Tokenization Mechanism. Tokenization may be done through the following:

- a. **Fractional Ownership** – enabling small investors, including OFWs, to participate in assets previously accessible only to large investors.
- b. **Digital Certificates** – all tokens must carry digital certificates of authenticity and ownership secured through blockchain smart contracts.
- c. **Secondary Trading** – tokenized assets may be listed and traded in:
 - a. Licensed local centralized exchanges (CEX).
 - b. Accredited foreign exchanges, provided they secure BSP/SEC approval.
 - c. Regulated decentralized exchanges (DEX) within sandbox programs.
- d. **Custody Rules** – licensed CASPs must provide insured custody solutions for tokenized assets to protect investors.
- e. **Disclosure Obligations** – tokenized offerings must include prospectuses detailing asset nature, valuation methodology, risks, and investor rights.

IV. Exchange Participation Rules and Guidelines. Exchanges shall be done while observing the following:

- a. **Local Exchanges:**
 - i. Must upgrade to international standards of liquidity, transparency, and cybersecurity.
 - ii. Subject to quarterly audits and mandatory incident reporting.
 - iii. Encouraged to list Filipino MSME and cooperative tokenized projects.
- b. **Foreign Exchanges:**
 - i. Allowed to operate in the Philippines only if registered in the Philippines

- ii. Must integrate peso on/off ramps via local banking partners.
- iii. Required to establish a consumer grievance office in the Philippines.

c. Decentralized Exchanges (DEX):

- i. Allowed under sandbox programs supervised by NCDATI, BSP, and SEC.
- ii. Participation shall be capped during sandbox (e.g., ₱100M transaction ceiling or 10,000 users for pilot)
- iii. Smart contracts must undergo third-party code audits before approval.

V. Foreign Investor Participation

- i. Allowed for non-land tokenized assets (commodities, IP, securities, PPP revenue-sharing).
- ii. For real estate tokenization, foreign participation restricted to corporations compliant with 60/40 constitutional rule on ownership.
- iii. Foreign investors must transact through licensed CASPs or accredited foreign exchanges.

VI. Consumer and Investor Protections

- i. Investment Ceilings: Retail investors may be subject to maximum investment thresholds as set by SEC.
- ii. Risk Warnings: Every tokenized offering must display a standardized “Know the Risks” warning.
- iii. Redress Mechanism: NCDATI to establish a Digital Asset Help Desk for investor complaints.
- iv. Fraud Liability: Issuers and exchanges proven to have engaged in fraud shall be held criminally liable under the Revised Penal Code and SEC laws.

VII. Incentives and Support for MSMEs and Cooperatives

- i. DTI, SEC, and CDA to establish a Tokenization Support Desk for MSMEs and cooperatives.
- ii. Simplified disclosure requirements for MSMEs with offerings below a defined threshold

- 1 iii. Government-led financial literacy programs to educate citizens about
2 tokenized investments.

3
4 **VIII. Cooperation with other Government Agencies.** The following Government
5 Agencies shall participate in the Tokenization of Business:

6
7 **i. Securities and Exchange Commission (SEC):**

- 8
9 a) Issue disclosure templates and tokenized offering guidelines within 6
10 months.
11
12 b) Define investment ceilings for retail investors.
13
14 c) Establish registration pathways for MSMEs and cooperatives.

15
16 **ii. Bangko Sentral ng Pilipinas (BSP):**

- 17
18 a) Define rules for foreign investor participation.
19
20 b) Regulate cross-border fundraising.
21
22 c) Coordinate with AMLC for anti-money laundering compliance.

23
24 **iii. Department of Trade and Industry (DTI):**

- 25
26 a) Lead MSME tokenization education campaigns.
27
28 b) Integrate tokenization in MSME financing programs.

29
30 **iv. Department of Information and Communications Technology (DICT):**

- 31
32 a) Establish cybersecurity standards and certification for exchanges.

33
34 **v. NCDATI:**

- 35
36 a) Monitor exchange compliance.
37
38 b) Oversee sandbox approvals for DEX participation.
39
40 c) Conduct annual reviews of tokenization outcomes.

41
42
43 **Section 8. Stablecoin & RWA Framework.** Stablecoins shall be recognized as
44 regulated digital assets in the Philippines, categorized into two classes, each subject to
45 distinct regulatory requirements:

- 46
47 **1. Fiat-Backed Stablecoins** – pegged to fiat currency (e.g., Philippine Peso,
48 US Dollar) and backed 100% by cash deposits and/or government securities.
49

- 1 **2. Real-World Asset (RWA)-Backed Stablecoins** – pegged to the value of
2 tokenized commodities, financial assets, or infrastructure projects, subject to
3 stricter custody and disclosure rules
4

5 **I. Fiat-Backed Stablecoins**
6

7 **a. Issuance and Reserve Backing**
8

- 9 **i. Full Reserve Requirement** - Every fiat-backed stablecoin must be
10 100% backed by:
11

- 12 1. Philippine Peso or other major currencies deposited in BSP-
13 supervised banks; or
14
15 2. BSP-issued or recognized government securities (e.g., T-
16 bills, bonds).
17

- 18 **ii. Segregation of Reserves** - All reserves must be legally separate
19 from issuer operational funds and safeguarded in trust/ custodian
20 arrangements.
21

- 22 **iii. Liquidity Buffer** – At least 20% of reserves must be in
23 immediately liquid fiat deposits to guarantee instant redemption.
24

25 **b. Transparency and Public Disclosures**
26

- 27 **i. Monthly Reserve Reports** – Independently verified monthly
28 disclosure of reserves.
29

- 30 **ii. Real-Time Dashboard** – Public dashboard showing circulation
31 and reserve mix.
32

- 33 **iii. Quarterly Independent Audits** – Conducted by BSP-accredited
34 auditors.
35

36 **c. Redemption and Consumer Protection**
37

- 38 **i. 1:1 Redemption Guarantee** – Redeemable in peso or equivalent
39 fiat at par value (1:1).
40

- 41 **ii. Priority Claim Rights** – Holders have first legal claim on fiat
42 reserves in case of insolvency.
43

- 44
45 **iii. Consumer Grievance System** – Issuers must maintain a redress
46 mechanism, with escalation rights to BSP/SEC/NCDATI.
47

48 **d. Oversight**
49

- 50 **i. BSP** – supervises issuance, reserves, and monetary stability.

1
2 ii. **SEC** – enforces disclosure requirements.

3
4 iii. **DICT** – ensures cybersecurity compliance.

5
6 **II. RWA-Backed Stablecoins**

7
8 **a. Eligible Backing Assets**

9
10 i. **Commodities** – gold, silver, agricultural produce, oil/gas reserves.

11
12 ii. **Financial Assets** – tokenized equities, corporate debt, sovereign
13 bonds.

14
15 iii. **Infrastructure Assets** – tokenized PPP projects approved by
16 NEDA/PPP Center.

17
18 **b. Custody and Verification**

19
20 i. RWA reserves must be placed in licensed custodians (banks,
21 bonded warehouses, accredited depositories).

22
23 ii. On-Chain Proofs of Reserve must be published regularly to
24 validate backing.

25
26 **c. Transparency and Public Disclosures**

27
28 i. **Monthly Reports** – Verified disclosures showing RWA backing
29 details.

30
31 ii. **Quarterly Audits** – Conducted by BSP/SEC-accredited auditors.

32
33 iii. **Risk Disclosures** – Issuers must publish RWA-specific risks (e.g.,
34 volatility, custody risks, legal encumbrances).

35
36 **d. Redemption and Consumer Protection**

37
38 i. **Redemption Options** – Holders may redeem either:

39
40 1. Peso equivalent at prevailing market rate; or

41
42 2. Direct claim on the underlying RWA through custodians.

43
44 ii. **Priority Claim Rights** – Investors rank above shareholders and
45 creditors in case of issuer insolvency.

46
47 iii. **Consumer Redress** – Same grievance escalation to
48 BSP/SEC/NCDATI.

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2
3
4 **e. Oversight**
5

- 6 i. **BSP** – ensures monetary stability, including impact of RWA-
7 pegged tokens.
8
9 ii. **SEC** – regulates RWA tokenization if tokens represent
10 securities/investment contracts.
11
12 iii. **DICT** – enforces cybersecurity and data safeguards for RWA
13 custody platforms.
14
15 iv. **NCDATI** – conducts annual Stablecoin and RWA Oversight
16 Report to Congress
17

18 **III. Common Provisions for Both Classes**
19

20 **a. Prohibited Practices**
21

- 22 i. Reserves (fiat or RWA) may not be used for lending, speculation,
23 or leveraged trading.
24
25 ii. Algorithmic stablecoins are prohibited unless operated in
26 BSP/SEC/NCDATI sandbox programs.
27
28 iii. Misrepresentation of reserves constitutes fraud and securities
29 violation.
30

31 **b. Cross-Border Use and Remittances**
32

- 33 i. OFWs may remit through peso-pegged stablecoins or approved
34 RWA-backed stablecoins with capped fees.
35
36 ii. Cross-border flows must comply with Anti-Money Laundering
37 Act/ Counter Terrorism Financing laws.
38
39 iii. BSP may impose daily/monthly transaction caps to prevent abuse.
40

41 **c. Implementing Rules and Regulations (IRR)**
42

- 43 i. **BSP** – Stablecoin & RWA Licensing Guidelines within 9 months.
44
45 ii. **SEC** – RWA disclosure/reporting rules within 6 months.
46
47 iii. **DICT** – Cybersecurity certifications within 12 months.
48
49 iv. **NCDATI** – First Annual Stablecoin and RWA Oversight Report to
50 Congress within 18 months.

Section 9. OFW and Retail Investor Participation. This Section guarantees safe and inclusive access for ordinary citizens and Overseas Filipino Workers (OFWs) to tokenized assets, stablecoins, and digital asset markets while ensuring robust investor protections.

I. Investor Rights.

- a) Transparency** – All tokenized offerings must provide standardized disclosures covering the asset type, investor rights, expected benefits, and risks.
- b) Ownership Enforcement** – Tokens purchased by retail investors and OFWs shall legally represent enforceable rights under Philippine law.
- c) Access to Redress** – Complaints may be filed through licensed exchanges, embassies/consulates, or the NCDATI Help Desk.

II. Access Channels for Citizens and OFWs

- a) Local Licensed Exchanges (CEX)** – BSP/SEC-licensed entities serving Filipino users.
- b) Foreign Exchange**
 - i. They secure accreditation or licensing from the BSP or SEC, and
 - ii. They must establish a local office and registered entity for accountability
- c) Decentralized Finance (DeFi) Platforms** – Recognized as experimental financial systems that allow peer-to-peer transactions (e.g., lending, borrowing, trading) without intermediaries. Because of their experimental nature, DeFi platforms shall:
 - i. Operate only under sandbox environments or special licenses granted by SEC / BSP and NCDATI;
 - ii. Be clearly labeled to the public as “high-risk and experimental”;
 - iii. Require independent smart contract audits and public disclosure of audit results;
 - iv. Provide strong risk warnings in Filipino and English, such as:
 - 1. “DeFi platforms are experimental.”
 - 2. “Participation is high risk and you may lose all your funds.”
 - 3. “Returns are not guaranteed.”

1
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3 **III. Investment Ceilings and Risk Protection**
4

- 5 a) **Retail Investor Ceilings** – SEC to set maximum thresholds for safe
6 participation.
7
8 b) **OFW Protections** – Stricter ceilings for remittance-linked investments to
9 protect family income.
10
11 c) **Mandatory Risk Warnings** – All licensed platforms (local, foreign, DeFi)
12 must display a Risk Box in plain Filipino and English.
13

14 **IV. Remittance Integration**
15

- 16 a) **Stablecoin Remittances** – OFWs may remit using peso-pegged or RWA-
17 backed stablecoins with capped fees.
18
19 b) **Conversion Rights** – Families can instantly convert to peso through
20 BSP/SEC-accredited exchanges.
21
22 c) **Optional Investments** – Recipients may allocate remittances into tokenized
23 projects under ceilings and disclosure rules.
24

25 **V. Education and Financial Literacy**
26

- 27 a) **National Campaigns** – Led by DTI, SEC, and NCDATI on tokenization and
28 scams.
29
30 b) **OFW Programs** – DFA/DOLE/OWWA to integrate digital asset literacy into
31 PDOS and OWWA reintegration.
32
33 c) **Schools** – CHED and DepEd encouraged to include digital finance literacy in
34 curricula.
35

36 **VI. Grievance and Dispute Resolution**
37

- 38 a) **NCDATI Help Desk** – Central online + hotline for OFWs and citizens.
39
40 b) **Embassy Filing** – Overseas complaints can be filed in embassies/consulates.
41
42 c) **30-Day Resolution** – Complaints must be resolved within 30 working days
43
44 d) **ADR Option** – SEC to establish arbitration for crypto/tokenization disputes.
45

46 **VII. Implementing Rules and Regulations (IRR)**
47

- 48 a) **SEC** – Issue ceilings, disclosure templates, and ADR framework within 6
49 months; define foreign regulatory equivalence list.
50

- b) **BSP** – Set remittance fee caps and on/off-ramp rules within 9 months; publish criteria for recognizing foreign regulators.
- c) **DICT** – Issue cybersecurity certification rules within 12 months for all exchanges (local/foreign/DeFi).
- d) **DFA/DOLE/OWWA** – Establish Digital Asset Desks in 10 priority OFW hubs within 12 months.
- e) **NCDATI** – Consolidate OFW/retail feedback and publish an Annual Citizen Participation Report including foreign exchange/DeFi activity.

Section 10. Retail Acceptance of Crypto Payments. This Section provides the framework for the voluntary use of cryptocurrency, stablecoins, and tokenized assets as payment for goods and services in the Philippines. The goal is to expand financial choice for citizens and businesses while ensuring transparency, consumer protection, and monetary stability.

- I. Voluntary Adoption** - Merchants, businesses, cooperatives, and online sellers may voluntarily accept crypto payments, including stablecoins and RWA-backed tokens, as a form of settlement.

No merchant shall be compelled to accept crypto; traditional Philippine Peso payments remain legal tender.

- II. Acceptable Assets** – The following assets may be accepted as payment for goods, services and other transactions in the Philippines:

- a. **Peso-Pegged Stablecoins** – Primary crypto asset for retail acceptance to ensure price stability.
- b. **RWA-Backed Stablecoins** – Gold-, treasury-, or commodity-backed tokens may be accepted, provided they comply with Section 6 standards.
- c. **Tokenized Assets** – Specific tokenized PPP or cooperative assets may be used for barter-like transactions if recognized by SEC.
- d. **Other Cryptocurrencies** – May be accepted at merchant discretion, but must be converted into peso or stablecoins at point of sale through licensed exchanges.

- III. Payment Safeguards.** This law shall prioritize the establishment of safeguards for every and any transaction made using Cryptocurrencies, stablecoins and/or tokenized assets. The following shall be prioritized in creating rules and regulations of this Act:

- a. **Peso-Equivalent Receipts** – Merchants must issue receipts in Philippine Peso equivalent, regardless of settlement currency.
- b. **Transparent Conversion Rates** – Exchange rate at time of transaction must be disclosed on receipt/invoice.

- c. **Instant Conversion Option** – Merchants may request instant settlement to peso via licensed local/foreign exchanges or accredited CASPs.
- d. **Consumer Refund Rules** – Refunds must be given in peso equivalent of original transaction, regardless of crypto price fluctuations.
- e. **Consumer Protection** - The following must be observed in order to protect the rights and interests of the consumer:
 - i. **Disclosure at Point of Sale** – All crypto payment options must show conversion rate used, Network fees and/or Transaction costs, and Risks if payment is made in volatile assets.
 - ii. **Right to Peso Settlement** – Consumers must always be able to settle in pesos without additional fees.
 - iii. **Dispute Resolution** – Any disputes involving crypto payments may be escalated to SEC or DTI’s consumer protection divisions.

IV. Integration with Exchange Platforms. This Act aims to integrate the Cryptocurrencies, stablecoins and tokenized assets with Exchanges and other platforms. The following Exchanges are some of the options for the said integration:

- a. **Local Exchanges** – merchant APIs (Application Programming Interface) and payment gateway services must be provided.
- b. **Foreign Exchanges** – May support PH merchant payments only if accredited by BSP/ SEC and recognized under foreign compliance rules accepted in PH.
- c. **Decentralized Finance (DeFi) Payment Protocols** – Allowed only under sandbox conditions, labeled as experimental, with risk disclosures required at checkout.

V. Government Participation. For a more effective implementation of this Act, it is highly encouraged for the different Government Agencies and Institutions to participate in every possible execution of this Act. The said participation may be achieved through the following:

- a. **Pilot Programs** – Department of Finance, Bangko Sentral ng Pilipinas, and other selected LGUs may authorize stablecoin payments for permits, fees, licenses, and local taxes under pilot projects.
- b. **Public Utilities** – Government-owned or Controlled Corporations (e.g., energy, water, transport agencies) may explore stablecoin pilot payments upon NCDATI approval.

- 1 c. **Public-Private Partnership (PPP) Projects** – Tokenized PPP investments
2 may accept stablecoin or crypto-based contributions under SEC and NEDA
3 oversight.
4
5

6 **VI. Anti-Money Laundering Act and Counter-Terrorist Financing Regulation**
7 **Compliance.** All crypto payment gateways must comply with the Anti-Money
8 Laundering Act (AMLA) and Counter-Terrorist Financing (CTF) regulations.
9 Transactions above BSP's reporting thresholds must be filed as Covered
10 Transactions or Suspicious Transaction Reports (STRs)
11

12 **VII. Implementing Rules and Regulations**
13

- 14 a. **Department of Trade and Industry (DTI)** – DTI should publish merchant
15 onboarding guidelines within 6 months. DTI should also issue consumer
16 protection advisories for crypto payments.
17
18 b. **Bangko Sentral ng Pilipinas (BSP)** - BSP shall regulate peso on/off ramps,
19 exchange rate transparency, and reporting rules within 9 months
20
21 c. **Securities and Exchange Commission (SEC)** – SEC shall approve tokenized
22 PPP or cooperative tokens eligible for payments.
23
24 d. **Department of Information and Communications Technology (DICT)** –
25 DICT shall set cybersecurity standards for merchant gateways and wallets.
26
27 e. **NCDATI** – NCDATI shall monitor retail adoption, publish an Annual Retail
28 Crypto Payments Report (including volumes, merchant participation,
29 consumer complaints).
30

31 **Section 11. Public-Private Partnership Projects Tokenization.** This Section
32 provides the framework for applying tokenization to Public-Private Partnership (PPP) projects,
33 allowing citizens, OFWs, institutional investors, and cooperatives to directly participate in
34 infrastructure and social development projects in the Philippines through fractionalized
35 tokenized ownership or revenue-sharing rights.
36

37 **I. Covered PPP Projects.** The following PPP projects may be tokenized under this
38 Act, subject to the approval of NEDA and PPP Center:
39

- 40 a. **Infrastructure** – transportation (roads, railways, airports, seaports), utilities
41 (power, water, telecoms), and public works.
42
43 b. **Housing and Urban Development** – mass housing, socialized housing, smart
44 city projects.
45
46 c. **Renewable Energy and Sustainability** – solar, wind, hydro, geothermal, and
47 carbon-credit tokenization.
48
49 d. **Healthcare and Education Facilities** – hospitals, schools, digital classrooms,
50 training centers.

- 1
2 **e. Digital Infrastructure** – government data centers, internet backbones,
3 blockchain-based registries.
4

5 **II. Tokenization Models.**
6

- 7 **a. Revenue-Sharing Tokens** – investors receive proportional share of revenue
8 streams (e.g., tolls, utility payments).
9
10 **b. Equity Tokens** – fractionalized ownership in project SPVs (Special Purpose
11 Vehicles).
12
13 **c. Asset-Backed Tokens** – pegged to tangible PPP assets such as power output,
14 real estate units, or carbon credits.
15
16 **d. Hybrid Models** – combining revenue rights and social impact rewards (e.g.,
17 carbon tokens, education credits).
18

19 **III. Exchange and Platform Rules**
20

- 21 **a. Local Exchanges (CEX)** – must prioritize listing of tokenized PPP projects.
22
23 **b. Foreign Exchanges** – allowed to list PH PPP tokens only if licensed/ accredited
24 by SEC/BSP and recognized by foreign regulatory compliance standards
25 acceptable in the Philippines.
26
27 **c. DeFi Platforms** – PPP tokens may be piloted under sandbox programs, clearly
28 labeled “experimental”, with investor ceilings applied.
29

30 **IV. Transparency and Citizen Participation**
31

- 32 **a. Public Prospectus** – Every tokenized PPP must publish a prospectus in Filipino
33 and English detailing project scope, cost, risks, and expected returns.
34
35 **b. Citizen Consultations** – NEDA and PPP Center shall conduct at least two
36 public hearings per major PPP tokenization project (Luzon, Visayas/Mindanao).
37
38 **c. Digital Dashboard** – NCDATI shall maintain a public dashboard showing all
39 approved PPP tokenization projects, investor participation data, and
40 performance metrics.
41

42 **V. Safeguards and Limitations**
43

- 44 **a. Constitutional Compliance** – Tokenization of PPPs involving certain
45 enterprise shall comply with the 60/40 Filipino-foreign ownership rule as
46 provided by the Philippine Constitution and Laws.
47
48 **b. Anti-Gambling Safeguard** – Tokenized PPP investments must not be gamified
49 or presented as speculative betting platforms.
50

1 **c. Default Protection** – If a PPP token issuer defaults, investors shall have priority
2 claim rights over project revenue streams before private creditors.

3
4 **d. Audit and Reporting** – PPP tokens must undergo annual independent audits
5 with results made public.

6
7 **VI. Government Integration**

8
9 **a. LGU Participation** – Local governments may tokenize PPPs (e.g., water, waste,
10 transport projects) subject to DILG and PPP Center rules.

11
12 **b. National Government** – Departments and GOCCs may issue PPP tokens for
13 approved projects under Build-Operate-Transfer Law as amended.

14
15 **c. Transparency Reports** – All PPP token issuers must file quarterly reports with
16 SEC, NEDA, and NCDATI.

17
18 **VII. Implementing Rules and Regulations (IRR)**

19
20 **a. NEDA and PPP Center** – Issue detailed PPP tokenization guidelines within 12
21 months, covering project eligibility, token issuance, and citizen participation.

22
23 **b. SEC** – Define securities treatment, disclosure rules, and retail investor ceilings
24 within 9 months.

25
26 **c. BSP** – Regulate cross-border participation and stablecoin use in PPP tokens.

27
28 **d. DICT** – Certify cybersecurity standards for PPP tokenization platforms.

29
30 **e. NCDATI** – Submit an Annual PPP Tokenization Report to Congress, including
31 volumes, projects listed, citizen participation, and risk assessments.

32
33 **Section 12. Transparency and Reporting.** To ensure accountability, citizen trust, and
34 responsible adoption, all activities under this Act shall be subject to regular transparency and
35 reporting requirements.

36
37 **I. Annual NCDATI Report to Congress.** The National Council on Digital Assets
38 and Tokenized Investments (NCDATI) shall submit an Annual Report to Congress
39 within one hundred twenty (120) days from the end of each calendar year. This
40 report shall include:

41
42 **a. Tokenized Projects** – Number, type, and total value of tokenized assets and
43 PPPs approved during the year.

44
45 **b. Exchange Participation** – Status of local, foreign, and DeFi exchanges
46 accredited, including compliance issues and enforcement actions.

47
48 **c. Stablecoin Circulation** – Total supply, reserve composition, redemptions, and
49 adoption statistics of fiat- and RWA-backed stablecoins.

- d. **OFW and Retail Participation** – Data on citizen onboarding, remittances through stablecoins, investment ceilings applied, and grievance cases filed/resolved.
- e. **Consumer Complaints** – Number of complaints filed, resolved, and pending through the NCDATI Help Desk and embassy channels.
- f. **Cybersecurity Incidents** – Breaches, hacks, downtime reports, and remedial actions taken by exchanges or token issuers.
- g. **Sandbox Outcomes** – Results of experimental DeFi and DEX pilots, including lessons learned and risks flagged.
- h. **Economic Impact** – Contribution of tokenization to capital formation, MSME financing, and national revenue.

II. Public Disclosure and Citizen Access

- a. **Citizen-Friendly Summary** – NCDATI shall publish an annual Citizen’s Report on Tokenization in Filipino and English, explaining developments in plain and simple language.
- b. **Open Data Portal** – NCDATI shall maintain an online Digital Asset Transparency Dashboard that displays:
 - i. Approved tokenized projects;
 - ii. Accredited exchanges;
 - iii. Circulating stablecoins;
 - iv. PPP tokenization status;
 - v. Consumer complaints and resolutions.
- c. **Regional and Overseas Hearings** – NCDATI shall hold annual public consultations in Luzon, Visayas, Mindanao, and at least two OFW hubs abroad (e.g., Middle East and Asia-Pacific) to present reports and gather citizen feedback.

III. Independent Audits

- a. **Financial Audits** – All exchanges, stablecoin issuers, and PPP token projects must undergo annual independent audits submitted to BSP/SEC and published on the NCDATI portal.
- b. **Performance Audits** – PPP tokenization projects must submit annual reports on project delivery milestones, investor payouts, and citizen benefits.

IV. Inter-Agency Coordination

- a. **BSP** – Annual publication of stablecoin and crypto remittance statistics.
- b. **SEC** – Annual disclosure of accredited tokenized securities and enforcement actions.
- c. **DICT** – Annual cybersecurity compliance report covering tokenization platforms and exchanges.
- d. **DTI/CDA** – Annual MSME and cooperative tokenization adoption report.
- e. **DFA/DOLE/OWWA** – Annual OFW participation and grievance handling report.

V. Implementing Rules and Regulations (IRR)

- a. **NCDATI** – Within 6 months of effectivity, NCDATI shall issue Reporting Guidelines for agencies, exchanges, and token issuers.
- b. **Congress Oversight Committee** – A joint House-Senate oversight body shall review the NCDATI Annual Report and recommend legislative refinements.
- c. **Citizen Access Requirement** – Reports must be made freely accessible online, translated into Filipino and at least two major regional languages (e.g., Cebuano, Ilocano).

Section 13. Funding

I. Appropriations from the National Budget

- a. The initial funding requirements for the implementation of this Act, including the establishment and operation of the NCDATI Secretariat, shall be charged against the General Appropriations Act (GAA).
- b. Thereafter, annual funding shall be provided under the regular budget of the Department of Finance (DOF), earmarked for NCDATI operations, public consultations, grievance handling, and citizen education programs.

II. Regulatory and Supervision Fees

- a. **Licensing Fees** – SEC and BSP may collect reasonable fees from tokenization platforms, stablecoin issuers, local/foreign exchanges, and DeFi projects seeking accreditation or sandbox approval.
- b. **Annual Supervision Fees** – Accredited entities shall pay annual supervision fees to cover the costs of monitoring, auditing, and compliance enforcement.
- c. **Foreign Exchange Accreditation Fees** – Foreign exchanges applying for Philippine accreditation shall pay processing and compliance review fees to SEC/BSP.

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2
3
4 **III. Grants and Partnerships**
5

- 6 a. NCDATI may receive grants and technical assistance from international
7 organizations, multilateral development banks, and foreign governments for
8 capacity-building, provided such funding does not compromise independence.
9
10 b. Partnerships with academic institutions, industry associations, and
11 cooperatives may be formed for financial literacy campaigns and sandbox
12 experimentation support.
13

14 **IV. Citizen Education Fund**
15

- 16 a. **Mandatory Earmark** – At least 10% of all regulatory and supervision fees
17 collected annually shall be earmarked for a Citizen Education Fund (CEF).
18
19 b. **Purpose of CEF** – The CEF shall be used for:
20
21 i. Nationwide financial literacy campaigns in Filipino and regional
22 languages;
23
24 ii. Development of digital education modules on tokenization,
25 stablecoins, and crypto risks;
26 iii. Establishment of community learning hubs in coordination with LGUs
27 and cooperatives;
28
29 iv. Integration of digital finance literacy into school curricula with
30 CHED/DepEd.
31
32 c. **Transparency of CEF** – The Citizen Education Fund shall be accounted for
33 in NCDATI's Annual Financial Report and subject to COA audit.
34

35 **V. Transparency in Use of Funds**
36

- 37 a. NCDATI shall publish an Annual Financial Report detailing:
38
39 i. Budget allocations;
40
41 ii. Sources of funds (national budget, licensing fees, grants);
42
43 iii. Utilization of funds for regulatory, citizen engagement, and
44 educational activities.
45
46 b. This financial report shall be integrated into the Annual Transparency and
47 Reporting Report under Section 10.
48

49 **VI. Implementing Rules and Regulations (IRR)**
50

- 1 a. **DOF** – to define budgetary guidelines for NCDATI funding within 6 months
2 of effectivity
- 3 .
- 4 b. **BSP and SEC** – to issue joint circulars within 9 months prescribing licensing
5 and supervision fee schedules for exchanges, issuers, and tokenization
6 platforms.
- 7
- 8 c. **COA (Commission on Audit)** – to oversee and audit all NCDATI
9 expenditures annually.
- 10
- 11

12 **Section 14. Separability Clause.** If any provision of this Act is declared
13 unconstitutional or inoperative, the other provisions not so declared shall remain in force and
14 effect

15 **Section 15. Repealing Clause.** All laws, decrees, orders, rules and regulations or parts
16 thereof contrary or inconsistent with the provisions of this Act are hereby repealed or modified
17 accordingly.

18 **Section 16. Effectivity Clause.** This Act shall take effect fifteen (15) days after its
19 complete publication in the Official Gazette or in at least two (2) newspapers of general
20 circulation.