

July 21, 2025

BANGKO SENTRAL NG PILIPINAS (BSP)

A. Mabini St., Malate, Manila 1004

Attention: **Payments Policy and Development Department (PPDD)**

Subject: **Comments on the *Draft Circular on the Regulations on Online Gambling Payment Services***

Dear Members of the PPDD,

I commend the BSP for taking the initial steps to regulate gambling-linked digital payments. I am writing to respectfully provide comments on the *Draft Circular on the Regulations on Online Gambling Payment Services* (“**Draft Circular**”).

Notably, only **one**¹ out of **ten** substantive provisions in the Draft Circular directly addresses player-level transaction restrictions. The rest focus on institutional compliance, onboarding procedures, and reporting obligations of Payment Service Providers (“**PSPs**”) and Online Gambling Operators (“**OGOs**”). I have no doubt that the largest payment providers have the financial and legal resources to meet these requirements. Likewise, the most established gambling operators already maintain compliance departments and legal teams capable of adapting to the Draft Circular’s proposed framework. I therefore take it as a given that these institutional compliance provisions, while necessary, are unlikely to change or curb harmful gambling behavior among vulnerable users or alter the supply-side conditions that enable it.

The heart and soul of the Draft Circular is **Section 1106.6**, which imposes transaction-level controls on end-users. Hence, this is where regulatory attention should be focused, as this is the only provision that directly attempts to influence user behavior.

I. On the Average Daily Balance (ADB) Cap (Section 1106.6(a))

A. The 20% ADB Cap Is Ineffective and Easily Manipulated

The use of 20% of ADB as a transaction limit for daily Online Gambling Transaction Account (“**OGTA**”) funding is a weak and ineffective deterrent. Low-income users, who are most at risk, often maintain small balances (e.g., ₱500 to ₱1,000). Under this rule, they may still technically gamble ₱100 to ₱200 per day, which represents a substantial portion of the daily minimum wage level of approx. ₱395 to ₱695 and a significant portion of their daily disposable income.

For low-income users living on tight daily budgets, gambling ₱100 to ₱200 a day can mean skipping meals, delaying utility payments, or forgoing transport to work. At that scale, it directly undermines household stability and financial resilience. What may appear modest in absolute terms is, in relative terms, economically destabilizing for the poor.

¹ Draft Circular, Section 1106.6.

Meanwhile, high-income users can easily fund gambling at much higher levels without triggering any behavioral flags. Because the 20% cap scales linearly with ADB and lacks absolute ceilings, the system unwittingly normalizes high-volume gambling by financially capable users, even when it may still be harmful or compulsive.

The rule also opens the door to manipulation. The ADB can be artificially inflated through one-time inflows or cyclical fund transfers, which users may exploit to increase their gambling limit.

B. Proposal: Introduce Tiered Transaction Limits with Absolute Caps Tied to User Verification and Financial Capacity

The current one-size-fits-all 20% of ADB cap fails to distinguish between users with vastly different financial profiles. To introduce a more targeted and effective safeguard, BSP should adopt a tiered transaction limit framework that ties gambling capacity to verified economic standing.

To strengthen Section 1106.6(a), I recommend the following tiered transaction limits:

Tiered Transaction Limits Based on KYC Level and Verified Economic Profile

Users should be classified into tiers based on the depth of identity verification and proof of income or economic standing. Each tier should have corresponding limits on OGTA funding:

(a) Tier 1 (Basic KYC)

This tier is for accounts without income verification or economic profiling. Fund transfers should be limited to the OGTA to *₱50 per day or 5% of ADB, whichever is lower*. This tier would apply to most low-income users and serves as the default restriction.

(b) Tier 2 (Enhanced KYC with Income or Economic Class Documentation)

This tier shall apply to users who submit documentary proof of income or economic status, such as *payslips, tax returns, bank certificates, verified business income records, credit scores, or employment IDs*. Fund transfer limits under this tier may be moderately increased to reflect greater economic capacity but must remain subject to an absolute cap of *₱500 per day, 10% of ADB, or ₱3,000 per month, whichever is lower*.

(c) Tier 3 (Full Verification with Ongoing Monitoring)

This tier shall be reserved for users with high verified income and stable financial profiles. Eligibility must be supported by comprehensive documentation and subjected to ongoing review. Even under this tier, absolute per-transaction and monthly limits must still apply, with thresholds not exceeding a conservative percentage of the user's verified disposable income.

II. On the Six-Hour Transaction Window (Section 1106.6(b))

A. The Six-Hour Transaction Window Is Superficial and Easily Circumvented

Section 1106.6(b) requires PSPs to limit online gambling payment services to a transaction window not exceeding six hours per day. This measure, while appearing restrictive, does little to constrain gambling behavior.

Limiting gambling payments to a six-hour daily window does not reduce the total volume or intensity of gambling; it merely compresses it into a narrower time band. Users with compulsive behavior or high intent to gamble will simply adjust their activity to match the permitted window.

Moreover, the rule does not prevent multiple PSPs or platforms from offering overlapping windows, effectively nullifying the time-based restriction.

This approach also lacks alignment with user behavior data and does not account for peak gambling hours, which may vary across demographics. Without linkage to behavioral patterns, the time window constraint is unlikely to influence actual gambling decisions.

B. Proposal: Introduce Transfer Frequency and Velocity Controls

Rather than imposing an arbitrary time-based restriction, the BSP should consider controls based on transaction frequency and fund velocity, which better capture compulsive or high-risk usage. For example:

- Limit users to a maximum of two OGTA fund transfers per day, regardless of the time of day;
- Set a rolling weekly transaction limit; and
- Flag and temporarily suspend accounts that engage in repetitive top-ups or exhibit high-velocity funding behavior within short periods.

The BSP may consider the following thresholds for defining high-velocity funding behavior:

- More than three OGTA top-ups within any 12-hour period, regardless of amount;
- Fund transfers to the OGTA on five or more consecutive days, even if within the daily ADB cap;
- Cumulative OGTA funding exceeding 30% of the user's ADB within a rolling 72-hour window; and
- A spike in OGTA funding exceeding 200% of the user's average weekly top-up volume, based on the prior 30-day history.

III. On the Definition of “Heavy Usage” and 24-Hour Cooling Off Period (Section 1106.6(c))

A. Leaving the Definition of “Heavy Usage” to PSP Discretion Creates a Moral Hazard

Section 1106.6(c) allows the application of a 24-hour cooling-off period “in cases of heavy usage,” but leaves the definition of “heavy usage” entirely to the discretion of the PSP. This undermines the credibility of the provision and creates a clear conflict of interest and moral hazard. PSPs, particularly those that benefit from high transaction volumes, have no commercial incentive to

define or enforce heavy usage rigorously. As a result, this mechanism risks becoming purely formalistic or inconsistently applied.

The absence of a BSP-prescribed threshold also invites regulatory arbitrage, where the same behavior may be treated differently depending on the platform.

B. Proposal: Define “Heavy Usage” Through Uniform, Mandatory Thresholds

To address this, the BSP should establish a clear and uniform definition of “heavy usage” to be applied across all PSPs. By way of illustration, “heavy usage” may be defined as any one of the following within a rolling seven-day period:

- Cumulative OGTA top-ups exceeding ₱2,000;
- More than 10 gambling-related transactions;
- Fund transfers to the OGTA made on three or more consecutive days; and
- Gambling-related transactions comprising more than 50% of all outgoing transactions from the user’s wallet during the same period.

Once triggered, a 24-hour lockout on further OGTA transfers should be automatically applied.

IV. On the Disabling of Lending Options Within the Platform (Section 1106.6(d))

Section 1106.6(d) provides that “upon creation of an OGTA, all lending options in the same digital platform shall be disabled.”

It is unclear whether this applies only to wallet-linked loan products or also to promotional rebates, cash advances, incentive-based credits, virtual credit lines, and third-party loans offered through the same e-wallet interface or ecosystem. Many e-wallet providers offer multiple embedded credit pathways, and unless all of these are covered, users may still indirectly borrow to gamble.

The rule also does not prohibit cross-platform transfers from other wallets or bank accounts funded by credit. A user can simply take out a loan via another provider, fund their main wallet, and transfer to the OGTA, without violating the literal terms of this provision.

To be effective, the lending restriction must:

- Extend to all credit-linked features within the platform, including deferred payment, cash loans, and virtual credit lines; and
- Require PSPs to apply the lending lock at the user level, not just at the OGTA level, across all accounts, sub-accounts, or instruments under the same identity or mobile number.

V. On the Responsible Online Gambling Policy (Section 1106.7)

A. Self-Imposed Limits and User-Initiated Safeguards Are Weak

Section 1106.7 relies heavily on *self-imposed limits* and *user-initiated safeguards*, such as account owner-determined fund and time limits, voluntary disabling of the OGTA, and opt-in ad exposure. Behavioral economics and addiction research consistently show that users with problematic gambling behavior are least likely to make rational, preventative choices, especially at the point of temptation.

By framing responsible gambling as a matter of *user self-control*, the provision underweights the structural role of platforms in enabling compulsive behavior. In effect, the policy creates an illusion of consent, without accounting for diminished decision-making in high-risk contexts.

B. Key Measures Are Framed as Discretionary, Not Mandatory

Several key protections (such as the option to disable OGTA, pop-up alerts, and advertising restrictions) are embedded as part of a policy document (Responsible Online Gambling Policy or “**ROGP**”), rather than mandated as industry-wide technical implementations.

This approach lacks enforceability and risks being reduced to boilerplate compliance without real operational impact.

C. Proposal: Convert Soft Policy Tools Into Hard Platform Requirements

To enhance Section 1106.7, the BSP should convert the following elements into mandatory, system-enforced restrictions:

- Default OGTA disabled at account creation, with a minimum 24-hour activation delay and a required risk disclosure;
- Mandatory cooling-off period after a user changes or increases their self-imposed limit, to prevent impulsive escalation;
- Mandatory minimum lock period (e.g., 1 week) for voluntary OGTA disabling, to prevent reversal under compulsion;
- Real-time gambling dashboard showing cumulative losses, frequency of transfers, and days active per month; and
- Permanent opt-out from all gambling-related ads and notifications as a default, with no promotional incentives allowed for reactivation, among others.

Without codifying these safeguards at the system level, the ROGP risks becoming a collection of soft nudges rather than a regulatory tool that meaningfully prevents harm.

I attach my specific comments on the proposed revisions and technical suggestions for Sections 1106.6 and 1106.7 in **Annex A** for the BSP’s consideration.

Should the BSP require further clarification or wish to discuss any of the proposals in this letter, I may be reached through the following:

E-mail: attorney@geronimo.law
Mobile: +63 9999329836
Address: 610 VGP Center, Ayala Avenue, Makati City
Website: www.geronimo.law

Thank you for the opportunity to comment on this important draft.

Very truly yours,



Atty. Russell Stanley Q. Geronimo
Founder and Managing Lawyer

ANNEX A

PROPOSED REVISION TO SECTION 1106.6 AND SECTION 1106.7 OF THE DRAFT CIRCULAR

Original Draft	Proposed Revision
<p>1106.6 Online Gambling Payment Service Limitations. PSPs concerned must facilitate the implementation of the following measures:</p> <p>a. Transfer of funds to the OGTA shall be subject to a daily limit which should not exceed twenty percent (20%) of the average daily balance of the eligible owner's transaction account. The account owner's PSP shall timely reject incoming fund transfers beyond the said limit;</p> <p>b. PSPs concerned shall set a transaction window within which online gambling payment services could be offered, and such transaction window should not exceed six (6) hours per day;</p> <p>c. In cases of heavy usage of the online gambling payment service, as defined by the PSP concerned, a 24-hour cooling off period shall be implemented, such that the next transfer can only be made after the lapse of said period; and</p> <p>d. Upon creation of an OGTA, all lending options in the same digital platform shall be disabled.</p>	<p>Section 1106.6 Online Gambling Payment Service Limitations. All covered PSPs must implement the following mandatory measures:</p> <p>a. Tiered transaction limits. The transfer of funds to the OGTA shall be subject to tiered transaction limits based on the KYC level and verified economic profile of the eligible account owner, as follows:</p> <ul style="list-style-type: none"> • Tier 1 (Basic KYC only): Daily transfers to the OGTA shall not exceed ₱50 or 5% of the average daily balance (ADB), whichever is lower. • Tier 2 (Enhanced KYC with income documentation): Daily transfers shall not exceed ₱500, 10% of ADB, or ₱3,000 per month, whichever is lower. • Tier 3 (Full verification with ongoing monitoring): Limits shall be based on a conservative percentage of the account owner's verified disposable income, subject to monthly and per-transaction caps. <p>All fund transfers beyond the prescribed limits shall be automatically rejected by the PSP.</p> <p>Tier 1 shall apply to users who have completed only basic identity verification, such as submission of a government-issued ID and mobile number verification, without any supporting documents on income or economic status. Tier 2 shall require enhanced KYC, including proof of income or financial capacity, such as recent payslips, tax returns, bank certificates, or verified business permits. Tier 3 shall apply only to users with high verified income and stable financial profiles, supported by full documentation including employer-issued income statements, audited financials (if self-employed), and other bank-verified</p>

	<p>records, subject to periodic review and ongoing monitoring.</p> <p>b. Frequency and velocity-based controls. All covered PSPs must apply transaction frequency and velocity controls to detect and prevent compulsive gambling behavior. These shall include:</p> <ul style="list-style-type: none"> • A maximum of two OGTA fund transfers per day; • A rolling weekly transaction limit set by the PSP, subject to BSP review; • A requirement to flag and automatically suspend accounts that meet high-velocity risk indicators, such as: <ul style="list-style-type: none"> ◦ More than three OGTA top-ups within any 12-hour period; ◦ Fund transfers on five or more consecutive days; ◦ Cumulative OGTA funding exceeding 30% of ADB within any 72-hour period; ◦ A top-up spike exceeding 200% of the user's average weekly top-up volume based on the prior 30-day period. <p>Accounts flagged under these criteria shall be automatically subject to a 24-hour lockout from all OGTA transactions pending risk review.</p> <p>c. Cooling-off mechanism based on heavy usage of online gambling payments. A 24-hour cooling-off period shall be automatically applied once any of the following "heavy usage" thresholds are met within a rolling seven-day period:</p> <ul style="list-style-type: none"> • Cumulative OGTA top-ups exceeding ₱2,000; • More than 10 gambling-related transactions; • OGTA fund transfers made on three or more consecutive days; or • Gambling-related transactions comprising more than 50% of all outgoing wallet transactions.
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	<p>During the cooling-off period, no OGTA transfers shall be permitted.</p> <p>d. Platform-wide credit disablement. Upon the creation of an OGTA, all lending, credit, deferred payment, and cash advance features available on the same platform shall be disabled. PSPs must enforce this restriction at the user level, across all sub-accounts, instruments, and interfaces linked to the same identity or mobile number. The PSP must also take reasonable measures to prevent the use of credit-funded inflows, including those sourced from third-party providers, to top up the OGTA.</p>
<p>1106.7 Responsible Online Gambling Measures. PSPs concerned must develop a Responsible Online Gambling Policy (ROGP) which shall include the following information and measures to promote responsible gambling and enable account owners to exercise self-control and prevent gambling addiction:</p> <p>a. Definition of heavy usage;</p> <p>b. Mandatory account owner-determined limit on the amount of funds that can be transferred to the OGTA daily, which shall be a pre-requisite for the OGTA activation;</p> <p>c. Mandatory account owner-determined limit on the daily playing time, which cannot be more than six (6) hours per day;</p> <p>d. Mandatory pop-up alerts for account owners determined to be with heavy usage and periodic pop-up alerts for other users.</p> <p>These alerts should include risks of online gambling and reminders on responsible gaming;</p> <p>e. Mandatory opt-in/consent for advertisements related to online gambling; and</p> <p>f. Option to disable OGTA for the desired number of weeks.</p>	<p>Section 1106.7 Responsible Online Gambling Measures</p> <p>All covered PSPs must implement a Responsible Online Gambling Policy (ROGP) that incorporates mandatory, system-enforced behavioral safeguards to protect users from gambling-related harm. At a minimum, the ROGP shall include the following:</p> <p>a. The OGTA shall be disabled by default at account creation. Activation shall require a deliberate opt-in, subject to a minimum 24-hour activation delay and a mandatory risk disclosure outlining the dangers of online gambling;</p> <p>b. All account owners must set a daily OGTA fund transfer limit and a daily usage time limit as prerequisites for OGTA activation. Limits shall not exceed regulatory ceilings applicable per user tier;</p> <p>c. Any changes to self-imposed limits shall trigger a mandatory 24-hour cooling-off period before taking effect;</p> <p>d. Users who voluntarily disable their OGTA shall be subject to a mandatory minimum lock period of one (1) week, during which reactivation is prohibited;</p> <p>e. PSPs must display a persistent, real-time gambling dashboard within the app showing cumulative gambling losses, number of days</p>

	<p>active, and total top-up transactions over the past 30 days;</p> <p>f. All gambling-related advertisements and notifications shall be opt-in only. The default setting shall be a permanent opt-out, with no promotional incentives permitted for reactivation; and</p> <p>g. Prominent in-app notices must inform users of the availability of responsible gambling tools, OGTA limitations, and helpline or support service access.</p> <p>These requirements shall apply uniformly across all covered PSPs and shall not be left to voluntary implementation or internal policy discretion. Failure to comply shall be subject to supervisory penalties under Section 1106.10.</p>
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Subject: Comments on Draft Circular – Online Gambling Payment Services
From: Russell Stanley Geronimo <attorney@geronimo.law>
Date: 7/20/25, 12:39 PM
To: ppdd@bsp.gov.ph

Dear Director and Members of the PPDD,

Attached is my formal comment letter on the *Draft Circular on the Regulations on Online Gambling Payment Services*, submitted by Geronimo Law. The letter provides specific recommendations to strengthen Sections 1106.6 and 1106.7 of the Draft Circular.

Please let me know if the BSP requires any clarification or further engagement on the proposals raised.

Thank you.

Regards,

Russell Stanley Q. Geronimo
Managing Lawyer

GERONIMO LAW
www.geronimo.law
610 VGP Center, Ayala Avenue, Makati City
+63 9999329836

— Attachments: —

GeronimoLaw_Comments_BSP_OnlineGamblingDraft_July2025.pdf

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