



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
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**PRESS RELEASE**  
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## **IC ISSUES WARNING AGAINST CRYPTOCURRENCY TRANSACTIONS**

The Insurance Commission cautioned the public and all its regulated entities against dealings involving cryptocurrencies.

Insurance Commissioner Dennis B. Funa said, "While recognizing the value of technological advancement on the use of cryptocurrencies, the Insurance Commission likewise recognizes the corresponding risks involved in the use of cryptocurrencies. Thus, the public is being cautioned to act prudently whenever dealing in the acquisition, possession, and/or trading of cryptocurrencies."

"The apparent increase in the demand for cryptocurrencies and its popularity in terms of usage as a medium for payment and remittances worldwide makes cryptocurrencies prone to being used for facilitating illegal activities, such as scams, money laundering, and terrorism financing," said Commissioner Funa.

Considering that cryptocurrencies are neither issued nor guaranteed by any government, Commissioner Funa said that its value is purely dependent on market demand and supply makes them highly speculative and not suitable for investment.

To minimize the risks involved in cryptocurrencies, Commissioner Funa cautioned the public and all IC-regulated entities to act prudently whenever dealing in the acquisition, possession, and/or trading of cryptocurrencies.

A formal regulatory approach on virtual currency was adopted by the Bangko Sentral ng Pilipinas last February 2017. Under the BSP regulation, any entity that offers services or engages in activities that provide facility for the conversion or exchange of fiat of currency to virtual currencies or vice versa are required to register with the BSP as remittance and transfer companies.

Notwithstanding this regulation, the BSP does not, in any way endorse virtual currencies as legal tender, store of value or an investment vehicle.

Yesterday, the Securities and Exchange Commission warned that internet-based bitcoin and cryptocurrency Ponzi schemes are running rampant. In its latest advisory, the SEC warned the public against investing in 14 new unregistered cryptocurrency schemes run by unregistered entities.

Commissioner Funa said, "Individuals with dealings on cryptocurrencies are highly encouraged to educate themselves on the matter and be updated on the various rules and regulations issued by different government agencies, such as the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission."

He added, "At any rate, the Commission is keeping an open mind to the potential usefulness of cryptocurrencies and judiciously considers the innovation brought by cryptocurrencies. If and when warranted, we will issue appropriate regulations as far as the insurance, pre-need and HMO industries are concerned."



**ATTY. JOANNE FRANCES D.C. CASTRO**

*Media Relations Officer*

[jfdc.castro@insurance.gov.ph](mailto:jfdc.castro@insurance.gov.ph)