

# INFRAWATCH PH

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6 February 2023

  
Bangko Sentral ng Pilipinas

Received by: Ferdie F. Jolo  
Date/Time Received: 26.23

HON. FELIPE MEDALLA  
Governor  
Bangko Sentral ng Pilipinas

**Re: Urgent report on recent unauthorized activities by Binance, an unregistered and unlicensed cryptocurrency exchange operating in the Philippines**

Dear Governor Medalla:

As a follow-up to our continuing campaign against unregistered entities operating as virtual asset service providers (VASPs) in the Philippines, we are formally submitting information relating to recent activities by Binance, an unregistered and unlicensed cryptocurrency exchange operating in the Philippines, which violate existing laws and regulations governing VASPs.

On January 24, 2023, Binance's official Twitter account made the following announcement –

You can now transfer crypto from #Binance to your bank and it will arrive in fiat. Pretty neat!

Available in selected regions. #BinanceBuild making adoption easier one day at a time. pic.twitter.com/TyloTXzbHZ

According to various cryptocurrency and business news websites such as BitPinas, Benzinga Crypto and Investing, this cryptocurrency to fiat conversion service is “currently available in eight countries, including Hong Kong, the Philippines, India, Ghana, Pakistan, Vietnam, Egypt, and Bangladesh.”<sup>1</sup>

The BitPinas article further said –

Global cryptocurrency exchange Binance has enabled a feature that allows users in the Philippines to

<sup>1</sup> Binance Now Allows You to Transfer Crypto to Your Bank in the Philippines. BitPinas, 25 January 2023.  
Link: <https://bitpinas.com/business/binance-crypto-to-bank-transfer-philippines/>

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transfer their cryptocurrency holdings directly to their bank account, the company recently announced.

With this new feature, Binance users in the Philippines can transfer their cryptocurrency holdings to their bank accounts and have them arrive in its equivalent in Philippine pesos.

It is our most respectful position that this new feature by an unregistered and unregulated cryptocurrency exchange – the conversion of virtual asset to fiat – one of the authorized activities granted to registered VASPs under BSP Circular 1108.

Since Binance is not a BSP-registered VASP, and is not even a registered entity in the Philippines based on the Securities and Exchange Commission's August 2022 warning to the public, it has no business offering this feature to Binance users in the Philippines.

As of this submission, the Binance's tweet announcing this new feature has been removed by the cryptocurrency exchange. Nonetheless, it is our most respectful request that the BSP should now similarly issue warnings against Binance for flouting Philippine laws and regulations.

This warning is critical in the face of continuing public concerns relating to cryptocurrency exchanges which had defrauded billions of dollars from countless users and investors, such as the most recent controversy surrounding fraud allegations against FTX and its former Chief Executive Officer Sam Bankman-Fried.

It is our position that proactive action by the BSP is critical to revive public confidence in the country's emerging VASP sector, particularly because it is the BSP itself that regulates this sector.

More importantly, the BSP should rein in Philippine banks and other finance-related entities whose platforms may be unwittingly used to send money to Binance and other unregistered cryptocurrency entities. As the country's main finance regulator, it has the power to ensure that these types of remittances are not undertaken by regulated finance entities.

Further, the BSP should also be informed of the promotional activities being undertaken by Binance. Through this community meet ups, Binance is promoting an unregistered and unlicensed cryptocurrency exchange in the Philippines.

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The following are examples of activities undertaken by Binance around the country –

- a. Binance Meet-up Cebu: [https://twitter.com/binance/status/1616075455517319169?t=Z2I3VQS0hfSJ\\_QC5wrG0AQ&s=19](https://twitter.com/binance/status/1616075455517319169?t=Z2I3VQS0hfSJ_QC5wrG0AQ&s=19)



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- b. Binance Meet-up Manila: <https://twitter.com/binance/status/1595522656694067216?t=pVVAZTfzhEJXCmXPLduTfg&s=19>



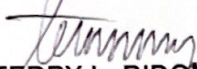
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It is thus our prayer that the BSP undertakes measures to stop unauthorized operations of Binance and other unregistered cryptocurrency exchanges in the country, to ensure that the public and their investments are protected.

Sincerely,



**TERRY L. RIDON**

Convenor  
Infrawatch PH