

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,619.91 HIGH: 6,676.54 LOW: 6,619.91 CLOSE: 6,643.18 VOL.: 0.363 B VAL(P): 5.639 B 29.45 pts. 0.44% 30 DAYS TO JANUARY 12, 2024	<b>JANUARY 12, 2024</b> JAPAN (NIKKEI 225) 35,577.11 ▲ 527.25 1.50 HONG KONG (HANG SENG) 16,244.58 ▼ -57.46 -0.35 TAIWAN (WEIGHTED) 17,512.83 ▼ -32.49 -0.19 THAILAND (SET INDEX) 1,413.53 ▲ 5.29 0.38 S.KOREA (KSE COMPOSITE) 2,525.05 ▼ -15.22 -0.60 SINGAPORE (STRAITS TIMES) 3,191.72 ▼ -9.69 -0.30 SYDNEY (ALL ORDINARIES) 7,498.30 ▼ -7.70 -0.10 MALAYSIA (KLSX COMPOSITE) 1,487.34 ▲ 4.34 0.29	<b>JANUARY 12, 2024</b> Dow Jones 37,592.980 ▼ -118.040 NASDAQ 14,972.760 ▲ 2.575 S&P 500 4,783.830 ▲ 3.590 FTSE 100 7,624.930 ▲ 48.340 Euro Stoxx50 4,095.450 ▲ 34.250	<b>FX</b> OPEN P56.030 HIGH P55.870 LOW P56.075 CLOSE P55.911 W.AVE. P55.984 VOL. \$1,696.20 M 3.90 CTVS 30 DAYS TO JANUARY 12, 2024 SOURCE: BAP	<b>JANUARY 12, 2024 LATEST BID (0900GMT)</b> JAPAN (YEN) 144.900 ▲ 145.550 HONG KONG (HK DOLLAR) 7.821 ▼ 7.818 TAIWAN (NT DOLLAR) 31.099 ▼ 31.051 THAILAND (BAHT) 34.860 ▲ 35.010 S. KOREA (WON) 1,313.220 ▲ 1,315.780 SINGAPORE (DOLLAR) 1.331 ▼ 1.330 INDONESIA (RUPIAH) 15,545 ▼ 15,545 MALAYSIA (RINGGIT) 4.645 ▼ 4.641	<b>JANUARY 12, 2024</b> US\$/UK POUND 1.2751 ▲ 1.2750 US\$/EURO 1.0949 ▼ 1.0966 US\$/AUST DOLLAR 0.6685 ▼ 0.6710 CANADA DOLLAR/US\$ 1.3408 ▼ 1.3371 SWISS FRANC/US\$ 0.8522 ▲ 0.8500	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$79.05/BBL 30 DAYS TO JANUARY 12, 2024 ▲ \$1.75

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 12, 2024 (PSEi snapshot on S1/4; article on S2/2)

BDO P139.000 Value P602,384,975 -P0.800 ▼ -0.572%	JFC P265.000 Value P502,546,982 P5.200 ▲ 2.002%	ICT P245.800 Value P378,908,556 P7.400 ▲ 3.104%	MBT P57.400 Value P344,855,076 P1.400 ▲ 2.500%	CNPF P33.800 Value P309,402,045 P0.200 ▲ 0.595%	AC P680.500 Value P302,559,100 P6.500 ▲ 0.964%	SM P902.000 Value P238,132,370 P12.000 ▲ 1.348%	BPI P107.000 Value P198,323,805 -P1.800 ▼ -1.654%	GLO P1,712.000 Value P182,321,715 -P13.000 ▼ -0.754%	JGS P40.200 Value P173,708,425 P0.000 — 0.000%
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## PHL faces blacklisting risk by FATF

By Keisha B. Ta-asan Reporter

THE PHILIPPINES' continued inclusion in the Financial Action Task Force's (FATF) "gray list" may result in reputational consequences, as well as increases the likelihood of inclusion in the dirty money watchdog's blacklist, the Anti-Money Laundering Council (AMLC) said.

This, as President Ferdinand R. Marcos, Jr. earlier directed the AMLC

and all government agencies to work on exiting the gray list by October this year, after failing to meet the January deadline.

The Philippines has been under the FATF's gray list of countries under increased monitoring for money laundering and terrorism financing risks for two years and seven months or since June 2021.

In an e-mail interview with *BusinessWorld*, AMLC Executive Director Matthew M. David said the FATF only encourages its members and all jurisdictions to consider the FATF information

on the listed country in their financial dealings.

"Nevertheless, continued inclusion in the gray list may pose some reputational consequences, with some financial institutions considering Philippine-related transactions to be of higher risk," he said.

"Continuous inclusion in the FATF gray list also increases risk of blacklisting."

Despite remaining in the gray list, Mr. David noted the FATF has not called for enhanced due diligence or any countermeasures against the Philippines.

"In published statements of the FATF, it has recognized the high-level political commitment of the Philippine government in addressing its deficiencies," he said.

"Furthermore, the FATF has recognized progress made by the Philippines in strengthening its anti-money laundering and combating the financing of terrorism regime."

In October 2023, the FATF said the country needs to further strengthen its action plan to address strategic deficiencies related to casino junkets,

nonprofit organizations, and beneficial ownership.

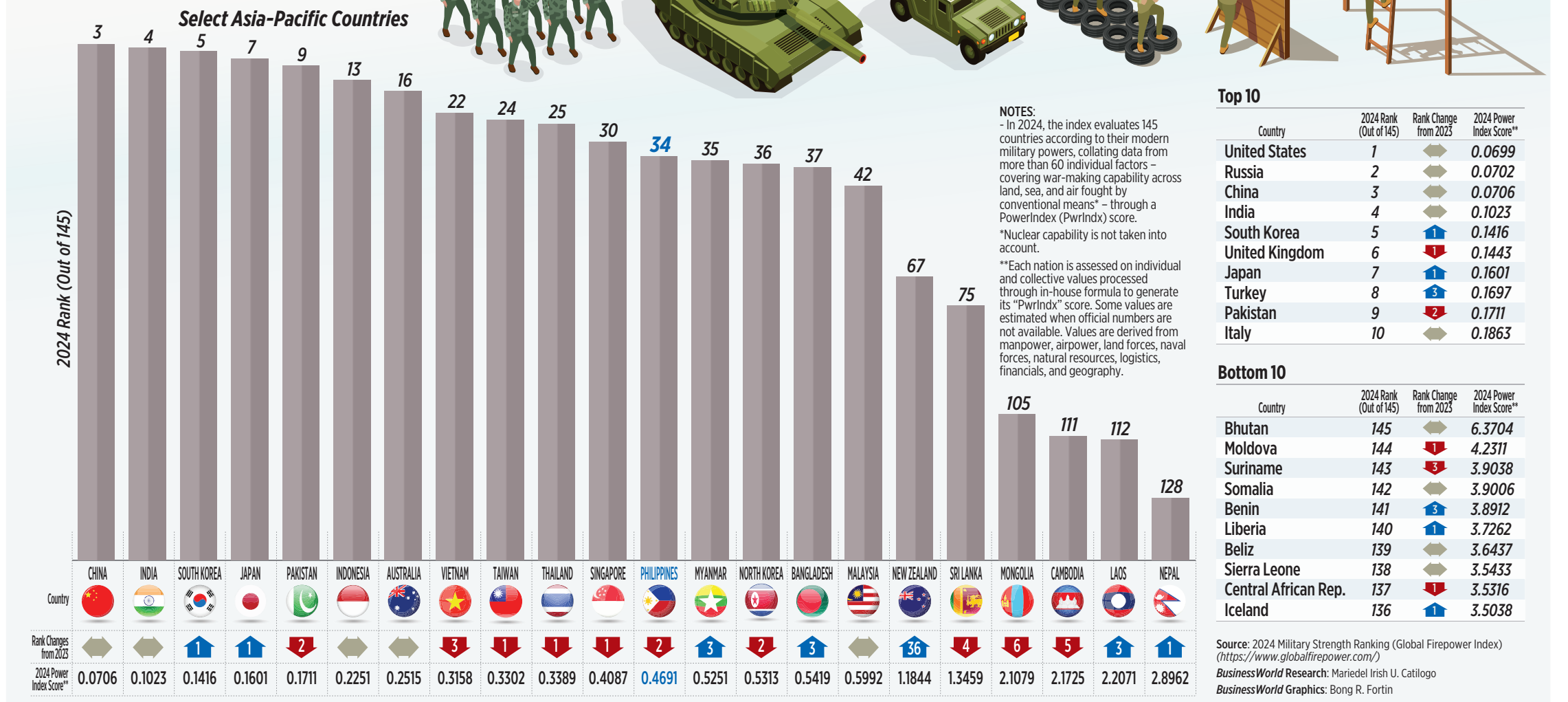
Banko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. earlier said that if the Philippines failed to exit the gray list this year, correspondent banks may start to cut ties with the Philippines. These are financial institutions that provide services to another bank, usually in another country.

But Mr. Remolona has said the country is unlikely to be blacklisted by the FATF.

FATF, S1/5

## PHILIPPINES FALLS IN MILITARY STRENGTH LIST

The Philippines ranked 34<sup>th</sup> in the latest edition of Global Firepower's Military Strength ranking. With a PowerIndex score of 0.4691, the Philippines fell by two notches from the previous year. The smaller the value of the score, the more powerful a country's theoretical fighting capability is.



## Gen X, Boomers are an overlooked opportunity for digital banks expanding in the Philippines

By Aaron Michael C. Sy Reporter

IRENE A. ZAPATA, 49, prefers to withdraw cash from the bank rather than do it through an app, and shuns e-wallet platforms.

"I prefer going to the bank because it feels safer for my money," the housewife told *BusinessWorld*. "There's also a teller whom I can easily talk to if I have any questions. Online banking seems to have too many steps and I find that hard."

Friends and relatives and even the bank tellers have told her to get into digital banking, and she might just do that provided she gets the proper guidance, she said.

There were 9.2 million Filipinos who that part of Generation X who still don't have a bank account, and they account for 29% of the 31.6 million digitally unbanked Filipino adults, according

to the Philippine central bank's 2021 financial inclusion survey.

A tenth of Gen Xers – people born from 1965 to 1980 – without a bank account are from the middle class (Class C), while many are from Class D and E. Class AB Gen X respondents all had bank accounts.

Still, digitally unbanked Gen Xers fell to 42% in 2021 from 48% two years earlier, the survey showed.

Gen X people are the biggest consumers of financial products because they are mid-career, building wealth or preparing for retirement, the central bank said.

The Bangko Sentral ng Pilipinas (BSP) aims to have 50% of Filipinos having savings in formal financial institutions and 75% of borrowers getting their loans from formal sources by 2028. It said it has initiatives to promote financial inclusion among all sectors including Gen X.

The regulator has a consumer protection program and wants to make financial products and services more accessible.

"Perhaps the reluctance of some demographics to adopt digital transactions spans across several aspects of their lives,"

Nicholas Antonio T. Mapa, senior economist at ING Bank NV, Manila, said in a Viber message.

He said these people might prefer to hold on to cash or make physical payments because it assures them that the payment or transfer did go through.

Private banks, not just the BSP, should encourage consumers to adopt digital banking because it boosts the economy and promotes development, Mr. Mapa said.

"Financial inclusion of the unbanked sector can increase productive capital accumulation in the country," John Paolo R. Rivera, Oikonomia Advisory

& Research, Inc. president and chief economist, said in a Viber message. "Financial inclusion is about better, efficient and safe banking."

He said regulators should ensure safety nets against cyberattacks including the use of digital platforms to steal money from banks. "If this is addressed, the unbanked will be comfortable to take part."

### BOOSTING DEPOSITS

Mr. Rivera cited the December 2021 incident where the bank accounts of more than 700 BDO Unibank, Inc. clients were hacked. "Everyone is paranoid about the safety of their money."

Banks might find it easier to reach the underbanked sector to boost deposits and loans, Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines, Inc. said in a Viber message.

Digital banking, S1/9

## Recto urged to prioritize reforms to boost tax compliance, not new taxes

By Luisa Maria Jacinta C. Jocson Reporter

NEWLY APPOINTED Finance chief Ralph G. Recto must focus on tax reforms that will address issues preventing efficient tax collection and compliance, as well as consider more progressive taxes to boost revenues, analysts and business groups said.

"Reducing the burden of compliance with tax laws is a major concern for investors, and we look forward to the Department of Finance (DoF) and its attached agencies continuing to engage the private sector to resolve challenges related to this," Ebb Hinchliffe, American Chamber of Commerce of the Philippines, Inc. executive director, said in a Viber message.

Enrico P. Villanueva, senior lecturer of economics at the University of the Philippines Los Baños said in a Facebook Messenger chat that he hopes Mr. Recto will

focus on tax collection efficiency and reduction of corruption.

Mr. Recto on Friday took his oath as Finance secretary, replacing Benjamin E. Diokno, who is returning to the central bank as a Monetary Board member.

The former senator and Batangas congressman said that he will be continuing the strategies under the Philippine Development Plan and the Medium-Term Fiscal Framework. "There is a plan, there is a roadmap that essentially we will continue," he added.

Mr. Recto also committed to reaching the tax collection targets this year. The Bureau of Internal Revenue is expected to raise P3.05 trillion and the Bureau of Customs is seen to collect P1 trillion, based on the Budget of Expenditures and Sources of Financing.

"So, every night, when I wake up in the morning, we should have collected more or less P20 billion to fund all the needs of our people

Recto, S1/9