

OFFICE OF THE GOVERNOR
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**Subject: BSP Guidelines on Financial Consumer Protection to Implement
Republic Act No. 11765, otherwise Known as the “Financial Products and
Services Consumer Protection Act of 2022”**

The Monetary Board, in its Resolution No. ____ dated ____ 2022, approved the following amendments to the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) to implement Republic Act (RA) No. 11765 or the Financial Products and Services Consumer Protection Act (FCPA).

RULE I
PRELIMINARY PROVISIONS

Section 1. Statement of Policy. It is the policy of the State to ensure that appropriate mechanisms are in place to protect the interest of consumers of financial products and services under the conditions of transparency, fair and sound market conduct, and fair, reasonable, and effective handling of financial consumer disputes, which are aligned with global best practices. These mechanisms reinforce their confidence in the financial market and foster the stability of the Philippine financial system. Towards this end, the State shall implement measures to protect the following rights of financial consumers:

- a. Right to equitable and fair treatment;
- b. Right to disclosure and transparency of financial products and services;
- c. Right to protection of consumer assets against fraud and misuse;
- d. Right to data privacy and protection; and
- e. Right to timely handling and redress of complaints.

These rules establish the guidelines and expectations from BSP-supervised Financial Institutions (BSFIs) to institutionalize consumer protection as an integral component of corporate governance and culture as well as risk management. The objective of these Rules is for BSFIs to manage consumer risks and potential harms to financial consumers, prevent unfair business practices, achieve fair and beneficial consumer outcomes and empower consumers.

Section 2 Scope and Applicability. These Rules apply to all financial products and services offered or marketed by any financial service provider under the supervision of the BSP, in the conduct of their business. The BSFIs' adoption of these Rules shall be proportionate to their asset size, structure, nature of products and services, and complexity of operations.

The BSP may revise and supplement these rules and regulations and issue related guidelines, circulars, and other subsidiary issuances as it deems necessary for the effective implementation of the various provisions of the FCPA.

Section 3. Construction and Interpretation. These Rules shall be liberally construed and resolved in favor of financial consumers to effectively to carry out the objectives of the FCPA.

RULE II
DEFINITION OF TERMS

Section 1. Definition of Terms. As used in these Rules, the following terms shall mean:

- a. **Access Device** – means any card, plate, code, account number, electronic serial number, personal identification number, or other telecommunications service, equipment, or instrumental identifier, or other means of account access that can be used to obtain money, good, services, or any other thing of value or to initiate a transfer of funds (other than a transfer originated solely by paper instrument).¹
- b. **BSP-Supervised Financial Institution (BSFI)** refers to a person, natural or juridical, that is licensed, registered, regulated, and/or supervised by the BSP, as provided in existing laws, rules and regulations.
- c. **Financial Consumer or Client** refers to a person or entity, or their duly-appointed representative, who is a purchaser, lessee, recipient or prospective purchaser, lessor, or recipient of financial products or services. It shall also refer to any person, natural or juridical who had or has a current or prospective financial transaction with a BSFI.
- d. **Financial Consumer Complaint** refers to an expression of dissatisfaction submitted by a Financial Consumer about a Financial Product or Service of a BSFI, in which a response or resolution is expected.
- e. **Financial Product or Service** refers to products or services developed and marketed by a BSFI. These include, but are not limited to deposits, investments, fund transfers, loans, payments, remittances and digital financial products or services which pertain to the broad range of financial services accessed and delivered through digital channels.
- f. **Financial Service Provider** - refers to a person, natural or juridical which provides financial products or services that are under the jurisdiction of the Bangko Sentral ng Pilipinas. For purposes of these Rules, the term “Financial Service Provider” shall be used synonymously or interchangeably with “BSFI.”
- g. **Market Conduct** - refers to the manner by which a financial service provider designs and delivers its financial products and services and manages its relationships with its clients and the public.
- h. **Marketing** - refers to the act of communicating, offering, promoting, advertising, or delivering of financial products and services by BSFIs.
- i. **Responsible Pricing** - refers to the pricing, terms, and conditions of financial products and/or services that are set in a way that are both affordable to clients and sustainable for financial institutions by taking into account, among others, client needs and the pricing schemes of competitors.
- j. **Reasonableness** - whether or not a particular fee is reasonable will depend on context and circumstances, but in general, a fee is reasonable if it is based on a reasonable estimate of the costs incurred by the BSFI as a direct result of the activity for which the fee is imposed.²
- k. **Cooling-off** – a policy or agreement that allows a client to consider the costs and risks of a financial product or service, free from the pressure of the sales team of the financial service provider and cancel the agreement without penalty of any kind upon his or her written, electronic or other form of valid notice to the BSFI during the given period.

¹ RA No. 8484, otherwise known as *The Access Devices Regulation Act of 1998*.

² Smart Campaign, *Model Law and Commentary for Financial Consumer Protection*, 2015, p. 32

- l. **Prepayment** - an agreement where a borrower may, at any time prior to the agreed maturity date, prepay a loan or other credit transactions in whole or in part.
- m. **Statement of Account or Billing Statement** refers to the periodic statement provided to the accountholder, which contains a listing of the transactions, purchases, payments and other debits or credits made to the deposit or loan account, and the balance within the billing cycle or prescribed period.

RULE III BSP CONSUMER REDRESS

Section 1. Consumer Redress or Complaints Handling Mechanism – The BSP shall provide efficient and effective consumer redress or complaints-handling mechanism which may include BSP Consumer Assistance Mechanism (CAM), mediation, conciliation or other modes of alternative dispute resolution to address conflict/dissatisfaction from financial consumers arising from financial products or services. The financial consumer may avail of the mechanism prior to adjudication.

Section 2. Adjudication - The BSP shall have the authority to adjudicate all actions arising from or in connection with financial transactions that are purely civil in nature, and the claim or relief prayed for by the financial consumer is solely for payment or reimbursement of sum of money not exceeding the amount of ten million pesos (P10,000,000.00). The decision of the BSP in the adjudication shall be final and executory and may not be restrained or set aside by the court except on petition for certiorari on the ground of grave abuse of discretion or lack or excess of jurisdiction of the BSP. The petition for *certiorari* may only be filed within ten (10) days from receipt by the aggrieved party of the decision; *Provided*, that in the case of BSP, the aggrieved party may file the petition with the Court of Appeals. The adjudicatory power shall be exercised by the Head of the concerned financial regulator or a duly authorized officer or body, *Provided*, that in case of BSP, the decision of the authorized officer or body is not appealable to the Monetary Board.

Section 3. Other Powers - The BSP may order the payment or reimbursement of money which is subject of the action filed before it. In the exercise of its adjudicatory powers, the BSP shall have the power to issue *subpoena duces tecum* and summon witnesses to appear in their proceedings and when appropriate, order the examination, search and seizure of all documents, and books of accounts of any entity or person under investigation as may be necessary for the proper disposition of the cases before them. Further, the BSP shall have the authority to punish for contempt, both direct and indirect, in accordance with the pertinent provisions of and penalties prescribed by the Rules of Court.

RULE IV MARKET CONDUCT

Section 1. Market Conduct Framework – The BSP shall develop and implement a Market Conduct Supervisory Framework that focuses resources to market conduct and consumer protection supervisory work. The Framework incorporates a risk-based approach to accurately identify priority areas, optimize the use of regulatory resources and feed information gained, back to the regulatory process through proposal for improvements in market conduct and consumer protection regulations as well as into the broader regulatory framework for market conduct supervision. It takes advantage of the existing strengths of the existing framework while implementing workable general standards.

Section 2. Market Conduct Surveillance and Examination – Consistent with its risk-based supervision policy, the BSP may conduct surveillance and examination, on-site or off-site, of its supervised, to ascertain that the provisions of this Act are complied with. The examination for financial consumer protection compliance may be conducted separately from examination of prudential regulations compliance. The provisions on the conduct of examination and surveillance provided in RA No. 11211, and pertinent special laws shall be made applicable in the financial institutions' examination and surveillance under this Act.

Section 2.a Market Conduct Examination

The BSP department heads and the examiners shall be authorized to administer oaths to any director, officer, or employee of the supervised financial service providers subject to the examination of their market conduct and compliance with this Act, and to compel the presentation of all books, documents, papers, or records in any form necessary in their judgment to ascertain the compliance of BSFIs to this Act.

The BSFIs shall afford the BSP full opportunity to examine its records and review its systems and procedures at any time during business hours when requested to do so.

Examinations shall refer to the investigation, assessment and monitoring of a BSFI to determine compliance with the FCP Act.

The conduct of examination shall include, but need not be limited to, visits to the BSFI's Head Office and/or branches, the interview of any of the BSFI's directors/trustees, officers and personnel; walkthrough of relevant areas of operations; validation of results of surveillance activities; and the verification, review, and evaluation of documents and records.

The scope of examination may include, but is not limited to the following:

- a. assessment of the BSFI's overall compliance with the provisions of this Act and other applicable laws as well as rules and regulations issued by the BSP.
- b. obtaining information about the BSFI's policies, procedures, and activities and compliance program/system to assess the effectiveness of the BSFI's consumer protection risk management system; and
- c. assessment of the risks to consumers and markets of consumer financial products and services.

Section 2.b. Market Surveillance and Monitoring

Market surveillance is a supervisory activity that refers to the collection and analysis of information from varied sources to inform the assessment of risks to consumers and the market of financial products/services and practices of BSFIs. The BSP shall have the authority to require its supervised financial institutions and their third-party agents/service providers to submit reports or documents, as needed.

For purposes of market monitoring, the BSP may obtain relevant data about financial products, services and markets from other government agencies, which shall be duty bound to furnish the same.

Market monitoring may include analyzing complaints data or statistics, scanning or data gathering to identify market conduct risks, industry consultations, social listening or media monitoring for relevant news on market conduct practices and consumer sentiments.

RULE V

DUTIES AND RESPONSIBILITIES OF BSP-SUPERVISED FINANCIAL INSTITUTIONS

Section. 1. Consumer Protection Risk Management System (CPRMS). A BSFI should have a Consumer Protection Risk Management System (CPRMS) that is integrated into the BSFI's enterprise-wide risk management processes and risk governance framework. The CPRMS includes the governance structure, policies, processes, measurement and control procedures to ensure that consumer protection risks are identified, measured, monitored, and mitigated. A carefully devised, implemented, and monitored CPRMS provides the foundation for ensuring the BSFI's adherence to Consumer Protection Standards of Conduct³ and compliance with consumer protection laws, rules and regulations, thereby, ensuring that identified risks to the BSFI and associated risk of financial harm or loss to consumers are properly managed.

The CPRMS and Financial Consumer Protection Assistance Mechanism (FCPAM) should ensure systematic application of policies and procedures, including the Consumer Protection Standards of Conduct (Standards). The Standards reflect the core principles, which BSFIs must observe at all times in their dealings with financial consumers: *Provided, further,* That these Standards should be embedded into the corporate culture of the BSFI, enhancing further its defined governance framework while addressing conflicts that are inimical to the interests of the financial consumer.

The Consumer Protection Standards of Conduct are specific parameters of consumer protection used to gauge the efficiency of a BSFI's consumer protection framework and complaints' handling mechanism, modelled after international best practices.⁴

Section 2. Board and Senior Management Oversight —The Board of Directors and the members of senior management of BSFIs shall provide the means by which they shall identify, measure, monitor, and mitigate consumer and market conduct risks inherent in their operations, and comply with consumer protection standards and all other applicable laws, rules and regulations.

A. Responsibilities of the Board of Directors (Board). The Board⁵ shall be primarily responsible for approving and overseeing the implementation of the BSFI's CPRMS. The Board's responsibilities shall include the following:

1. Approve the CPRMS and FCPAM that takes into consideration the BSFI's business model, market, product lines, and relationships with third parties that may give rise to risks to consumers;
2. Promote a culture of ethical behavior and ensure adherence to the consumer protection standards of conduct and all relevant laws and regulations;

³ The BSP Consumer Protection Standards of Conduct are the core principles which BSFIs must adhere to at all times in dealing with financial consumers, which should be embedded in the BSFIs' conduct and culture. These standards of conduct are:

1. Disclosure and Transparency
2. Protection of Client Information
3. Fair Treatment
4. Efficient Recourse
5. Protection of Consumer Assets against Fraud and Misuse

⁴ Based on the "7 Client Protection Principles" under the Smart Campaign Model Law and World Bank's "Good Practices" for consumer protection

⁵ If there is no Board of Directors, the equivalent Senior Management body or person (if a single individual) is required to discharge these requirements.

3. Ensure that adequate information and actions taken are reported to the Board on a regular basis in terms of the measurement of consumer protection related risks, reports from the FCPAM, compliance with consumer protection standards and requirements as well as other material consumer related developments that will impact the BSFI's consumers. The Board shall put in place an effective system where reporting lines are established to promptly detect, analyze, and respond to customer concerns and serious infractions;
4. Ensure the adequate provision of resources and effective implementation of training and competency requirements for officers and personnel, authorized representatives or any other party acting on behalf of the BSFI;
5. Approve remuneration and compensation packages structured to encourage responsible business conduct, fair treatment and avoidance/mitigation of conflicts of interest; and
6. Review periodically the implementation and effectiveness of the CPRMS including how findings are reported and whether the audit mechanisms are in place to enable adequate oversight and put in place a regular mechanism to review the relevance of the CPRMS in case of changes in the BSFI business model and/or operating environment.

B. Responsibilities of Senior Management. The Senior Management shall be responsible for ensuring that the practices of the BSFIs are aligned with the approved consumer protection policies and risk management system and consistently displayed throughout the BSFI's place of business particularly across all business units that deal directly with consumers. In this regard, the Senior Management shall:

1. Ensure that approved CPRMS and FCPAM policies and procedures are clearly documented, properly understood and appropriately implemented across all levels and business units.
2. Establish an effective monitoring and management information system to regularly measure, aggregate, and analyze consumer related issues to determine the level of consumer risks. An appropriate and clear reporting and escalation mechanism should also be integrated in the risk governance framework from any area of the BSFI to Senior Management and/ or from Senior Management to the Board. The management information system should be able to:
 - a. Provide adequate information on the performance and quality of the BSFI's FCPAM and other internal processes that can provide relevant information that allows for identification of emerging consumer issues and root cause analysis;
 - b. Determine the level of consumer protection risk exposure through assessment of its implementation of the Consumer Protection Standards of Conduct (*i.e.* transparency and disclosure, protection of client information, fair treatment, effective recourse and protection of consumer assets against fraud and misuse);
 - c. Identify and monitor, in a timely manner, consumer risks that may result in financial loss of financial consumers, legal and reputational risk, as well as other related risks or consumer detriment.
 - d. Identify and assess emerging or increasing consumer risks that affect the BSFI's consumers such as, through social media monitoring and market monitoring.

3. Ensure that adequate systems and controls are in place to promptly identify issues that affect the consumer across all phases of the relationship with the consumer;
4. Ascertain that weaknesses in the consumer protection practices or consumer protection emerging risks are addressed and corrective actions are taken in a timely manner; and
5. Make available a wide range of accessible channels in which consumers can conveniently lodge their complaints, inquiries and requests with the BSFI. Channels may include social media platforms, e-mail, live chat and text/SMS to promote consumer trust. A consumer must also be able to submit a complaint by using any other channel through which they ordinarily communicate with the BSFI.
6. Ensure observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit.

Section 3. Appropriate product design and delivery – BSFIs are expected to exercise control over the features of their products to ensure that financial products adequately align with the consumer's needs, goals and financial capabilities. BSFIs shall gather consumer insights and/ or analytics information on consumer behavior, characteristics and constraints to properly identify a target market and design their products accordingly, with attention to the needs of vulnerable segments.

Product design and delivery requirements shall apply proactively at a target market level, taking into account the complexity and risk of any product. BSFIs shall put in place internal product oversight and governance arrangements designed to ensure that financial products meet the needs of consumers in target markets or market segments. Internal measures such as clearly articulated roles and responsibilities for product design and distribution and requirements for senior management and all relevant functional areas involved in the decision-making process must be set in place.⁶

Governance of financial products (product governance) refers to the systems, procedures and controls in place to design, approve, distribute and assess financial products. Good product governance should result in the sale of financial products that take the needs, interests, objectives and characteristics of consumers into account and that are distributed through appropriate channels.⁷

Following any product launch, the issuer/manufacturer (in consultation with third-party distributors and other key stakeholders) may be required to review the product and related disclosure materials periodically.⁸

Digital products and services. As the financial industry continues to evolve with new products and services, as well as sophisticated technology platforms and delivery channels, BSFIs are expected to exercise control over the features of their digital products and services. BSFIs must not take advantage of client inexperience and inability. Product development should be based on clients' behavioral insights and consider the needs of vulnerable segments.⁹

⁶ World Bank Discussion Note, *Product Design and Distribution: Emerging Regulatory Approaches for retail Banking*, August 2019.

⁷ FinCoNet, *Financial Product Governance Culture*, July 2021

⁸ AFI, *CP4DFS: A Survey of the Policy Landscape*, 2021.

⁹ *Ibid.*

1. ***Cooling-off period*** – BSFIs are mandated to implement a clear cooling-off policy with regard to appropriate financial products regulated by the BSP. Such policy should, among others, allow a client to undertake due diligence by evaluating the costs and risks of a financial product or service and cancel or rescind the contract or agreement within a specified period of time, after an offer has been accepted.

BSFIs shall provide the consumer with a cooling off period subject to the following conditions:

- The “cooling-off” period shall be for a reasonable number of days, or minimum of at least three (3) banking days, immediately following the execution of any agreement or contract
- The terms and conditions should include information on cooling-off. Fees for products with automatic right of *cooling-off* must be appropriately determined, discussed and explained to consumers, BSFIs must provide notice and/or adequately explain to the client the right of rescission in all contracts, including the period within which to exercise it and the documentary requirements, if any, and the fees or advances that may be returned.
- During the cooling-off period, consumers may be permitted to cancel the agreement without penalty of any kind upon his or her written notice to the BSFI and will be entitled to the refund of any money paid under such agreement.¹⁰ The BSFI may however collect or recover reasonable amount of processing fees on a cost-basis only. BSFIs are prohibited from engaging in practices that unreasonably burden the financial consumer in the exercise of the right of cancellation during the cooling-off period.

Conditions and fees for products with automatic right of cooling off must be appropriately determined, discussed and explained to consumers.

2. ***Prepayment of loans and other credit accommodations*** –a borrower may, at any time prior to the agreed maturity date, prepay a loan or other credit transactions in whole or in part, the unpaid balance of the loan and other credit accommodation; *Provided* that costs or fees charged to the borrower for such pre-payment, if any, shall be disclosed to ensure transparency, disclosure, and responsible pricing as required under this Section and subject to such reasonable terms and conditions as may be agreed upon between the BSFI and its borrower.

BSFIs shall charge only the reasonable administrative costs of the early payment. For fixed rate loans, a lender may charge some portion of the difference between the annual percentage sale payable under the contract and the market rate for contracts of that type.

3. ***Disclosure and Transparency***

Under this consumer protection standard, BSFIs must ensure that their consumers have a reasonable holistic understanding of the products and services which they may be acquiring or availing. In this context, full disclosure and utmost transparency, to the extent allowed under applicable laws and regulations, are the critical elements that empower the consumer to make comparisons and informed financial decisions. This is made possible by providing the consumer with ready access to information that

¹⁰ Smart Campaign, *Model Law and Commentary for Financial Consumer Protection*, 2015.

accurately represents the nature and structure of the product or service, its terms and conditions, as well as its fundamental benefits and risks.

The standards for disclosure and transparency shall be applicable even to products and services offered electronically as well as to products catering to different market segments with particular consideration for segments that may have limited financial literacy.

The BSFI demonstrates adherence to appropriate and adequate disclosure and transparency when:

- a. The manner of disclosure, whether in advertising materials, terms and conditions, and other forms of communication, are clear, concise, accurate, understandable and not misleading.
- b. Sufficient product disclosure must be provided before the contracting of the product or service to give the client enough basis and time for review. At the pre-contractual stage, information on the type and amount of fees, charges and interests, as well as the standard terms and conditions, must be made available to the client through various kinds of communication channels, including all digital channels. Disclosure of information on financial products and services should be available to the public through printed materials, mass media, websites or digital platforms.

Information should be disclosed before, during and after a sale of a financial product or service and during key stages of the relationship with the consumer. The terms and conditions must clearly state whether interest, fees, charges, and penalties can change over time. Clients should also be notified of any changes or amendments to the terms and conditions of financial products and services at least sixty (60) days prior to implementation of such amendments by public notice. Complementary individual notices to a client shall also be sent if the amendments pertain to or will result to fees to be paid or charged on the account of the client. The method for computing said interest, fees, charges, and penalties shall be disclosed consistent with existing regulations.

Notifications in writing (or electronic form) and through other channels are provided to the consumer with regard to any of the key features and terms of the product, the nature and extent of the change and its potential impact on the consumer. This notification requirement also applies to similar changes to any condition/s specified in the contract. Nonetheless, this does not cover financial products that have been identified at the inception to be subject to floating interest rate all throughout their life cycle as long as its basis has not changed.

For digital products and services, the appropriateness of the communication channel should be considered. The particular channel should be able to provide timely communication to the client.¹¹

- c. Terms and Conditions contain all significant provisions of the financial product or service giving prominence to key features/facts. It includes the following with specific details relating to the type of product or service being offered:

¹¹ AFI, *CP4DFS: A Survey of the Policy Landscape*, 2021.

- (1) Information on risks, return, possible warnings, any waiver of rights and limitations of liabilities, consumer's rights and responsibilities, consequences of failure to meet obligations, rights and responsibilities of the BSFI, involvement of authorized agents, any conflict of interest by BSFI staff, cancellation and product portability, among others;
 - (2) The minimum required disclosures shall always be in writing or available by electronic means.¹² A BSFI shall require its client to sign or initial the written or electronic disclosure statement as affirmation of the client's receipt and understanding of the disclosure statement. A BSFI may opt to draft an individual or separate disclosure statement for its client or incorporate the same in the main transaction agreement/contract.¹³
 - (3) For more complex products, such as investment products, the key features as well as costs and risks shall be highlighted in a key facts statement or Product Highlight Sheet (PHS). The PHS shall enable comparison with other products and shall be provided at no additional cost. Before the consumer signs any contract, the BSFI should ensure that the customer has freely signed a statement to the effect that the consumer has duly received, read, and understood the PHS.
- d. Advertising materials are not false, misleading, or contain deceptive statements or omit key information that may materially and/or adversely affect the decision of the consumer to avail of a service or acquire a product. BSFIs are legally responsible for all statements made in the marketing and sales materials that they produce relative to their products or services.
- e. In their advertising materials, BSFIs shall disclose the contact information of their consumer assistance unit providing consumer assistance and handling financial consumer complaints. BSFIs shall also disclose that they are regulated and the advertising materials must identify the BSP as financial regulator.
- The terms and conditions, advertising materials and other communications must contain the following:
1. Contact and information of the BSFI's internal complaints handling unit or FCPAM; and
 2. Statement that the BSFI is a regulated entity and contact information of the regulator.
- f. Communication of the BSFI officers, staff, authorized agents or any other party acting on its behalf is conducted in such a manner that clients can understand the terms of the contract and their rights and obligations. Client segments that may have financial literacy limitations or subject to certain disabilities or infirmities preventing them from reading or understanding a proposed written contract should be given a clear verbal explanation of the terms and conditions, as well as its features, risks and costs, in a language they can understand.

¹² The World Bank, "Good Practices for Financial Consumer Protection, 2017.

¹³ This provision should be read in conjunction with existing regulations on product-specific minimum disclosures under Section 612 of the BSP Manual of Regulations for Banks (MORB) on *Sales and Marketing Guidelines for Financial Products* and Section 306 of the MORB on the requirements for *Truth in Lending Act (TILA)*.

- g. Adequate time is given to consumers to review, ask questions and receive information to fully understand the terms and conditions prior to signing the contract or executing the transaction. BSFI should ensure that documents signed by the consumer are completely filled out and have no blank terms. The consumer should be given a copy of each of the documents he/she signed (including, but not limited to the contract) with all terms and conditions. The consumer should also be provided with proof of the transaction, whether printed or in electronic copy at the option of the consumer, immediately after the transaction has been completed.
- h. Statements of Account or Billing Statements are provided regularly in a convenient manner to the consumer, or through the channel through which the product was sold, commensurate to the type of product and terms. The Statement must bear an official seal and/ or include the letterhead of the BSFI. In general, statements for transaction accounts, with regard to the period covered, and depending on the type of product, should include the following information:
 - a. the opening and closing balances and any repayment made in the period
 - b. all transactions in the period;
 - c. the merchant or counterpart of each transaction;
 - d. details of the interest rate applied to the account;
 - e. details of the fees, exchange rate and other charges incurred by the customer in each transaction; and
 - f. any changes applied to the interest rates or fees, if any.

The frequency with which statements are provided should be commensurate with the type of service and its term, in particular to allow customers to become aware of any unauthorized transactions. Upon culmination or termination of the contract or agreement, BSFIs are required to provide the consumer with a written or electronic notice, certification or other closing statement to the consumer or borrower, without need of demand.¹⁴

Responsible pricing. BSFIs must have internal policies and procedures for setting prices for their products and services that take into consideration, among others, the principle of responsible pricing. Pricing procedures must examine competitors' prices, the cost to provide the Financial Product or Service and affordability to clients and must require documentation of the reasons for setting the price of each financial product or service.

Instead of setting specific pricing limits, BSFIs should have, follow and document pricing procedures that will not, among others result in harm to consumers. Pricing procedures and documentation provides the rationale for why and how prices have been set.

Section 4. Fair treatment – BSFIs shall have the right to select their clients: *Provided*, that they shall not discriminate against clients on the basis of race, age, financial capacity, ethnicity, origin, gender, disability, health condition, sexual orientation, religious affiliation, or political affiliation: *Provided further*, That BSFIs may provide distinction, as necessary, when making a risk assessment on a specific financial product or service.

This principle ensures that financial consumers are treated fairly, honestly, and professionally at all stages of its relationship with the BSFI. BSFIs shall adopt mechanisms

¹⁴ The World Bank, *Good Practices for Financial Consumer Protection*, 2017.

to safeguard the interest of their consumers which shall include rules regarding ethical staff behavior, acceptable selling practices, fair and equitable terms and conditions, provision of products and services appropriate to the capacity and risk appetite of the consumers, among others, and incorporate the same in their policies and procedures, control functions and agreements with outsourced third parties.

The BSFI demonstrates the principle of fair treatment towards financial consumers if the policies and practices observe the following:

1. Terms and conditions are not unfair in that there is significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer.

Except where expressly permitted by law, in any agreement with a consumer, a term should be deemed to be unfair if it exempts or absolves a financial service provider from acting with skill, care, diligence, or professionalism toward the consumer in connection with the provision of any product or service and/or any liability for failing to do so. Ambiguities in contractual terms and conditions should be construed in favor of the consumer.¹⁵

2. BSFIs are prohibited from employing abusive collection or debt recovery practices against their financial consumers. BSFIs or their collection agencies, counsels and other authorized third-party agents may resort to all reasonable and legally permissible means to collect amounts due them. However, in doing so, they must observe good faith and reasonable conduct and refrain from engaging in unscrupulous or untoward acts.¹⁶

3. ***Product Affordability and Suitability Assessments.*** BSFIs shall have in place adequate product suitability and affordability mechanisms whereby products and services are, among others, offered with skill, due care and diligence and shall consider the consumers' financial situation, needs, capabilities and overall risk profile.

When making a recommendation to a consumer:

(a) BSFIs that will conduct suitability assessment should inform clients clearly and simply about the suitability assessment and its purpose. This should include a clear explanation that it is the BSFI's responsibility to conduct the assessment under relevant regulations so that clients understand the reason why they are asked to provide certain information. BSFIs should encourage clients to provide accurate and sufficient information about their knowledge, experience, financial situation, financial capability (including their ability to bear losses), and investment objectives (including their risk tolerance).

(b) BSFIs should offer products or services that are in line with the needs/risk profile of the consumer. The BSFI should provide for and allow the customer to choose from a range of available products and services that can meet his/her needs and requirements. Sufficient and right information on the product or service should enable the customer to select the most suitable and affordable product or service.

¹⁵ The World Bank, *Good Practices for Financial Consumer Protection*, 2017.

¹⁶ This provision should be read in conjunction with existing regulations on debt recovery or collection practices such as Sections 301¹⁶ and 312¹⁶ of the MORB and Sections 431IS, 4301N and 4312N of the MORNBF.

(c) BSFIs should inform or advise their customers that if they do not provide sufficient information regarding their financial knowledge and experience, the BSFI is not in a position to accurately determine whether the product or service is appropriate to them, given the limited information available. This information or warning may be provided in a standardized format. If the requested products are of higher risk rating than a consumer's risk tolerance assessment results, the BSFI should draw the consumer's attention to the risk mismatch and provide a disclosure of consequences, either in digital or written format, for acceptance by the client.

Product bundling. Product bundling should also take into consideration the product suitability and should not unduly limit consumer choice.

When consumers are required to purchase a product such as a checking account or an insurance policy as a precondition for receiving a loan, they should ideally be free to choose the provider of the secondary product, subject to reasonable standards set by the BSFI which shall be made available to the consumer.

Information regarding the bundled product and the right of choice should be made known to borrowers during the shopping and pre-contractual phases, and the BSFI should not sway or pressure consumers toward a particular financial service provider on the basis of its own commercial agreement with that provider. When a choice among different providers for the secondary product is unavailable, the BSFI should not be prohibited from tying products, but all key features, as well as the identity of the provider of the bundled product, should be disclosed.¹⁷

BSFIs should consider offering product bundles with market-based pricing. BSFIs must focus on accelerating their digitization strategies to better understand customer preferences and behavior and offer personalized, relevant, flexible and intuitive bundled offers.

4. The BSFI staff and authorized third-party representatives treat consumers with professional competence and in a manner that is fair and reasonable.

The BSFI shall:

- a. Establish a Code of Conduct applicable to all BSFI staff and authorized agents, setting forth the organizational values and standards of professional conduct that uphold protection of consumers appropriate to its structure, operations, and risk profile. The Code should be reviewed and approved by the Board. The Board shall define the BSFI's corporate culture and values. It shall establish a code of conduct and ethical standards and shall institutionalize a system that will allow reporting of concerns or violations to an appropriate body.¹⁸
- b. Align its recruitment and training policies around professional, fair and responsible treatment of clients, compliance with consumer protection requirements and mitigation of consumer risks for instance:

- (1) BSFI staff and third party- agents or representatives acting

¹⁷ The World Bank, *Good Practices for Financial Consumer Protection*, 2017.

¹⁸ Section 143 of the Manual of Regulations for Banks, 2020.

on a BSFI's behalf receive adequate training suitable for the complexity of the financial products or services they sell to ensure understanding of their key features, risks, terms and costs, relevant consumer protection standards and requirements, including statutory and regulatory requirements and related internal policies and procedures that might impact their consumers, including those pertaining to consumer risks arising from cybersecurity and/or digital financial products and services.

- (2) BSFI staff, as well as authorized third-party agents or representatives, contracted for sales and marketing purposes, do not use deceptive or high pressure/aggressive sales techniques and should not force clients to sign contracts or rush into a financial deal without the benefit of shopping around.
 - (3) BSFI staff involved in collections, as well as authorized third party agents or representatives contracted for the purpose, receive training in acceptable debt collection practices and loan recovery procedures consistent with existing relevant regulations.
 - (4) BSFI staff do not employ practices that discriminate or take advantage of difficulties faced by, vulnerable groups such as the low-income earners, and persons with disability.
 - (5) Establish policies and procedures that aim to protect consumers' deposits and other assets against internal or external fraud or misuse and
 - (6) Have mechanisms in place to manage and resolve actual conflicts of interest with respect to compensation policies that arise in the interaction between their staff and agents and their consumers and potential consumers.
5. Ensure that the remuneration structure for staff of BSFI and authorized agents is in a manner that encourages responsible business conduct, fair treatment and avoidance/mitigation of conflicts of interest.

BSFIs shall have mechanisms in place to manage and resolve actual conflicts of interest with respect to compensation or remuneration policies that arise in the interaction between their staff and agents and their consumers and potential consumers. This is demonstrated when the staff or authorized agent:

- a. Discloses properly to the consumer prior to the execution of the transaction that the BSFI or its staff has an interest in a direct/ cross transaction with a consumer.
- b. Discloses the limited availability of products to consumers when the BSFI only recommends products which are issued by their related companies, particularly when commissions or rebates are the primary basis for recommending the particular product to consumers.

- c. Discloses the basis on which the BSFI is remunerated at the pre-contractual stage.
 - d. Ensures that adequate systems and controls are in place to promptly identify issues and matters that may be detrimental to a customer's interest (e.g., cases in which advice may have been given merely to meet sales targets, or may be driven by financial or other incentives).
 - e. Develops and adopts a risk-focused screening process for its pre-employment background screening based on factors like the position, responsibilities associated with such position and reputational or consumer risk implication/s.
- (1) Includes ethical behavior, professional conduct, and quality of interaction with consumers as part of staff performance evaluations.
 - (2) Performs appropriate due diligence before selecting the authorized agents/outsourced parties taking into account the agents' integrity, professionalism, financial soundness, operational capability and capacity, and compatibility with the BSFI's corporate culture and implement controls to monitor the agents' performance on a continuous basis.

Liability of a BSFI on the acts or omissions of its authorized representatives

The BSFI shall be responsible for the acts or omissions of its directors, trustees, officers, employees, or agents, in marketing and transacting with financial consumers for its financial products or services. The BSFI shall be solidarily liable with the accredited third-party service providers for their acts or omissions in marketing and transacting, which may include, but not limited to debt collection, with financial consumers for its financial products and services.

Section 5. Privacy and protection of client data - BSFIs must ensure that they have well-articulated information security guidelines, well-defined protocols, and a secured storage of information. Procedures in handling the personal information of the financial consumers should be periodically evaluated. This should be an end to end process that should cover, among others, the array of information that will be pre-identified and collected, the purpose and manner of gathering each information, and the Information Technology (IT)-security infrastructure of the BSFIs. Protocols for disclosure, both within the BSFI and to third parties, in accordance with the RA 10173 or the Data Privacy Act of 2012, its Implementing Rules and Regulations, and other applicable rules and regulations on data privacy shall be strictly observed and implemented.

Protection of Client Information.¹⁹ Under this consumer protection standard, financial consumers have the right to expect that their financial transactions, as well as relevant personal information disclosed in the course of a transaction, are kept confidential and are secured.

The BSFI demonstrates the ability to protect client information when it is able to:

- a. Have a privacy policy to safeguard its consumer's personal information. This policy should govern the collecting, processing, use, distribution, storage, and eventual disposal of client information and the identification of levels of

¹⁹ This Section should be read in conjunction with existing regulations on IT Risk Management System and laws and regulations on data privacy.

permissible access to consumer's data for employees. BSFIs should ensure that privacy policies and sanctions for violations are implemented and strictly enforced.

- b. Ensure that privacy policies, are regularly observed and communicated throughout the organization.
- c. Have appropriate systems or risk mitigation measures in place to protect the confidentiality and security of the personal data of its consumers against any threat or hazard to the security or integrity of the information and against unauthorized access. This includes a written information security plan that describes its program to protect consumer personal information. The plan must be appropriate to its size and complexity, nature and scope of its activities, and the sensitivity of consumer information it handles. These security measures should be regularly tested, monitored and updated by BSFIs.
- d. Adopt and implement information security standards to ensure the safety and protection of the confidentiality, integrity, availability, authenticity and non-repudiation of the client's information and financial transactions and to ensure the data privacy of their clients. End to end security (i.e. encryption) between clients and the internal system of the BSFI should be implemented. The BSP shall prescribe the minimum information security standards for compliance by all financial service providers. This includes network and software design, as well as information processing, database storage, transmission, retrieval, and disposal. Security must be maintained throughout the life-cycle of consumer information, from data entry to disposal, and provide clear policies and procedures on data breaches including mechanisms to compensate consumers.
- e. Subject to the provisions of existing laws and regulations on data privacy, communicate to its consumers through its platform how it will use and share the consumer's personal information. Consumers shall be given an opportunity to retract or cancel its consent for purposes other than those that are governed by existing laws, rules and regulations, such as marketing and promotional purposes.
- f. Give consumers opportunity to exercise all their rights as data subjects, such as the right to access their information, right to challenge the accuracy and completeness of the information, right to amend or information as appropriate, right to request for deletion or blocking, right to file a complaint and the right to data portability. Clients have the right to review their data to ensure that inaccurate or deficient data is corrected or amended, refuse the sharing of their information to a third party and request the removal of their data from the BSFI's system if they no longer wish to use the BSFI's services.
- g. Notify consumers when privacy breaches occur that may leave their data vulnerable and to suggest means for consumers to respond to such breaches. BSFIs must ensure that when data is shared across providers, they transfer the data securely and use the data in a manner consistent with their privacy policy and these Rules.

BSFIs must provide clear policies and procedures on data breaches including mechanisms to compensate consumers and compliance with the reportorial requirements of the regulatory bodies including incident reporting on cybersecurity, and to the National Privacy Commission.

- h. Provide consumers information on how they may request to be deleted from the BSFI's database, or to be excluded from receiving advertisements and other notifications.²⁰

Section 6. Financial consumer protection assistance mechanism – Each BSFI must establish a single consumer assistance mechanism or Financial Consumer Protection Assistance Mechanism (FCPAM) for free, commensurate to the size, structure, nature of products, services, and complexity of operations. This shall include handling of complaints, inquiries and requests. Financial consumers who are unsatisfied with the BSFI's handling of their complaints, inquiries and requests, may elevate their concerns to the BSP.

Effective Recourse. Under this consumer protection standard, financial consumers should be provided with accessible, affordable, independent, fair, accountable, timely, and efficient means for resolving complaints with their financial transactions. BSFIs should have in place mechanisms for complaint handling and redress and may employ various modalities or technological innovations for complaints handling. A BSFI shall:

- a. Establish an effective internal complaints handling unit designed to receive, record, evaluate, resolve, monitor and report consumer complaints, concerns, inquiries or requests to be implemented by a designated officer, unit, group or department commensurate to the size, structure, nature of products and services, and complexity of operations, ensuring that there is no conflict of interest.
- b. Establish, maintain and implement formalized, written internal policies and processes, procedures and practices for a reasonable and prompt handling of consumer concerns.
- c. Make available multiple channels for lodging complaints inquiries and requests; taking into consideration the consumer needs to be served. and put in place a dedicated helpdesk or hotline for the said purpose. Channels shall be functional, accessible and efficient. The complaints handling service should be free of charge to consumers and enable a complaint to be submitted via oral, written or digital formats.²¹

A simple and easy-to-use guide to the procedures should be made available to consumers, either on request or when they want to make a complaint.²² The procedures should be accessible and be made available to clients via website, social media, marketing materials in printed or digital form.

- d. A range of communication tools or platforms should be made available for submitting consumer complaints. The tools or platforms should be adapted to consumer needs (i.e. level of literacy, accessibility) and local specifications (i.e. language or dialect). Channels used to submit complaints can include telephone, fax, email, complaint/suggestion boxes, web presence, mobile phone apps, and in person. To the extent possible and employing a proportionate approach, BSFIs should make available a toll-free number, free-response SMS texting or free data for

²⁰ Additional provisions and revisions also based on the *CP Guidelines for Fintech Stakeholders*, 2021.

²¹ World Bank, Technical Note, *Complaints-handling with Financial Service Providers: Principles, Practices and Regulatory Approaches*, June 2019.

²² ASIC, "Documenting IDR Procedures" (RG 165.126-129), Licensing: Internal and External Dispute Resolution, May 2018.

apps to encourage access. A dedicated 24/7 customer-care telephone line, especially for fraud-related concerns should be put in place.

- e. Maintain a management information system for the complaints from consumers that allows for consolidation, comparison and analysis on a regular basis including investigating whether complaints indicate an isolated issue or a more widespread issue for consumers. This analysis and reports of consumer complaints must have clear reporting and escalation structure within the BSFI's risk governance framework. The complaints reports shall be submitted to BSP in accordance with the existing regulations.
- f. Obtain the consumers' written consent, unless in situations allowed as an exception by law; before sharing consumers' personal information with third parties such as credit bureau, collection agencies, marketing and promotional partners, financial technologies that use a varied range of consumer data and other relevant external parties. Consumers shall be given an opportunity to retract or cancel its consent for purposes other than those that are governed by existing laws, rules and regulations.

Protection of consumer assets against fraud and misuse. BSFIs must provide clear information on the actions taken or to be taken on a complaint, inquiry or request from a financial consumer involving fraudulent or unauthorized transactions.

In the case of alleged disputed amount or unauthorized transactions, while an investigation is on-going and/or pending the result of its final investigation report, a BSFI shall suspend the imposition of interest, fees or charges, or provide reasonable accommodations to the financial consumer such as provisional credit of the disputed amount or temporary hold of the disputed amount within a given period as determined by the BSFI.

The reporting of the dispute involving fraudulent or unauthorized transactions shall be made by the consumer within a reasonable time as agreed between the account holder and the BSFI concerned. Disputes shall be filed with the Originating Financial Institution (OFI). Disputed funds, if still intact, will be temporarily held in compliance with bank policies. Upon receipt of complete supporting documents/ requirements, the Receiving Financial Institution (RFI) may hold the disputed amount until the conclusion of the investigation and also perform necessary actions, such as account blocking or freezing of funds to protect the consumer's interest and/or asset/s.

If after investigation, the BSFI determines that no error occurred on their system, the BSFI must inform the client no later than three (3) banking days of the result of their investigation, including a notification of debiting the provisionally credited amount.²³

If after the investigation, the disputed transaction is found to be an unauthorized or fraudulent transaction, said transaction shall be immediately corrected or reversed by the BSFI.

For unauthorized transactions on credit card or loan accounts, the credit card issuer may opt to waive imposition of interests or fees on the disputed amount,

²³ US Electronic Funds Transfer Act (EFTA), Regulation E, p. 15.

Fraud-related concerns should be given utmost priority and treated with urgency.

RULE VI ENFORCEMENT AND ADMINISTRATIVE SANCTIONS

Section 1. *Enforcement* -the BSP shall have the authority to impose enforcement actions on BSFIs for non-compliance with the FCPA and its implementing rules and regulations (IRR).

In addition to the enforcement actions under Sec. 002/4009Q, the BSP may also exercise the following powers:

- a. *Restriction on the ability of the supervised financial service provider to continue to collect excessive or unreasonable interests, fees or charges***, including all other interests, fees and charges covered under Republic Act No. 10870, otherwise known as the "Philippine Credit Card Industry Regulation Law;"
- b. *Disqualification and/or suspension of directors, trustees, officers or employees*** of the BSFI responsible for violations of the provisions of this Act, its implementing regulations, or orders of the BSP;
- c. *Imposition of fines, suspension, or penalties for any non-compliance with or breach of the FCPA***, its IRR, or orders of the BSP;
- d. *Issuance of a Cease and Desist Order*** to the BSFI without the necessity of a prior hearing if in BSP's judgment, the act or practice, unless restrained, amounts to fraud or a violation the provisions of the FCPA and its IRR or may unjustly cause grave or irreparable injury or prejudice to financial consumers. The BSFI shall be afforded an opportunity to defend its act or practice in a summary hearing before the financial regulator or its designated body, upon request made by the BSFI within five (5) calendar days from its receipt of the order. If no such hearing is requested within said period, the order shall be final. If a hearing is requested by the BSFI, the proceedings shall be conducted summarily without adhering to the technical rules of evidence, and all issues shall be determined primarily on the basis of records, after which the financial regulator may either reconsider or finalize and execute its order;
- e. *Suspension of operation of any BSFI in relation to a particular financial product or service*** when in the BSP's judgment based on findings, the BSFI is operating in violation of the provisions of the FCPA and its IRR;
- f. *Disgorgement***. In any proceeding in which the BSP may impose a penalty for non-compliance with or breach of the FCPA and its IRR and other existing laws under its jurisdiction, the BSP, in addition to the imposed fine, may enter an order requiring accounting and disgorgement of profits obtained, or losses avoided, as a result of a violation of this Act and other existing laws, including reasonable interest. The BSP is authorized to adopt rules, regulations, and orders concerning the creation and operation of a disgorgement fund, payments to financial consumers, rate of interest, period of accrual, and such other matters as it deems appropriate to implement this provision.

Section 2. Administrative Sanctions – Without prejudice to the enforcement actions prescribed under Section 6 (d) of the FCPA and the criminal sanctions provided under Section 15 of the FCPA, the administrative sanctions under RA No. 7653, as amended by RA No. 11211 shall be made applicable to the BSFI, its directors, trustees, officers, employees or agents for violation of the FCPA or any related rules, regulations, orders or instructions of the BSP.

Provided, further, that in case profit is gained or loss is avoided as a result of the violation of the FCPA, a fine not more than three (3) times the profit gained or loss avoided may also be imposed by the financial regulator: *Provided, finally,* that in addition to the administrative sanctions that may be imposed, the authority of the financial service provider to operate in relation to a particular financial product or service may be suspended or cancelled by the BSP.

RULE VII OTHER PROVISIONS

Section 1. No waiver of rights – No provision of a contract for a financial product or service shall be lawful or enforceable if such provision waives or otherwise deprives a client of a legal right to sue the BSFI, receive information, have their complaints addressed and resolved, or have their non-public client data protected.

RULE VIII FINAL PROVISIONS

Section 1. Prescription – All actions or claims accruing under the provisions of this Act, and the rules and regulations issued pursuant thereto, shall prescribe after five (5) years from the time the financial consumer transaction was consummated, or after five (5) years from the discovery of deceit or non-disclosure of material facts, *Provided, that* such actions shall, in any event, prescribe after ten (10) years from the commission of such violation.

Section 2. Transitory Clause– BSFIs shall be given six (6) months from the effectivity of this Circular to: (1) perform a gap analysis of their current consumer protection practices vis-à-vis the provisions of this Circular and (2) propose an action plan duly approved by the Board of Directors to achieve full compliance within a reasonable period of time but in no case longer than one (1) year from the effectivity of this Circular.

Section 3. Separability Clause – If any provision of this Act is held unconstitutional or invalid, all other provisions not thereby affected shall remain valid.

Section 4. Repealing clause – Circular No. 1048 is hereby repealed. Considering such repeal, the following provisions of the MORB and MORNBFIs are renumbered and/or amended as follows:

Regulations	Part	Section	Subsection on	New Section	To be cited as:
MORB	Part X	Section 1001	Consumer Protection Risk Management System	Section 1005	Consumer Protection Risk Management System
			Consumer Protection Oversight	Section 1005	Board and Senior Management Oversight
		Section 1002	Policies and Procedures, Consumer Protection	Section 1005	Duties and Responsibilities of BSP-Supervised Financial Institutions

			Standards of Conduct		
			Disclosure and Transparency	Section 1005	Disclosure and Transparency
			Protection of Client Information	Section 1005	Privacy and Protection of Client Data
			Fair Treatment	Section 1005	Fair Treatment
			Effective Recourse	Section 1005	Financial Consumer Protection Assistance Mechanism
		Section 1003	Enforcement Actions	Section 1006	Enforcement and Administrative Sanctions
<i>MORNBFI</i> Q Regulations	Part X	Section 1001-Q	Consumer Protection Risk Management System	Section 1005-Q	Consumer Protection Risk Management System
			Consumer Protection Oversight	Section 1005-Q	Board and Senior Management Oversight
		Section 1002-Q	Policies and Procedures, Consumer Protection Standards of Conduct	Section 1005-Q	Duties and Responsibilities of BSP-Supervised Financial Institutions
			Disclosure and Transparency	Section 1005-Q	Disclosure and Transparency
			Protection of Client Information	Section 1005-Q	Privacy and Protection of Client Data
			Fair Treatment	Section 1005-Q	Fair Treatment
			Effective Recourse	Section 1005-Q	Financial Consumer Protection Assistance Mechanism
		Section 1003-Q	Enforcement Actions	Section 1006-Q	Enforcement and Administrative Sanctions
<i>MORNBFI</i> S Regulations	Part VII	Section 702-S	Policies and Procedures, Consumer Protection Standards of Conduct	Section 705-S	Duties and Responsibilities of BSP-Supervised Financial Institutions
		Section 703-S	Enforcement Actions	Section 706-S	Enforcement and Administrative Sanctions
<i>MORNBFI</i> N Regulations	Part VII	Section 702-N	Policies and Procedures, Consumer Protection Standards of Conduct	Section 705-N	Duties and Responsibilities of BSP-Supervised Financial Institutions
		Section 703-N	Enforcement Actions	Section 706-N	Enforcement and Administrative Sanctions

The following sections/subsections are hereby added to Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) Q, S, and N Regulations of the MORNBFI as follows:

Regulations	Part	Section	To be cited as
MORB	Part X	Section 1002	Definition of Terms
		Section 1003	BSP Consumer Redress
		Section 1004	Market Conduct
		Section 1007	Other Provisions
		Section 1008	Final Provisions
<i>MORNBFI - Q Regulations</i>	Part X	Section 1002-Q	Definition of Terms
		Section 1003-Q	BSP Consumer Redress
		Section 1004-Q	Market Conduct
		Section 1007-Q	Other Provisions
		Section 1008-Q	Final Provisions
<i>MORNBFI - S Regulations</i>	Part VII	Section 702-S	Definition of Terms
		Section 703-S	BSP Consumer Redress
		Section 704-S	Market Conduct
		Section 707-S	Other Provisions
		Section 708-S	Final Provisions
<i>MORNBFI - N Regulations</i>	Part VII	Section 702-N	Definition of Terms
		Section 703-N	BSP Consumer Redress
		Section 704-N	Market Conduct
		Section 707-N	Other Provisions
		Section 708-N	Final Provisions

Section 121-CC of the MORNBFI is hereby **amended** to read as follows:

“The Financial Consumer Protection Framework of the Bangko Sentral as stated under Part Ten of this Manual on Q-Regulations shall be adopted insofar as these are applicable to **CREDIT CARD** operations.”

The titles of the following sections are hereby **amended** to read as follows:

Regulations	Part	On the	To be cited as
MORB	Part X Section 1001	Financial Consumer Protection Framework	PRELIMINARY PROVISIONS
MORNBFI - Q Regulations	Part X	BANGKO SENTRAL REGULATIONS FOR FINANCIAL CONSUMER PROTECTION	BANGKO SENTRAL REGULATIONS ON FINANCIAL CONSUMER PROTECTION
	Part X Section 1001-Q	Financial Consumer Protection Framework	PRELIMINARY PROVISIONS
MORNBFI - S Regulations	Part VII	Financial Consumer Protection	PART SEVEN - BANGKO SENTRAL REGULATIONS ON FINANCIAL CONSUMER PROTECTION
	Section 701-S	Financial Consumer Protection Framework	PRELIMINARY PROVISIONS

MORNBFI - N Regulations	Part VII	Financial Consumer Protection	PART SEVEN - BANGKO SENTRAL REGULATIONS ON FINANCIAL CONSUMER PROTECTION
	Section 701-N	Financial Consumer Protection Framework	PRELIMINARY PROVISIONS
MORNBFI - P Regulations	Part VI Section 601-P	Bangko Sentral Regulation on Financial Consumer Protection	PRELIMINARY PROVISIONS
MORNBFI - C Regulations	Section 121-CC	BANGKO SENTRAL REGULATIONS OF FINANCIAL CONSUMER PROTECTIONS	BANGKO SENTRAL REGULATIONS ON FINANCIAL CONSUMER PROTECTION

Section 5. Effectivity clause – This Circular shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:

BENJAMIN E. DIOKNO
Governor

____ 2022