BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR I FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2024-_019_

To   :   **ALL BSP-SUPERVISED FINANCIAL INSTITUTIONS (BSFIs)**

Subject :   **Reminders on the Handling of Personally Identifiable Information (PII) and Other Sensitive Data**

As harnessing customer data drives competitive advantages and market opportunities, many institutions leverage innovative solutions and technologies to enable them to access, utilize, and transform data to gain deeper insights into the market needs, assess product suitability, and optimize customer service processes. However, improper and/or unauthorized access and handling of customer data, particularly involving financial information, may expose BSFIs to customer complaints and data privacy concerns.

Related thereto, the use of robotic process automation (RPA)[1] and other similar tools as an alternative data-sharing method raises some issues within the financial services industry. While these technologies have merits as an internal data collection automation tool, **the use of RPA and other data scraping[2] methods, specifically to collect Personally Identifiable Information (PII)[3] (i.e., log-in credentials) and use it in gaining access to financial account and/or facilitating financial transaction, is seen to pose significant risks that may undermine consumer trust in financial service providers and compromise the integrity of the financial system.**

In this regard, the BSP underscores the importance of responsible data handling in fostering innovation in the financial ecosystem. The proper handling and protection of PII and other sensitive data serve as cornerstones of customer privacy and represent critical components in the prevention of fraud, identity theft, and other financial crimes. Moreover, BSFIs, as personal information controllers (PICs) of their customers' data, are ultimately responsible for compliance with the Data Privacy Act of 2012 (DPA), including adherence to the data privacy principles of transparency, legitimate purpose, and proportionality. BSFIs must meet the

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[1] Robotic process automation (RPA), also known as software robotics, uses intelligent automation technologies to perform repetitive office tasks of human workers, such as extracting data, filling in forms, moving files and more. Source: https://www.ibm.com/topics/rpa

[2] Data scraping is a technique in which a computer program extracts data from human-readable output. Source: https://dictionary.cambridge.org/us/dictionary/english/data-scraping

[3] Personal Identifiable Information (PII) is defined by the Data Privacy Act of 2012 as any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.

requirements provided under the National Privacy Commission's (NPC) Guidelines on Consent (NPC Circular No. 2023-04 dated 7 November 2023) and other NPC issuances concerning consumer consent. These requirements may pertain to the right to data portability[4], the procedures for obtaining and managing consent, data access methods, and data sharing arrangements.

BSFIs are strongly enjoined to employ robust risk management systems and implement adequate safeguards in handling PII and other sensitive data, including those covered under outsourcing arrangements. These include ensuring compliance with relevant laws and pertinent BSP regulations on financial consumer protection, data privacy and data protection, anti-money laundering and combating the financing of terrorism (AML/CFT), cybersecurity, outsourcing, and open finance, among others. BSFIs should also regularly review and update their policies and practices to reflect the evolving data governance standards and requirements.

For strict compliance.

Digitally signed by
DG Chuchi G. Fonacier
11 June 2024

CHUCHI G. FONACIER
Deputy Governor

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[4] The right to data portability is referred to under the DPA as the right of a data subject to obtain from a PIC a copy of his or her personal data that was processed or undergoing processing by the latter, in an electronic or structured format, which is commonly used and allows for further use by the data subject.