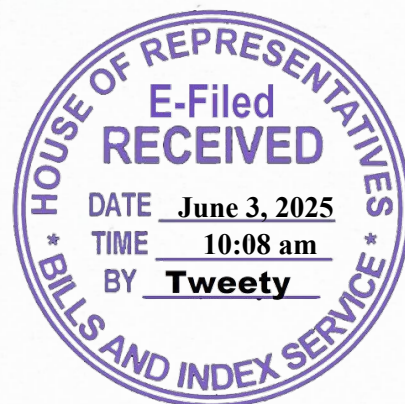




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 11519

Introduced by: Congressman Irwin C. Tieng

AN ACT REVISING REPUBLIC ACT NO. 9510, ENTITLED “AN ACT ESTABLISHING THE CREDIT INFORMATION SYSTEM AND FOR OTHER PURPOSES”, ABOLISHING THE CREDIT INFORMATION CORPORATION, AND TRANSFERRING ITS FUNCTIONS TO THE BANGKO SENTRAL NG PILIPINAS

EXPLANATORY NOTE

In a world where robust financial infrastructure is a cornerstone of economic growth, the Philippines must be at the forefront in establishing a credit information system that is not only efficient and reliable, but also aligned with global standards of excellence. The World Bank’s General Principles for Credit Reporting emphasize that a well-functioning credit registry serves as a vital tool for financial authorities in safeguarding the integrity and soundness of the financial system. Relative thereto, the principles for effective regulation and supervision of credit reporting service providers include the following: (i) strong regulatory and enforcement framework; (ii) availability of high-quality data; (iii) efficient and secure systems and technology; and (iv) effective structure, and adequate financial resources. It empowers lenders to make informed credit decisions, enables regulators to detect and address systemic vulnerabilities, and most importantly, opens the doors of opportunity to individuals and enterprises seeking to access fair and affordable credit. It is through this lens of financial inclusion, prudential regulation, and data-driven policymaking that this measure finds both its urgency and its value.

Republic (Rep.) Act No. 9510, or the “Credit Information System Act” (CISA) was enacted to address the need for a comprehensive and centralized credit information system for the collection and dissemination of fair and accurate information relevant to, or arising from, credit and credit-related activities of all entities participating in the financial system. Pursuant to Rep. Act No. 9510, the Credit Information Corporation (CIC) was created with the primary purpose of receiving and consolidating basic credit data, acting as central registry or central repository of credit information, and providing access to reliable, standardized information on credit history and financial condition of borrowers. The CIC is a government-owned and -controlled corporation supervised by the Governance Commission for GOCCs (GCG), particularly in the review of CIC’s policies, operations and major decisions, in accordance with Rep. Act No. 10149, otherwise known as the “GOCC Governance Act of 2011.”

In the course of CIC's implementation since 2016, however, GCG noted that CIC is heavily reliant on subsidy from the National Government and its potential for profitability is yet to be realized. CIC needs more resources to achieve its goals and has faced challenges in enforcing compliance as it is not the financial regulator of most submitting entities. CIC also faced data processing backlogs related to IT infrastructure capabilities and capacities.

This bill seeks to repeal Rep. Act No. 9510 by abolishing the CIC and transferring its powers, functions, and assets to the Bangko Sentral ng Pilipinas (BSP), thereby institutionalizing the establishment and maintenance of a centralized credit information system under the BSP.

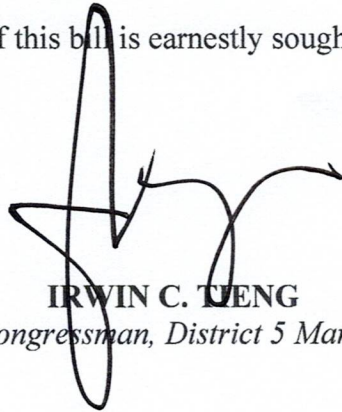
With this bill, the Philippines stands to benefit from embracing a globally tested institutional model. A substantial majority of countries surveyed by the World Bank have entrusted their public credit registries to the stewardship of their central banks or financial supervisory authorities. Moreover, in a paper issued in 2011 by the World Bank entitled "General Principles for Credit Reporting," the World Bank posits that credit registries provide supervisors with an additional offsite tool for systemic risk concentration monitoring and assessing overall portfolio quality, to identify discrepancies in borrower ratings among banks or to identify trends in lending. It also notes that, with a very few exceptions, credit registries are commonly owned and operated by central banks or other financial supervisors.

This global consensus reflects a recognition that central banks, by virtue of their independence, technical capability, and overarching mandate for financial stability, are best positioned to manage credit data systems that are secure, impartial, and optimally used for the public good. Thus, if BSP is the owner and operator of the credit information system, BSP will have direct access to a comprehensive database of credit information that is useful for the conduct of supervision and policy formulation. The proposed transfer of the CIC's functions to BSP is, thus, not merely a structural reform; it is a leap forward into a more transparent, responsive, and resilient credit environment.

The establishment and maintenance of an efficient credit information system are consistent with the mandate of BSP to effectively regulate and supervise credit granting businesses, as may be determined by the MB, and is key to financial stability, which is an objective of BSP. Moreover, it will strengthen the policy formulation of BSP, specifically in the areas of banking and credit. The availability of a more comprehensive credit information will further strengthen BSP's policy formulation process and assist BSP in the maintenance of monetary and financial stability in the country. Emerging threats to the financial industry may be identified in advance, through effective credit data analysis, and appropriate and timely policies may be formulated to address identified concerns.

At its heart, this bill is about enabling a future where every Filipino has the opportunity to participate in a credit system that is fair, accessible, and trustworthy. By entrusting the BSP with this critical mandate, we pave the way for a more inclusive financial ecosystem where data becomes a tool for empowerment rather than exclusion, and where responsible credit becomes a pathway to upliftment rather than a barrier.

Considering the foregoing, the immediate passage of this bill is earnestly sought.



IRWIN C. TENG
Congressman, District 5 Manila



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 11519

Introduced by: Congressman Irwin C. Tieng

AN ACT REVISING REPUBLIC ACT NO. 9510, ENTITLED "AN ACT ESTABLISHING THE CREDIT INFORMATION SYSTEM AND FOR OTHER PURPOSES", ABOLISHING THE CREDIT INFORMATION CORPORATION, AND TRANSFERRING ITS FUNCTIONS TO THE BANGKO SENTRAL NG PILIPINAS

Section 1. *Short Title.* - This Act shall be known as the "New Credit Information System Act of 2025".

Section 2. *Declaration of Policy.* - The State recognizes the need for a centralized credit information system to enhance credit availability by providing cost-effective mechanisms and reducing reliance on collateral. The State is committed to offering credit data at minimal cost, protecting consumer rights, and ensuring fair competition. An efficient credit information system will help financial institutions reduce credit risk, promoting a healthier and more stable financial system.

To achieve these goals, the powers and functions of the Credit Information Corporation (CIC) shall be transferred to the Bangko Sentral ng Pilipinas (BSP), streamlining credit information processes and enhancing regulatory oversight.

The State recognizes that the establishment and maintenance of an efficient credit information system (i) is consistent with the mandate of BSP to effectively regulate and supervise credit granting businesses, among others, as may be determined by the Monetary Board; (ii) is key to financial stability which is a shared objective of BSP alongside relevant government agencies; and (iii) will strengthen the policy formulation of BSP, specifically in the areas of banking and credit. The State recognizes, further, that the data from the credit information system would serve as basis for the policy directions to be undertaken by BSP in terms of money, banking and credit and would assist it in the maintenance of monetary and financial stability in the country.

Section 3. *Definition of Terms.* - For purposes of this Act:

- (a) "*Accessing Entity*" refers to any submitting entity or any other entity authorized by BSP to access credit data from BSP.

- (b) "*Borrower*" refers to a natural or juridical person, including any local government unit (LGU), its subsidiaries and affiliates, that applies for and/or avails of a credit facility.
- (c) "*BSP*" refers to the *Bangko Sentral ng Pilipinas*, created under Republic Act No. 7653, as amended.
- (d) "*CIC*" refers to the Credit Information Corporation.
- (e) "*Credit Data*" refers to positive and negative information provided by a borrower to a submitting entity in connection with the application for and availment of a credit facility and any information on the borrower's creditworthiness in the possession of the submitting entity and other factual and objective information related or relevant thereto in the submitting entity's data files or that of other sources of information; *Provided*, that in the absence of a written waiver duly accomplished by the borrower, credit data shall exclude confidential information on bank deposits and/or clients funds under Republic Act No. 1405 (Law on Secrecy of Bank Deposits), Republic Act No. 6426 (The Foreign Currency Deposit Act), Republic Act No. 8791 (The General Banking Law of 2000), Republic Act No. 8367 (Revised Non-Stock Savings and Loan Association Act of 1997), Republic Act No. 3844 (Agricultural Land Reform Code creating the Land Bank of the Philippines), Executive Order No. 81, s. 1986, as amended by Republic Act No. 8523 (The Revised Charter of the Development Bank of the Philippines), Republic Act No. 7353, as amended (An Act Providing for the Creation, Organization and Operation of Rural Banks, and for Other Purposes), and Republic Act No. 7906 (Thrift Banks Act of 1995).
- (f) "*Credit Facility*" refers to any loan, credit line, guarantee or any other form of financial accommodation from a submitting entity; *Provided*, that for purposes of this Act, deposits in banks shall not be considered a credit facility extended by the depositor in favor of the bank.
- (g) "*Credit Rating*" refers to an opinion regarding the creditworthiness of a borrower or of an issuer of debt security, using an established and defined ranking system.
- (h) "*Credit Report*" refers to a summary of consolidated and evaluated information on creditworthiness, credit standing, credit capacity, character and general reputation of a borrower.
- (i) "*Government Lending Institutions*" refers to government financial institutions (GFIs), and government-owned and controlled corporations (GOCCs) primarily engaged in lending activities.
- (j) "*Governor*" refers to the Governor of the BSP.
- (k) "*Monetary Board*" refers to the Monetary Board of the BSP.
- (l) "*Negative Credit Information*" refers to information/data concerning the poor credit performance of borrowers such as, but not limited to, defaults on loans, adverse court judgments relating to debts and reports on bankruptcy, insolvency, petitions or orders on suspension of payments and corporate rehabilitation.
- (m) "*Non-Accessing Entity*" refers to an entity other than a Submitting Entity, Special Accessing Entity or Borrower that is authorized by BSP to access credit data from a Special Accessing Entity.
- (n) "*Outsource Entity*" refers to any accredited third-party provider to whom BSP may outsource the processing and consolidation of credit data pertaining to a borrower or issuer of debt or convertible securities under such qualifications, criteria and strict confidentiality guidelines that BSP shall prescribe and duly publish; *Provided*, that an Outsource Entity or any of its affiliates, shall neither be an Accessing Entity nor a Special Accessing Entity.
- (o) "*Positive Credit Information*" refers to information/data concerning the credit performance of a borrower such as, but not limited to, information on timely repayments or non-delinquency.
- (p) "*Relevant Government Agencies*" refers to the Securities and Exchange Commission, Department of Finance, Department of Trade and Industry, Insurance Commission and the Cooperative Development Authority.

- (q) "*Special Accessing Entity*" refers to a duly accredited private corporation engaged primarily in the business of providing credit reports, ratings and other similar credit information products and services.
- (r) "*Submitting Entity*" refers to any entity that provides credit facilities such as, but not limited to, banks, quasi-banks, trust entities, non-stock savings and loan associations, investment houses, financing companies, cooperatives, nongovernmental, micro-financing organizations, credit card companies, insurance companies and government lending institutions. Submitting Entities shall also refer to entities that have information relevant to establish the creditworthiness of borrowers, such as but not limited to, credit collection agencies and utility service providers.
- (s) "*Transition Team*" refers to the team consisting of CIC personnel chosen by BSP to facilitate and assist in the transfer of CIC functions and control over the credit information system to BSP.

Section 4. Abolition of the Credit Information Corporation. - The Credit Information Corporation created by virtue of Republic Act No. 9510, otherwise known as the "Credit Information System Act", is hereby abolished.

All positions in CIC are considered abolished; *Provided*, that pursuant to Section 5 of this Act, CIC shall retain personnel relevant in assisting in the liquidation and undertaking of other residual tasks, such as administration and maintenance of records, resolution of pending legal issues and disputes, and settlement of outstanding obligations with respect to CIC's service contracts. The emoluments of the retained personnel shall be provided by CIC in accordance with relevant rules and regulations of the Governance Commission for Government-Owned or -Controlled Corporations (GCG); *Provided further*, that the retained personnel shall also be entitled to separation incentive pay upon completion of their assigned tasks in accordance with Section 6.

Section 5. Liquidation of Assets and Liabilities and Disposition of Shareholdings in CIC. - The GCG, in accordance with existing laws and regulations, shall be responsible for the liquidation of assets and disposition of shareholdings of CIC; *Provided*, that the liquidation of the assets and liabilities shall not exceed five (5) years from the effectivity of this Act; *Provided further*, that any asset or liabilities that may be transferred to BSP is subject to the approval of the Monetary Board; *Provided lastly*, that if upon liquidation of CIC it is determined that the value per share is less than par as when initially invested by shareholders, BSP shall reimburse them in an amount not exceeding their initial investment.

Section 6. Grant of Separation Incentive Pay to Affected Officers and Employees. - CIC shall be authorized to grant a separation incentive pay (SIP) to affected officers and employees holding permanent positions with the following rates:

Government Service	Rates
First 20 years	1.00 x MBS* x No. of years
20 years and 1 day to 30 years	1.25 x MBS* x No. of years
30 years and 1 day and above	1.50 x MBS* x No. of years

*Monthly Basic Salary (MBS)

The SIP authorized herein shall be charged against the available corporate funds of CIC, and such other funding sources that the Department of Budget and Management may identify, subject to existing budgeting, accounting and auditing laws, rules, and regulations.

Section 7. Transfer of Functions of the Credit Information Corporation to the Bangko Sentral ng Pilipinas. - All powers, duties and functions vested by law in the Credit Information Corporation not inconsistent with the provisions of this Act shall be deemed transferred to BSP.

All credit data received and consolidated by CIC pursuant to Republic Act No. 9510 and the credit information system are hereby transferred to BSP.

BSP shall create a Transition Team from the employees of CIC to facilitate and assist in the transfer of CIC functions and control over the credit information system to BSP. The emoluments of the members of the Transition Team shall be provided by BSP.

Section 8. Powers and Functions. - In furtherance of the policy set forth in Section 2 and in view of the transfer of the functions of the CIC to BSP under Section 7 of this Act, the BSP shall have the following powers and functions:

- (a) To compel all Submitting Entities to submit to BSP all credit data that tends to update and/or correct the credit status of borrowers on a regular basis;
- (b) To include other entities that have information relevant to establish the creditworthiness of borrowers to be subject to compulsory participation, in accordance with such standards and rules that BSP may prescribe;
- (c) To use the collected credit data of borrowers to correct/update the credit status of said borrowers in the credit information system;
- (d) To have unrestricted access to credit and other relevant information from government offices, judicial and administrative tribunals, prosecutorial agencies and other related offices, as well as pension plans and other retirement funds administered by the government, GOCCs and private entities.
- (e) To release credit data on the borrower, subject to the provisions of Section 10 of this Act; and
- (f) To accredit Accessing Entities, Special Accessing Entities and Outsource Entities in accordance with such rules and regulations as BSP may prescribe for authorizing access to BSP's credit information system.

Section 9. Borrower's rights. Borrowers shall have the following rights under this Act:

- (a) To be notified of the Submitting Entity's obligation to submit the borrower's credit data to BSP and the disclosure thereof to BSP, subject to the provisions of this Act and its implementing rules and regulations;
- (b) To know the causes of refusal of the application for credit facilities or services from a financial institution that uses the credit data as basis or ground for such a refusal;
- (c) To have ready and immediate access to one's own credit data. In case of erroneous, incomplete or misleading credit data, the subject borrower shall have the right to dispute the erroneous, incomplete, outdated or misleading credit data before BSP who shall investigate and verify the disputed information. Disputed information shall be updated or corrected after the investigation and verification. The borrower and the Accessing Entities and Special Accessing Entities who have received such information shall be informed of the corresponding update or correction within five (5) working days from the date BSP conclusively resolves the update or correction of the information. For this purpose, BSP shall use a simplified dispute resolution process to fast track the settlement/resolution of disputed credit data;
- (d) To access their own credit data free of charge, subject to the rules and regulations prescribed by BSP; and
- (e) To have negative information in the borrower's files corrected and updated within the period prescribed by BSP from the time of payment, liquidation, or settlement of debts. Negative information on the borrower as contained in the credit history files of the borrower shall stay in the database of BSP, unless sooner corrected, for a period prescribed by BSP.

Section 10. Confidentiality of Credit Data. - BSP, the Submitting Entities, the Accessing Entities, the Outsource Entities, the Special Accessing Entities, and the duly authorized non-accessing entities shall hold credit data under strict confidentiality and shall use the same only for the declared purpose of establishing the creditworthiness of the borrower. Outsource Entities are absolutely prohibited from releasing such data received from BSP other than to BSP.

BSP shall be authorized to release and disclose credit data only to the Accessing Entities, the Special Accessing Entities, the Outsource Entities and Borrowers. Credit data released to Accessing Entities shall be limited to those pertaining to existing Borrowers or Borrowers with pending credit applications. Credit data shall not be released to entities other than those enumerated under this Section except upon order of the court or upon prior approval of the Governor and/or his delegated officer.

BSP shall be held free and harmless to the fullest extent permitted by law from any liability, claim, or legal action arising from the use, release, or disclosure of data made in good faith and in accordance with this Act, and its implementing rules and regulations. This protection shall extend to its officers and employees acting within the scope of their official duties, except in cases of gross negligence, willful misconduct, or unauthorized disclosure of confidential or restricted information.

The accreditation of an Accessing Entity, a Special Accessing Entity and/or an Outsource Entity which violates the confidentiality of, or which misuses, the credit data accessed from BSP, may be suspended or revoked. Any entity which violates this section may be barred access to the credit information system and penalized pursuant to Sections 13 and 14 of this Act.

Special accessing entities are prohibited from releasing credit data received from BSP or credit reports and credit ratings derived from the credit data received from BSP, to non-accessing entities unless the written consent or authorization has been obtained from the Borrower, subject to the terms and conditions prescribed by BSP; *Provided however*, that in case the borrower is a local government unit (LGU) or its subsidiary or affiliate, the special accessing entity may release credit data on the LGU, its subsidiary or affiliate upon written request and payment of reasonable fees by a constituent of the concerned LGU.

Section 11. Submission of Credit Data to BSP. - Pursuant to Section 8 of this Act, all Submitting Entities are hereby directed to submit credit data to BSP pursuant to its prescribed rules and regulations; *Provided*, that non-compliance of which shall be subject to the sanctions provided under Sections 13 and 14 of this Act.

Section 12. Accessing Credit Data. - Accessing Entities, Special Accessing Entities, and Outsource Entities when utilizing the credit information system, are required to adhere strictly to the standards, rules, and regulations prescribed by BSP. All Accessing Entities, Special Accessing Entities, and Outsource Entities shall ensure that their use of credit data is compliant with the data protection policies, confidentiality requirements, and other regulatory provisions set by BSP and other relevant laws; *Provided*, that any misuse, unauthorized access, or violation of these regulations shall be subject to the penalties provided under Sections 13 and 14 of this Act.

Fees relating to access of credit data by Accessing Entities and Special Accessing Entities shall be provided for by BSP in accordance with its rules and regulations.

Section 13. Administrative Sanctions. - The Monetary Board or the Governor may impose applicable administrative sanctions upon any Submitting Entity, Accessing Entity,

Special Accessing Entity, or Outsource Entity, and/or their directors, officers, or employees, for any of the following violations:

- 1) non-submission of reports, delay, and/or erroneous reporting;
- 2) willful making of a false or misleading statement;
- 3) submission of a false or misleading document to BSP;
- 4) non-performance of other obligations provided under this Act; or
- 5) willful failure or refusal to comply with, or violation of, any order, instruction, rule, or regulation issued by the Monetary Board, or any order, instruction or ruling by the Governor.

The following administrative sanctions shall be imposed, whenever applicable:

- a) fines in amounts as may be determined by the Monetary Board to be appropriate, but in no case to exceed One million pesos (₱1,000,000) for each transactional violation, or in the case of a continuing offense, One hundred thousand pesos (₱100,000) per calendar day, taking into consideration the attendant circumstances, such as the nature and gravity of the violation or irregularity and the size of the institution; *Provided*, that the Governor is hereby authorized, at his discretion, to impose fines not in excess of One hundred thousand pesos (₱100,000) for each transactional violation or in the case of a continuing offense, Thirty thousand pesos (₱30,000) per calendar day, which shall be final and executory until reversed, modified, or lifted by the Monetary Board on appeal; and/or
- b) suspension of privileges or access to the credit information system or any BSP credit database as may be determined by the Governor.

Section 14. Penal Sanctions. - Any person who willfully violates any of the provisions of this Act or the rules and regulations promulgated by BSP pursuant to any of the provisions of this Act shall, upon conviction, suffer a fine of not less than Fifty thousand pesos (PhP50,000.00) but not more than Two million pesos (PhP2,000,000.00) or imprisonment of not less than two (2) year nor more than ten (10) years, or both, at the discretion of the court.

Section 15. Implementing Rules and Regulations. - BSP shall promulgate the rules and regulations for the effective implementation of this Act, within one hundred eighty (180) days from its effectivity.

Section 16. Transitory Clause. - Pursuant to Section 7 of this Act, BSP and CIC shall finalize, within three (3) months from the effectivity of this Act, the transitional arrangements for the transfer of CIC functions and control of its credit information system operations to BSP. Such transition period can be extended, as mutually agreed upon by CIC and BSP, to a period not exceeding another three (3) months.

Section 17. Funding. - Upon the completion of the transfer to BSP of CIC's functions, all credit data and the credit information system, the costs to operate the credit information system shall be provided by BSP.

Section 18. Separability Clause. - Should any provision of this Act or the application thereof is held to be unconstitutional or invalid, the other provisions or sections of this Act which are not affected thereby shall continue to be in full force and effect.

Section 19. Repealing Clause. - Republic Act No. 9510 is hereby repealed by this Act. All provisions of existing laws, decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Section 20. *Effectivity Clause.* - This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation in the Philippines.

Approved,