

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **6669**



Introduced by **REP. NATHANIEL “Atty. Nat” M. ODUCCADO**

EXPLANATORY NOTE

The modern digital economy is increasingly defined by the flow and responsible use of consumer data. Across the world, data portability and open banking frameworks are being institutionalized to empower consumers, foster financial inclusion, and catalyze competition in the banking and financial services sector.

In the Philippines, however, the regulatory environment for consumer data rights remains fragmented and underdeveloped. Current laws, such as the Data Privacy Act of 2012 (RA 10173) and the Consumer Act of the Philippines (RA 7394), provide general protection but do not establish a comprehensive framework for consumer-directed data portability or open banking. This has left the country lagging behind peers in the ASEAN region and major economies globally, where open data ecosystems have already delivered measurable benefits for consumers, businesses, and regulators.

Furthermore, despite significant strides in digital payments and mobile banking, the Philippines continues to face one of the highest proportions of unbanked citizens in Southeast Asia. According to the **Bangko Sentral ng Pilipinas (BSP) Financial Inclusion Survey 2021**, approximately **44% of Filipino adults remain unbanked**, equating to **more than 30 million individuals who lack access to formal financial services**.¹ This exclusion is driven by barriers such as distance from bank branches, lack of documentary requirements, and the perceived high cost of maintaining accounts.

Without access to safe and affordable financial services, many Filipinos remain dependent on informal and often exploitative lending systems, hindering their economic mobility.

The adoption of an **open banking ecosystem** presents a practical solution to bridge this gap. By enabling Filipino consumers to securely share their financial and transactional data with accredited providers, open banking reduces reliance on traditional account ownership. Fintech firms, microfinance institutions, and cooperative banks can use consumer data—shared with consent—to design **alternative credit scoring models**, thereby extending credit and services to

¹ Bangko Sentral ng Pilipinas, *Financial Inclusion Survey 2021*, [https://www.bsp.gov.ph/Inclusive%20Finance/Financial%20Inclusion%20Reports%20and%20Publications/2021/2021FISToplineReport.pdf]

those without formal banking histories. A key World Bank² report highlights how open banking has advanced financial inclusion globally, particularly in developing economies.

Furthermore, open banking encourages **greater competition and innovation** in the financial services sector, which **directly benefits the unbanked**. As new entrants compete with incumbent banks, consumers are presented with a wider array of affordable, user-friendly financial products. This is particularly crucial in a country where mobile phone penetration exceeds 150% of the population, but banking penetration lags behind. Studies by **CGAP**³ and the **BSP's Digital Payments Transformation Roadmap 2020–2023**⁴ emphasize that with secure, regulated access to consumer data, financial institutions can provide the unbanked with **low-cost digital wallets, micro-savings accounts, and credit facilities** tailored to their needs. In effect, open banking serves not only as a tool for consumer empowerment but also as a catalyst for achieving the government's long-term goal of **financial inclusion for all Filipinos**.

This is yet another instance where we are not reinventing the wheel. By no means is this concept novel to both developed and developing nations, and we can already benefit from international developments and established best practices. For instance, the following jurisdictions provide:

1. The Commonwealth of Australia, through 2019 legislation focused on Consumer Data Right (CDR) gives individuals the right to safely share their data with accredited service providers, starting with the banking sector and expanding to energy and telecommunications.⁵
2. The European Union through the legislated Revised Payment Services Directive (PSD2) and implemented since 2018, PSD2 mandates banks to open Application Programming Interfaces (APIs) to licensed third-party providers, thereby lowering barriers to entry for new players and enhancing consumer choice.⁶
3. The United Kingdom through its Open Banking Framework required the nine largest banks to share standardized customer data (with consent) through secure APIs. Over 15 million consumers and small businesses have benefited from open banking-enabled products.⁷

While these and other jurisdictions have adopted comprehensive and forward-looking measures,

² The World Bank Group, *Financial Inclusion*, [https://www.worldbank.org/en/topic/financialinclusion/overview]

³ Maria Fernandez Vidal & Sophie Sirtaine, *Open Finance Can Reduce Financial Inclusion Gaps: Here's How*, 10 March 2024, CGAP [https://www.cgap.org/blog/open-finance-can-reduce-financial-inclusion-gaps-heres-how]

⁴ Bangko Sentral ng Pilipinas, *The BSP Digital Payments Transformation Roadmap 2020-2023*, [https://www.bsp.gov.ph/Pages/ABOUT%20THE%20BANK/Events/By%20Year/2021/BSP-UP%20Professorial%20Chair%20Lecture%20Series/BSP_2c_iraio_discussion.pdf]

⁵ Commonwealth of Australia, *Consumer Data Right*, 2019 [https://treasury.gov.au/consumer-data-right]

⁶ European Commission, *The Payment Services Directive (PSD2)*, [https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/payment-services-directive_en]

⁷ Open Banking Limited, *Open banking surges to 15 million UK users* as July marks record adoption*, 01 September 2025, [https://www.openbanking.org.uk/news/open-banking-surges-to-15-million-uk-users-as-july-marks-record-adoption]

the Philippines remains at a preliminary stage, relying on piecemeal efforts from regulators and voluntary initiatives from the private sector. Filipino consumers currently have no statutory right to direct their financial data to competing service providers, making them dependent on legacy institutions. This lack of data portability entrenches incumbent advantages, stifles competition, and prevents consumers from fully benefiting from digital transformation.

The absence of a formal open banking law also means the Philippines risks falling further behind in financial inclusion goals. Over 44% of adults remain unbanked, and digital adoption could significantly narrow this gap if consumers were empowered to safely share their data with innovative service providers offering tailored financial products.

This proposed bill seeks to:

- Strengthen the implementation of the Consumer Right to Data Portability,
- Establish an Open Banking and Open Finance Framework, beginning with financial institutions and gradually extending to other sectors such as telecommunications and utilities,
- Create a Consumer Data Empowerment Commission (CDEC) tasked with developing technical standards, accrediting data recipients, and enforcing compliance, and
- Align the Philippines with global best practices, enhancing competitiveness, trust, and consumer welfare.

In sum, this measure is not only a step toward strengthening consumer rights and financial inclusion but also a strategic imperative to modernize the Philippine economy. It ensures that our citizens are no longer left behind in the global shift toward data-driven empowerment.

Therefore, for the Filipino people, we must bank on true openness and get the 44% unbanked down to zero.

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



REP. NATHANIEL “ATTY. NAT” M. ODOCADO
1 Tahanan Party List

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Introduced by **REP. NATHANIEL “ATTY. NAT” M. ODUCAO**

**AN ACT ESTABLISHING THE FRAMEWORK FOR OPEN BANKING AND
OPEN FINANCE AND FURTHER STRENGTHENING AND PROMOTING THE
SHARING OF CONSUMER DATA**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as the “*Open Banking and Open Finance Consumer Data Empowerment Act of 2025.*”

SEC. 2. *Declaration of Policy.* – The State recognizes the importance of consumer data in promoting innovation, financial inclusion, and economic growth. It is the policy of the State to safeguard consumer rights, promote competition, and establish a framework for secure, standardized, and transparent data portability.

SEC. 3. *Definitions.* - For purposes of this Act:

- a) '*Accredited Data Recipient*' - refers to an entity authorized by the Commission to receive consumer data upon the express informed consent of the consumer.
- b) '*Consumer Data*' - refers to financial, transactional, and other relevant information collected, processed, and stored by data holders.
- c) '*Data Holder*' - refers to entities such as banks, financial institutions, telecommunications companies, utilities, healthcare providers, and other entities engaged in data collection and processing.
- d) '*Informed Consent*' - means a freely given, specific, and informed indication of will by the consumer regarding the collection, processing, and sharing of their data.
- e) '*Financial Data*' - includes account details, credit history, transaction records, and other related information
- f) '*Transactional Data*' - includes commercial and digital activity data, including at least the past twenty-four (24) months of transactions.

SEC. 4. *Creation of the CDEC.* - There is hereby created a Consumer Data Empowerment Commission (CDEC) under the Office of the President, tasked with overseeing the implementation of this Act and developing technical standards for secure consumer data transfer.

SEC. 5. *Composition.* – The CDEC shall be composed of:

- a) A Chairperson who shall be a Commissioner from the Securities and Exchange Commission,
- b) A Vice Chairperson who shall be at least a Deputy Governor of the Bangko Sentral ng Pilipinas,
- c) Members comprised of representatives from:
 - a. the National Privacy Commission,
 - b. the National Telecommunications Commission,
 - c. the Philippine Competition Commission, and
 - d. four representatives from the private sector each with expertise in banking policy (one representative for rural and thrift banks, and one representative for commercial and universal banks), data protection, or financial technology.

SEC. 6. *Powers and Duties.* – The CDEC shall:

- a) Further develop technical and security standards for data sharing and portability;
- b) Promote to the consuming public the concept of open finance and data portability;
- c) Accredite data recipients and monitor compliance;
- d) Conduct consultations with stakeholders; and
- e) Submit annual reports to Congress on the state of consumer data rights and open banking implementation.

SEC. 7. *Right to Informed Consent.* – Consumers shall have the right to clear, specific, and transparent consent processes for any data sharing or processing activity.

SEC. 8. *Right to Access.* - Consumers shall have the right to obtain, free of charge, their consumer data in machine-readable and portable formats.

SEC. 9. *Right to Data Portability.* - Consumers may direct the transfer of their data from one data holder to an accredited data recipient through secure and standardized mechanisms.

SEC. 10. *Right to Deletion.* - Consumers shall have the right to request deletion of their data subject to applicable retention laws and regulatory obligations.

SEC. 11. *Registration.* - Data holders and recipients must register with the CDEC and comply with technical and security standards.

SEC. 12. *Security Standards.* - Accredited entities shall implement encryption, access controls, and incident response procedures to safeguard consumer data.

SEC. 13. *Accreditation.* - Accreditation of data recipients shall be based on their technical, financial, and governance capacity to handle consumer data securely.

SEC. 14. *Privacy Impact Assessments.* - Data holders and recipients must conduct and submit privacy impact assessments regularly to the CDEC.

SEC. 15. *Enforcement Powers.* - The CDEC shall investigate complaints, conduct audits, and impose sanctions for violations of this Act.

SEC. 16. *Penal Provisions.* –

- a) Unauthorized disclosure or misuse of consumer data shall be punishable by imprisonment of not less than three (3) years and fines not less than Five Hundred Thousand Pesos (₱500,000).
- b) Administrative fines for non-compliance with consent, security, and reporting standards shall also be imposed.

SEC. 17. *Liability.* – Officers or employees directly responsible for violations shall be held personally liable, without prejudice to civil and criminal liabilities under existing laws.

SEC. 18. *Consumer Awareness.* - The CDEC shall promote nationwide education programs on consumer data rights and digital financial literacy.

SEC. 19. *Cross-Border Data Flow.* - The CDEC shall establish protocols for secure international data transfers in line with global standards.

SEC. 20. *Review Clause.* - The CDEC shall review the effectiveness of this Act every two (2) years and recommend amendments.

SEC. 21. *Implementing Rules and Regulations.* - Within ninety (90) days from the effectivity of this Act, the CDEC shall issue the necessary IRR.

SEC. 22. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the remaining provisions shall remain valid.

SEC. 23. *Repealing Clause.* - All inconsistent laws, decrees, executive orders, and regulations are hereby repealed or amended accordingly.

SEC. 24. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,