Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 9149

Introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Andrew Julian K. Romuladez and Jude A. Acidre

AN ACT ESTABLISHING THE PHILIPPINE OPEN FINANCE FRAMEWORK, ENSURING CONSUMER FINANCIAL DATA PORTABILITY, ENHANCING COMPETITION AND INNOVATION IN THE FINANCIAL SECTOR, STRENGTHENING DATA PRIVACY AND SECURITY, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The continued digital transformation of the Philippine economy has reshaped how Filipinos save, borrow, pay, invest, remit, and access financial services. Financial data has become a key economic asset. Yet, for many consumers, this data remains locked within individual financial institutions, limiting their ability to use their own information to obtain better, cheaper, faster, and more inclusive financial products.

The Bangko Sentral ng Pilipinas has already laid the regulatory groundwork through BSP Circular No. 1122, which established the Open Finance Framework in 2021. This framework recognizes open finance as a mechanism for secure, permission-based data sharing among financial institutions and accredited third-party providers. The proposed measure builds on this existing regulatory initiative by providing a clear statutory basis for consumer-directed financial data portability, interoperable data sharing, consumer protection, and regulatory oversight. The bill expressly seeks to establish a Philippine Open Finance Framework, ensure consumer financial data portability, enhance competition and innovation in the financial sector, and strengthen data privacy and security.

The need for this measure is urgent. While financial inclusion has improved, significant gaps remain. Based on the BSP's 2021 Financial Inclusion Survey, the share of Filipino adults with formal accounts rose from 29% in 2019 to 56% in 2021, equivalent to around 22 million additional Filipinos opening an account during that period. However, this also means that roughly 44% of Filipino adults remained without a formal financial account.[1]

Digital finance is also expanding rapidly. The BSP reported that in 2024, digital retail payments accounted for 57.4% of total retail payment transaction volume, surpassing the Philippine Development Plan target of 52% to 54%. This demonstrates that Filipinos are increasingly relying on digital channels for everyday financial transactions.[2] However, greater digital adoption must be matched by stronger consumer rights, clearer consent rules, secure data-sharing infrastructure, and accountability among financial service providers.

Open finance can help close persistent financial inclusion gaps. By allowing consumers to securely share their financial data with accredited providers, Filipinos may gain access to alternative credit scoring, lower-cost loans, better savings and insurance products, improved digital onboarding, and

[1] 2021 Financial Inclusion Survey Report – Bangko Sentral ng Pilipinas
[2] 2024 Status of Digital Payments in the Philippines – Bangko Sentral ng Pilipinas

more personalized financial management tools. This is especially relevant for micro, small, and medium enterprises (MSMEs), overseas Filipinos, workers in the informal economy, farmers, fisherfolk, and rural communities that often lack traditional credit histories.

The measure is also critical for MSME development. MSMEs remain the backbone of the Philippine economy. In 2023, government MSME statistics showed that the Philippines had more than one million business establishments, with MSMEs comprising the overwhelming majority of enterprises.[3] Many of these businesses face difficulty accessing formal credit because they cannot present sufficient collateral, audited financial statements, or traditional banking records. Open finance can help bridge this gap by allowing lenders and fintech providers to assess creditworthiness using verified transaction histories, payment behavior, cash flow data, and other consented financial information.

At the same time, open finance must be implemented with strong safeguards. Consumer trust is central to any digital financial ecosystem. The right to financial data portability must not become a license for unauthorized profiling, predatory lending, discriminatory pricing, intrusive surveillance, or the misuse of personal and sensitive personal information. The bill therefore anchors open finance on explicit and informed consent, data minimization, cybersecurity standards, accreditation of data recipients, consumer protection, and coordination among regulators, including the BSP, the National Privacy Commission, the Philippine Competition Commission, the Securities and Exchange Commission, the Department of Information and Communications Technology, and the Insurance Commission.

[3] MSME Statistics – Department of Trade and Industry

This proposed Act also strengthens competition. At present, established financial institutions often have structural advantages because they exclusively hold consumer financial data. By empowering consumers to direct the secure sharing of their own data, open finance allows responsible fintech innovators, digital banks, insurers, investment platforms, and other accredited providers to compete on the basis of better products, lower costs, and improved service. This promotes a more dynamic, inclusive, and consumer-centered financial sector.
Global experience shows that open finance is becoming an essential component of modern financial regulation. Jurisdictions such as the United Kingdom, the European Union, and the United States have moved toward frameworks that recognize consumer data rights, secure data access, and standardized financial data sharing. The Philippines must not fall behind. A statutory open finance framework will help ensure that the country's financial sector remains competitive, innovative, and aligned with international developments while remaining firmly grounded in Filipino consumer protection and data privacy principles.

Ultimately, this measure recognizes a simple but powerful principle: Filipinos should have meaningful control over their own financial data. When properly protected and responsibly shared, such data can become a tool for inclusion, competition, innovation, and economic empowerment.

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

FERDINAND MARTIN G. ROMUALDEZ **YEDDA MARIE K. ROMUALDEZ**

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

CHAPTER I
GENERAL PROVISIONS

SECTION 1. ***Short Title.*** **–** This Act shall be known as the "Philippine Open Finance Act."

SEC. 2. ***Declaration of Policy.*** – It is hereby declared the policy of the State to:

a. Affirm the consumer's proprietary right over their own financial data and their right to control its use and sharing;

b. Establish a secure, efficient, and interoperable national open finance ecosystem that empowers consumers and fosters trust in the digital financial system;
c. Promote a competitive and level playing field in the financial sector, enabling innovation and the development of inclusive financial products and services;
d. Accelerate financial inclusion by enabling data-driven solutions for unbanked and underserved segments of the population, including MSMEs, rural communities, and overseas Filipinos;
e. Ensure the highest standards of data privacy and security, in full adherence to the constitutional right to privacy and the provisions of the Data Privacy Act of 2012 (Republic Act No. 10173);
f. Strengthen the regulatory authority of the Bangko Sentral ng Pilipinas (BSP) to effectively oversee, develop, and enforce the open finance framework.

SEC. 3. ***Definition of Terms.*** **–** As used in this Act, the following terms shall have the respective meanings hereafter set forth:

(a) API (Application Programming Interface) – A set of protocols, routines, and standards for building and integrating application software, which serves as a secure digital interface for the automated exchange of data.

(b) Consent of the Data Subject – Refers to any freely given, specific, informed indication of will, whereby the Data Subject agrees to the collection and processing of their personal information. Consent shall be evidenced by written, electronic, or recorded means. It may also be given on behalf of a Data Subject by a lawful representative or an agent specifically authorized by the Data Subject to do so.

(c) **Consumer** – Refers to a Data Subject who is a client, customer, or user of financial products or services offered by a Personal Information Controller.

(d) **Data Sharing** – Refers to the disclosure or transfer to a third party of personal data under the custody of a Personal Information Controller or Personal Information Processor. In the case of the latter, such disclosure or transfer must have been upon the instructions of the Personal Information Controller concerned. The term excludes outsourcing, or the disclosure or transfer of personal data by a Personal Information Controller to a Personal Information Processor.

(e) **Data Subject –** Refers to an individual whose personal information is processed.

(f) **Informed Consent –** See definition of "Consent of the Data Subject." For the purposes of this Act, Informed Consent must be granular, meaning separate consents for distinct purposes (e.g., data access, data sharing for specific products, cross-border transfer), and must be as easy to withdraw as it is to give.

(g) **Open Finance –** A framework that enables the secure, standardized, and interoperable sharing of Consumer Financial Data between Personal Information Controllers and Accredited Data Recipients, at the Consumer's direction, through the use of APIs and other technologies.

(h) **Personal Data –** Refers to all types of personal information and sensitive personal information.

(i) **Personal Data Breach –** Refers to a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored, or otherwise processed.

(j) **Personal Information –** Refers to 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.

(k) Personal Information Controller (PIC) – Refers to a natural or juridical person, or any other body who controls the processing of personal data, or instructs another to process personal data on its behalf. This term excludes:

(1) a natural or juridical person, or any other body, who performs such functions as instructed by another person or organization; or

(2) a natural person who processes personal data in connection with his or her personal, family, or household affairs. For the purposes of this Act, this includes Data Holders and Accredited Data Recipients.

(l) Personal Information Processor (PIP) – Refers to any natural or juridical person or any other body to whom a Personal Information Controller may outsource or instruct the processing of personal data pertaining to a Data Subject.

(m) Processing – Refers to any operation or any set of operations performed upon personal data including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data. Processing may be performed through automated means, or manual processing, if the personal data are contained or are intended to be contained in a filing system.

(n) Profiling – Refers to any form of automated processing of personal data consisting of the use of personal data to evaluate certain personal aspects relating to a natural person, in particular to analyze or predict aspects concerning that natural person's performance at work, economic situation, health, personal preferences, interests, reliability, behavior, location or movements.

(o) Sensitive Personal Information – Refers to personal information: 1. About an individual's race, ethnic origin, marital status, age, color, and religious, philosophical or political affiliations; 2. About an individual's health, education, genetic or sexual life of a person, or to any proceeding for any offense committed or alleged to have been committed by such individual, the disposal of such proceedings, or the sentence of any court in such proceedings; 3. Issued by government agencies peculiar to an individual which includes, but is not limited to, social security numbers, previous or current health records, licenses or its denials, suspension or revocation, and tax returns; and 4. Specifically established by an executive order or an act of Congress to be kept classified.

(p) Technical Standards – The rules, specifications, and protocols issued by the Bangko Sentral ng Pilipinas (BSP) or the Philippine Open Finance Council governing the technical aspects of data sharing, including API design, security requirements, and data formats

CHAPTER II
CONSUMER RIGHTS AND OBLIGATIONS OF DATA HOLDERS

SEC. 4. ***Consumer Financial Data Rights*****.** – Every Consumer shall have the following inviolable rights:

a. **Right to Access and Obtain:** The right to electronically access and obtain a copy of their Consumer Financial Data held by a Data Holder in a portable, machine-readable, and structured format, free of charge, at least once per calendar quarter.
b. **Right to Portability (Data Sharing):** The right to instruct a Data Holder to securely transfer a copy of their Consumer Financial Data to a verified and Accredited Data Recipient of their choice.
c. **Right to Revoke Consent**: The right to revoke consent for data sharing with an Accredited Data Recipient at any time, triggering the cessation of

future data flows, without prejudice to the lawfulness of processing based on consent before its revocation.

d. **Right to Deletion/Correction:** The right to request the correction of inaccurate data and, where applicable, the deletion of data, subject to mandatory legal and regulatory retention periods. No Data Holder shall impose unreasonable barriers, delays, or additional charges that obstruct the exercise of these rights. The use of "screen scraping" or other insecure methods by a Data Recipient to access Consumer Financial Data shall be prohibited upon the full implementation of this Act's API-based framework.

SEC. 5. ***Obligations of Data Holders*****.** – All Data Holders shall:

a. Develop and Maintain Secure APIs: Implement and maintain secure, robust, and publicly available APIs that comply with the Technical Standards set forth by the BSP to facilitate real-time, authenticated data access and sharing.
b. Establish a Consent Management System: Provide Consumers with a clear, accessible, and user-friendly digital dashboard to manage their consents, track data sharing permissions, and view a log of data access by Accredited Data Recipients.
c. Ensure Data Quality and Timeliness: Provide accurate, complete, and up-to-date Consumer Financial Data in response to a valid access or portability request.
d. Uphold Data Security: Implement and maintain state-of-the-art cybersecurity measures, including encryption, access controls, and regular security audits, to protect Consumer Financial Data from unauthorized access, use, or disclosure.

e. Prohibit Anti-Competitive Practices: Refrain from imposing contractual or technical restrictions that prevent Consumers from sharing their data with Accredited Data Recipients, including competitors.

CHAPTER III
GOVERNANCE AND ECOSYSTEM DEVELOPMENT

SEC. 6. ***Accreditation of Data Recipients.*** **–** The BSP shall establish a transparent and risk-based accreditation process for entities seeking to become Data Recipients. Accreditation shall be granted based on compliance with requirements pertaining to:

(a) Technical capability, cybersecurity infrastructure, and data protection protocols;
(b) Compliance with the Data Privacy Act and BSP data security regulations;
(c) Financial soundness and operational resilience;
(d) A robust consumer protection and complaint-handling mechanism; and
(e) The fit-and-proper status of its directors and officers. The BSP shall maintain a public registry of all Accredited Data Recipients.

SEC. 7. ***The Philippine Open Finance Council.*** **–** To ensure coordinated development and multi-sectoral oversight, there is hereby created the Philippine Open Finance Council (POFC).

a. Composition: The POFC shall be chaired by the BSP and composed of the following members or their designated permanent representatives:
   i. National Privacy Commission (NPC)
   ii. Philippine Competition Commission (PCC)
   iii. Securities and Exchange Commission (SEC)
   iv. Department of Information and Communications Technology (DICT)

v. Insurance Commission (IC)

b. Powers and Functions: The POFC shall:

i. Recommend and approve binding Technical Standards for the open finance ecosystem for promulgation by the BSP;
ii. Coordinate on matters of data privacy, competition, and consumer protection arising from open finance;
iii. Formulate and implement a national strategy for consumer education and awareness on open finance rights and risks;
iv. Advise the BSP on the development of the ecosystem, including addressing emerging risks and opportunities; and
v. Submit an annual report to Congress on the state of open finance in the Philippines.

SEC. 8. ***National Open Finance Infrastructure.*** – The BSP, in consultation with the POFC, shall oversee the development and maintenance of the core infrastructure for open finance, which may be facilitated through public-private partnerships. This infrastructure shall include:

a. A central registry of technical standards and API specifications;
b. secure directory of all Data Holders and Accredited Data Recipients;
c. A unified consent and identity management framework, interoperable with the Philippine National ID System (PhilSys) where applicable and appropriate;
d. A centralized mechanism for reporting and resolving disputes and fraudulent transactions; and
e. A framework ensuring seamless interoperability with the National Retail Payment System (NRPS) and other digital identity initiatives.

CHAPTER IV
SAFEGUARDS AND REGULATORY OVERSIGHT

SEC. 9. ***Data Privacy and Security***. – All data sharing under this Act shall be governed by the principles of transparency, legitimate purpose, and proportionality, in strict compliance with the Data Privacy Act of 2012. Data Holders and Accredited Data Recipients shall:

a. Obtain explicit and informed Consumer consent for each specific data-sharing purpose;
b. Limit data collection and processing to what is necessary for the stated purpose (data minimization);
c. Implement robust data security measures, including end-to-end encryption for data in transit and at rest;
d. Refrain from using Consumer Financial Data for purposes of unlawful surveillance, discriminatory pricing or exclusion, or any form of prohibited profiling.

SEC. 10. ***Competition and Non-Discrimination***. – The BSP and the PCC shall jointly enforce provisions against anti-competitive conduct. Data Holders are prohibited from:

a. Denying or obstructing Consumer-authorized data access to any Accredited Data Recipient, including competitors;
b. Imposing unfair, discriminatory, or anti-competitive conditions on data access; or
c. Engaging in data hoarding or other practices that create artificial barriers to market entry.

SEC. 11. ***Financial Inclusion Mandate.*** – All open finance initiatives shall be designed and implemented to actively promote financial inclusion. The BSP shall encourage and incentivize the development of use cases that benefit the unbanked and underserved, such as:

a. Microfinance and MSME lending using alternative credit scoring;
b. Affordable agricultural and rural banking products;
c. Streamlined digital onboarding and payments for government social support programs; and
d. Low-cost investment and micro-insurance products.

SEC. 12. ***Consumer Protection and Liability.*** –

a. A Consumer shall not be held liable for losses arising from unauthorized data access or fraudulent transactions resulting from a security breach or system failure on the part of a Data Holder or Accredited Data Recipient, unless such loss is directly caused by the Consumer's fraud or gross negligence.
b. Data Holders and Accredited Data Recipients shall be jointly and severally liable for damages arising from their respective failure to comply with data security and privacy obligations under this Act and its implementing rules.
c. Any security incident or data breach involving Consumer Financial Data shall be reported to the BSP and the NPC within seventy-two (72) hours of discovery, following the protocols set by the NPC.

SEC. 13. ***Cross-Border Data Transfers.*** **–** The transfer of Consumer Financial Data outside the Philippines shall be permitted only under the following conditions:

a. The Consumer provides explicit and informed consent to the cross-border transfer;

b. The recipient jurisdiction or international organization ensures a level of data protection comparable to the standards under Philippine law, as certified by the NPC; and
c. All applicable BSP and NPC rules and regulations are satisfied.

ARTICLE V
PENAL AND FINAL PROVISIONS

SEC. 14. ***Supervisory and Enforcement Authority of the BSP.*** – The BSP shall have the power to issue rules and regulations, circulars, and orders to implement the provisions of this Act. This includes the authority to:

(a) Conduct periodic audits and examinations of Data Holders and Accredited Data Recipients;
(b) Impose monetary penalties and other administrative sanctions for violations of this Act, its IRR, or BSP issuances;
(c) Suspend or revoke the accreditation of a Data Recipient; and
(d) Issue cease-and-desist orders to prevent imminent or ongoing harm to consumers or the financial system.

SEC. 15. ***Penalties.*** **–** Any person, natural or juridical, who willfully violates or causes the violation of any provision of this Act, or who aids or abets such violation, shall, upon conviction, be penalized with imprisonment of not less than two (2) years but not more than seven (7) years, or a fine of not less than One hundred thousand pesos (₱100,000) but not more than Five million pesos (₱5,000,000), or both, at the discretion of the court. If the offender is a corporation, partnership, or association, the penalty shall be imposed upon the responsible officers and directors. This is without prejudice to any applicable criminal or civil liability under the Data Privacy Act and other relevant laws. The

BSP may also impose administrative fines of up to One million pesos (₱1,000,000) per day for continuing violations.

SEC. 16. ***Implementing Rules and Regulations (IRR).*** – Within one hundred eighty (180) days from the effectivity of this Act, the BSP, in consultation with the POFC, NPC, PCC, and other relevant agencies, shall promulgate the necessary IRR to effectively implement the provisions of this Act.

SEC. 17. ***Appropriations.*** **–** The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the BSP. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 18. ***Separability Clause.*** **–** If any provision of this Act is declared unconstitutional or invalid by a competent court, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 19. ***Repealing Clause.*** **–** All laws, decrees, orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 20. ***Effectivity.*** **–** This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,