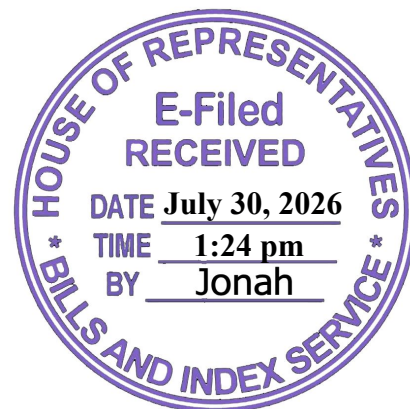


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10450



Introduced by **ANG PROBINSYANO**
Party-List Representative Alfred Delos Santos

EXPLANATORY NOTE

Despite the growing relevance of financial technology mechanisms in the Philippines, there remains a huge gap in reaching financial inclusivity in our country, especially in rural areas. Financial awareness and literacy remains a huge aspect when rolling out such technology. While general awareness of financial technology and its platforms is steadily increasing nationwide, awareness of the responsibilities of financial service providers and of the Bangko Sentral ng Pilipinas' (BSP) consumer assistance mechanisms remains limited, especially among rural, older, and lower-income sectors¹.

Moreover, even if people are aware of new technological options, Filipinos hesitate to share personal information with such platforms due to perceived cybersecurity risks. Other issues, such as access to basic financial products and fragmented financial and business institutions, continue to challenge the inclusion of Filipinos in innovative digital finance.

Growing access to digital financing and other financial access points denote an increasing awareness and accessibility of financial institutions for the general population. For instance, access is high for ATMs, pawnshops, and money-service agents such as e-money agents and cash-in/cash-out transaction providers. This is particularly felt in rural and underserved areas and further reinforces the importance of a multi-modal approach that combines physical presence and digital platforms.

¹ Financial Inclusion Office, "Consumer Finance and Inclusion Survey," *Bangko Sentral ng Pilipinas*, 2025, available at <https://www.bsp.gov.ph/Inclusive%20Finance/Financial%20Inclusion%20Reports%20and%20Publications/2025/2025CFISreport.pdf>

However, access alone is inefficient. There is a need for sustained efforts to deepen understanding, as well as utilization, of such financial platforms. The proposed bill seeks to address these problems.

It is the responsibility of the State to bring about financial inclusivity, especially for those living in rural and underdeveloped areas through mechanisms that ensure equitable access to financial technology. It addresses issues of financial awareness, trust, inclusion, and access. This bill aims to empower Filipinos to be more financially stable and capable to pursue personal and economic development.

In view of the foregoing, immediate approval is highly recommended.



ALFRED C. DELOS SANTOS
Representative, Ang Probinsyano Partylist

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Introduced by **ANG PROBINSYANO**
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AN ACT PROMOTING RURAL FINANCIAL INCLUSION AND DIGITAL LITERACY

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

SECTION 1. *Short Title.* – This Act shall be known as the “Rural Financial Inclusion and Digital Literacy Act.”

SEC. 2. *Declaration of Policy.* – It is the policy of the State to promote financial empowerment and reduce financial vulnerabilities among its citizens by taking proactive measures in developing technological capacities of various financial institutions in the rural areas to improve access to financial services. Toward this end, the State shall promote financial inclusion and literacy programs that contribute in establishing a financial system to benefit all Filipinos, regardless of socio-economic status, to accelerate economic growth and development especially in rural and provincial areas.

SEC. 3. *Financial Inclusion and Digital Literacy Program.* – A proactive Financial Inclusion and Digital Literacy Program, hereinafter referred to as The Program, is hereby established to promote the engagement with financial service institutions such as rural banks, lending companies, insurance and pre-need companies, and health maintenance organizations (HMOs) in rural areas. The Program includes the conduct of nationwide seminars and workshops, development of modules, training on organizational development and financial management on credit worthiness, loan acquisition and repayment, and wide dissemination of information and education campaign (IEC) materials that are tailored to different sectors.

The Program shall also contain a basic understanding of concepts of financial inclusion, and may include technical application to provide the public

with knowledge and skills to make well-informed economic and financial decisions. Priority sectors shall include, small farmers, fisherfolk, and micro, small, and medium enterprises (MSMEs).

SEC. 4. *Program Implementation.* – The Program shall be implemented by the National Financial Inclusion Steering Committee (NFISC) chaired by the Governor of Bangko Sentral ng Pilipinas (BSP). For a more inclusive implementation, local government units, non-government organizations (NGOs) and civil society organizations (CSOs) networks, federation of cooperatives, cooperatives specially assisted by the Department of Agrarian Reform (DAR), shall also be included. Completion of a component of the Program may be used to comply with the requirements of financial institutions on various financial products such as savings, payment, credit, insurance, pre-need products and health maintenance services (HMOs).

The NFISC, together with other stakeholders, shall optimize the use of all available mass media networks as an effective channel in promoting public awareness and education about the Program.

SEC. 5. *Capacity Building for Rural Banks.* – Rural banks, and other financial institutions such as microfinance institutions and cooperatives operating in the rural areas shall establish capacity-building programs aimed at improving the knowledge and skills of their personnel on innovative technologies such mobile payments, online lending, blockchain application, cloud computing, application programming interface (API), and artificial intelligence. Cybersecurity considerations and data privacy protection under Republic Act No. 10175, otherwise known as the “Cybercrime Prevention Act of 2012” and Republic Act No. 10173, otherwise known as the “Data Privacy Act of 2021” shall be considered and incorporated in the capacity-building program.

To further scale up the technology capabilities of rural banks, the Rural Bankers Association of the Philippines (RBAP) may assist its member banks by establishing industry-level standards on internet technology (IT) outsourcing and vendor management such as those pertaining with other recognized industry associations such as other bank associations, financial technology alliances, and reputable market players in organizing technology-focused briefings and or information sessions for its member banks. Moreover, rural banks shall adhere to and comply with relevant BSP rules on technology and information security risk management.

Informal financial service institutions shall be strengthened to improve their services in the rural areas by linking them to formal financial institutions, and setting up of community training to institutionalize their operation and reinforce their management capacity and governance.

SEC. 6. *National Financial Inclusion Steering Committee.* – To further systematically accelerate financial inclusion, the National Financial Inclusion Steering Committee (NFISC) which is chaired by the Governor of the BSP shall spearhead collaborative efforts to address regulation and execute the innovative 12 modes of implementation. The NFISC is composed of heads of the following government agencies:

- (a) Department of Finance;
- (b) Department of Education;
- (c) Department of Trade and Industry;
- (d) Department of Social Welfare and Development;
- (e) Department of Budget and Management;
- (f) Department of Economy, Planning, and Development;
- (g) Insurance Commission;
- (h) Commission on Filipinos Overseas;
- (i) Securities and Exchange Commission;
- (j) Philippine Statistics Authority;
- (k) Philippine Deposit Insurance Commission;
- (l) Cooperative Development Authority;
- (m) Department of Science and Technology;
- (n) Department of Information and Communications Technology;
- (o) Department of Agriculture;
- (p) Department of Agrarian Reform;
- (q) Department of Interior and Local Government;
- (r) Department of Labor and Employment;
- (s) Department of Transportation; and

(t) Philippine Commission on Women.

Heads of other government agencies may be invited as NFISC members whenever appropriate and necessary as deemed by the NFISC.

Further, the NFISC shall prepare a roadmap for the Program to cover all regions, barangays, and the smallest units in the community, and provide for mechanisms that protect and boost financial activities especially within the provinces and rural areas. The road map shall prioritize areas identified with high poverty incidence, particularly the poor and marginalized sectors of small farmers and fisherfolk who have limited access to credit from formal financial institutions.

Consultation with government financial institutions (GFIs) should be continuously undertaken to address potential technical or administrative issues to ensure the effective and efficient roll out of financial technology among Filipinos, especially residing in rural communities and remote areas. All these government financial institutions and agencies shall also cooperate in the implementation of the National Strategy on Financial Inclusion, which is a comprehensive public document developed through a broad-based consultative process with private and public sector stakeholders involved in financial sector development to systematically accelerate the level of financial inclusion in the country.

SEC. 7. Priority Implementation Points. – There shall be priority agenda implementation points to establish a digital financial ecosystem that supports the diverse needs of all users in a manner that is secure, sustainable, convenient and affordable especially in provinces and rural areas. These priority implementation points include the following:

- (a) Enhanced access to digital devices by strengthening local infrastructure support for digital and online platforms;
- (b) Provision of automated teller machines (ATMs) and satellite rural bank offices;
- (c) Efficient retail payments system;
- (d) Expansive network of low-cost touchpoints and accredited cash agents;
- (e) Democratized access to a transaction account through the utilization of a national identification system as mandated by Republic Act No. 11055, otherwise known as the “Philippine Identification System Act” (PhilSys Act);

- (f) Enhanced collaboration with rural financial institutions such as rural banks, cooperatives, micro finance institutions (MFIs), and other non-bank financial institutions (NBFIs) such as quasi-banks (QBs), non-stock savings and loan associations (NSSLAs), lending and financing and investment companies, securities dealers, brokers, pawnshops and other money service businesses, and other NBFIs regulated or supervised by the BSP;
- (g) Strengthened integration of financial literacy initiatives and digital financing with the Philippine's National ICT Development Agenda (NICTDA) headed by the Department of Information and Communications Technology (DICT).

SEC. 8. *Implementing Rules and Regulations.* – Within ninety (90) days after the effectivity of this Act, the Governor of the Bangko Sentral ng Pilipinas and Members of the NFISC shall, in collaboration with the representatives from government financial institutions, Rural Bankers Association of the Philippines, and other stakeholders issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 9. *Separability Clause.* – If any provision or part of this Act is held invalid or unconstitutional, the remaining provisions or parts unaffected shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All laws, executive orders, presidential decrees or issuances, letters of instruction, administrative orders, rules, and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,