Financial Consumer Protection in the Philippines

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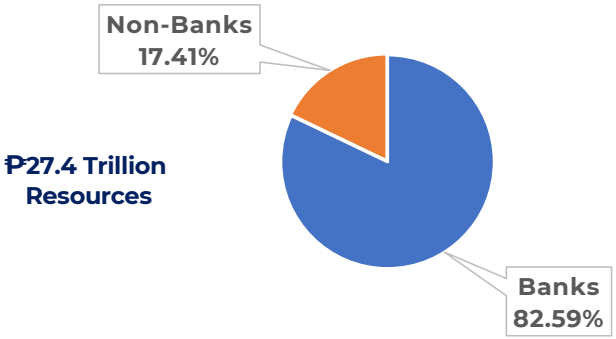
Presentation Outline

- Overview of the Philippine Financial System
- Bangko Sentral ng Pilipinas Mandate
- History of BSP Consumer Protection Work
- Financial Consumer Protection Act of 2022
- Challenges, Opportunities and Ways Forward

The Philippine Financial System

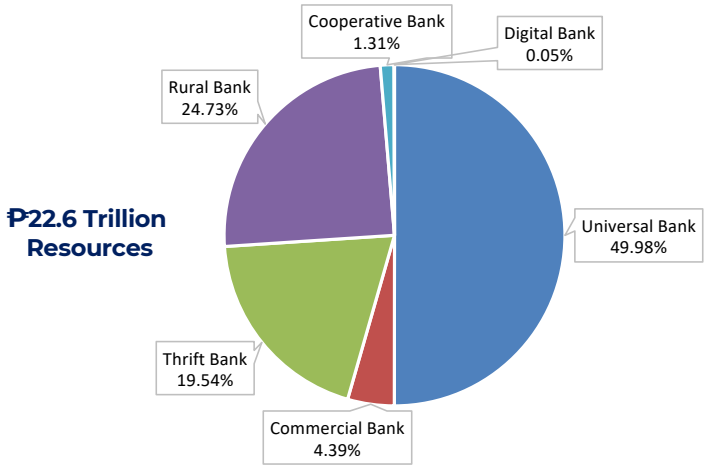
Philippine Financial System: Distribution by Resources

As of End-September 2022



Philippine Banking System: Distribution by Network

AS of End-September 2022



Diverse delivery channels for financial services

13,218 Banking Offices

As of end-September 2022

23,025 ATM units

As of end-June 2022

132 Banks with E-Banking Facilities

As of end-June 2022

Source: BSP

Role of BSP in the Philippine Financial System

Monetary Policy

Financial Supervision

Payments and Settlements System Oversight

Inclusive Finance

"In the attainment of its objectives, the Bangko Sentral shall promote **broad and convenient access to high quality financial services and consider the interest of the general public.**"

-Amendment to the New Central Bank Act (RA 11211)

History of BSP Consumer Protection Work

2006
Consumer Assistance Unit

2007
Financial Consumer Affairs Group

April 2014
Approval of Financial Consumer Protection Framework

Oct 2014
Financial Consumer Protection Department

Nov 2014
Issuance of FCP Framework as Circular No. 857

2018
Consumer Empowerment Group,

Center for Learning and Inclusion Advocacy

2019
Issuance of Revised FCP Framework as Circular No. 1048

2021
Consumer Protection and Market Conduct Office

2022
Passage of the Financial Consumer Protection Act

Overview of Financial Consumer Protection Act

Financial Consumer Rights and Financial Service Provider Responsibilities

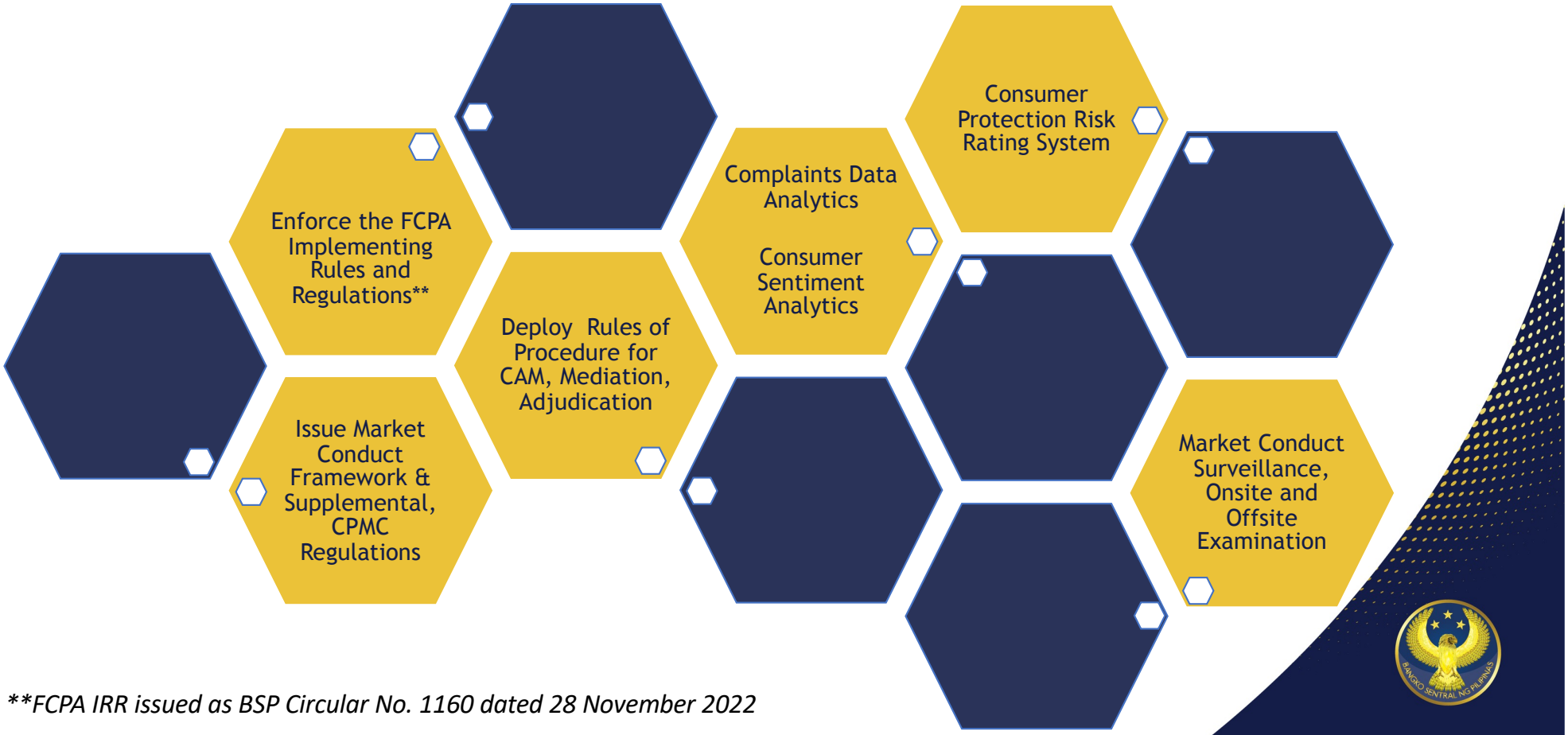
- **Equitable and Fair Treatment**
- **Disclosure and Transparency of Financial Products and Services**
- **Protection of Consumer Assets against Fraud and Misuse**
- **Data Privacy and Protection**
- **Timely Handling and Redress of Complaints**

Overview of Financial Consumer Protection Act

Expanded powers of Financial Regulators

- **Consumer Protection Rulemaking**
- **Market Conduct Onsite and Offsite Examination**
- **Market Surveillance and Monitoring**
- **Provision of Redress Mechanisms, Adjudication**
- **Enforcement**
- **Sanctions**

BSP Market Conduct Supervision Roadmap

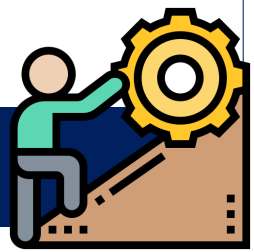


***FCPA IRR issued as BSP Circular No. 1160 dated 28 November 2022*

Challenges and Opportunities

- Personnel complement, staff re-skilling and capacity building
- MCS analytical frameworks and suptech tools
- Institutionalized collaboration with prudential supervisors
- FSP industry resistance to MCS

Challenges



- ✓ Review of organizational structure and systems
- ✓ MCS technical assistance, with trainings, from donors
- ✓ Collaboration with IT and Financial Supervision Departments
- ✓ Industry consultations and stakeholder management

Opportunities

Thank you.

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