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original

CIC Circular No. 02  
Series of 2023

TO : ALL CONCERNED

SUBJECT : REVISED STANDARDS AND RULES FOR ACCREDITATION OF SPECIAL ACCESSING ENTITIES TO THE CREDIT INFORMATION SYSTEM

### PRELIMINARY STATEMENT

WHEREAS, Republic Act No. 9510 or the Credit Information System Act of 2008 ("CISA"), creating the Credit Information Corporation ("CIC") to be the central repository of credit data tasked to collect, store, and disseminate fair and relevant information relating to credit and credit-related activities. To cater to the numerous demands of borrowers, the law likewise recognizes the essential role of Special Accessing Entities ("SAE") in establishing creditworthiness of borrowers, by also being a source of accurate credit reports, ratings, and other similar credit information products and services.

WHEREAS, Pursuant to Section 4(i) of CISA, CIC is empowered to accredit SAEs in accordance with such standards and rules as the Securities and Exchange Commission ("SEC") in coordination with relevant government agencies, may prescribe. This accreditation shall give the SAEs permission to use, retrieve, and evaluate the credit data that have been submitted to CIC, which will aid both borrowers and SAEs in the course of business.

NOW THEREFORE, to ensure that only qualified entities will be accredited as SAEs which will have authorized access and use of the credit data of borrowers, it is imperative to establish clear and comprehensive rules regarding the same.

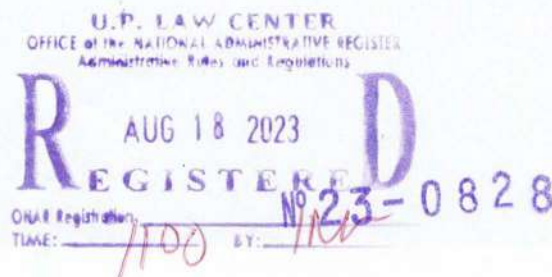
### RULE I. GENERAL PROVISIONS

**Section 1. Title.** These rules shall be known as the "Revised Rules and Standards on the Accreditation of Special Accessing Entities to the Credit Information System ("CIS")."

**Section 2. Scope and Coverage.** These Rules shall apply to Applicants seeking to establish and operate a Special Accessing Entity, in accordance with the procedure as herein set forth.

**Section 3. Purposes.** These rules are being promulgated for the following purposes:

- (a) To uphold and maintain security, protection and reliability of credit information;
- (b) To maintain an efficient mode of public service through close and active coordination between the SAEs and CIC;



- (c) To serve as the comprehensive guide for the different entities applying for SAE accreditation from CIC;
- (d) To facilitate the application and accreditation of applying entities as SAEs; and
- (e) To prescribe duties, responsibilities, and continuing requirements of SAEs.

**Section 4. Application Period.** CIC shall prescribe a period for the application for accreditation SAEs.

The Application Period shall commence five (5) working days following the announcement on the CIC website. Applications shall be accepted within the period specified in the announcement.

**Section 5. Construction.** These Rules shall be liberally construed in favor of accreditation of the Applicant in the absence of fraud or gross negligence.

**Section 6. Definition of Terms.** For the purpose of these Rules, the following terms shall be defined as:

- (a) "Accreditation" refers to the process of accreditation for an entity to become an SAE of the CIC.
- (b) "Access Fee" refers to the amount/s prescribed by CIC that an SAE shall pay every time it accesses Basic Credit Reports from CIC. Said fee may be updated by CIC upon approval of SEC.
- (c) "Annual Fee" refers to the relevant fees required by CIC that an SAE shall be required to pay annually to maintain their Accreditation during the period they are granted the rights and privileges of an SAE.
- (d) "Applicant" refers to any stock corporation, whether domestic or foreign, seeking accreditation as an SAE.
- (e) "Accredited Entity" refers to the entity which underwent application and accordingly accredited by the CIC as an SAE.
- (f) "Basic Credit Data" refers to basic credit information, which includes Positive and Negative Credit Information provided by a Borrower to the Submitting Entity in connection with an application for and/or 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; but shall exclude confidential information on bank deposits and/or client funds under existing laws *unless* the Borrower executes a Deposit and/or Fund Waiver.<sup>1</sup>

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<sup>1</sup> Sec. 3(b) of R.A. No. 9510 otherwise known as the Credit Information System Act.



- (g) "Borrower" refers to a natural or juridical person, including any local government unit, its subsidiaries and affiliates, which applies for and/or avails of a Credit Facility.<sup>2</sup>
- (h) "Confidential Information" refers to any kind of non-public information, content, stipulation, data, techniques, or personnel matters, whether in oral, written, graphic, magnetic, electronic, or other form of communication that is accessed, shared, or disclosed to an SAE in connection with its activities related to CIC in the performance of its rights and obligation under CISA, CIC Circular No. 2021-03, Subscription Agreement, and other relevant rules, regulations, and issuances, and all transactions and work undertaken in connection with CIC.
- (i) "Consolidated Credit Data" refers to the data of a Data Subject consisting of Basic Credit Data from all applicable Submitting Entities and other data or credit information consolidated by CIC and accessible through CIS.
- (j) "Credit Bureau Business" refers to the business of providing credit reports, ratings, and other similar credit information products and services.
- (k) "Credit Facility" refers to loans, credit lines, guarantees, standby letters of credit, trust receipts, or other form of financial accommodation or credit from a Submitting Entity that deposits in bank shall not be considered a credit facility extended by the depositor in favor of the bank<sup>3</sup>.
- (l) "Data Subject" refers to an individual whose personal and credit information are accessed and processed through the CIC.
- (m) "DPA" refers to Republic Act No. 10173, otherwise known as Data Privacy Act of 2012.
- (n) "Negative Credit Information" refers to information/data concerning 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<sup>4</sup>.
- (o) "Positive Credit Information" refers to information or data concerning the credit performance of a Borrower such as, but not limited to, information on timely repayments on non-delinquency<sup>5</sup>.
- (p) "Relevant Government Agencies" refers to the Department of Finance, Department of Trade and Industry, Bangko Sentral ng Pilipinas, Insurance Commission, and the Cooperative Development Authority.
- (q) "Risk Management and Consumer Protection Framework" refers to the framework submitted by the Applicant as a requirement for its Accreditation which contains its

<sup>2</sup> Sec. 3(c) of R.A. No. 9510 otherwise known as the Credit Information System Act.

<sup>3</sup> Sec. 3(f) of R.A. No. 9510 otherwise known as the Credit Information System Act.

<sup>4</sup> Sec. 3(j) of R.A. No. 9510 otherwise known as the Credit Information System Act.

<sup>5</sup> Sec. 3(m) of R.A. No. 9510 otherwise known as the Credit Information System Act.



plans and strategies to protect and safeguard the credit information of borrowers from adverse risks.

- (r) "Special Accessing Entity" or "SAE" 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<sup>6</sup>.
- (s) "Submitting Entity" or "SE" refers to an entity that provides credit facilities such as, but not limited to, banks, quasi-banks, trust entities, investment house, financing companies, cooperatives, non-governmental, micro-financing organizations, credit card companies, insurance companies, and government lending institutions, that have registered with CIC<sup>7</sup>.
- (t) "Subsidiary" refers to a private corporation majority-owned, and/or created by a successful Applicant in order to operate as an SAE of the CIC.
- (u) "Terms of Accreditation" refers to the Agreement between CIC and the SAE which contains the terms, warranties, rights, privileges, duties and responsibilities of SAE as well as any additional related annexes, addendums, and/or codicils.
- (v) "Value-Added Products and Services" or "VAPS" refers to the products or services of an SAE, including but not limited to credit scoring, portfolio review, and analytical reports, which are developed, generated, or incorporating the Consolidated Credit Information or Basic Credit Reports, which it offers to client Accessing Entities and Data Subjects.

## RULE II. APPLICATION REQUIREMENTS AND PROCEDURE

**Section 1. Qualifications.** CIC shall assess the qualifications of Applicants taking into account its financial resources, technical expertise, and reputation to operate as or form an SAE.

**Section 2. Who May Apply.** The following may apply for accreditation as an SAE:

- (a) A corporation duly incorporated under the laws of the Philippines;
  - (i) If the Applicant is a domestic corporation, it may file for the accreditation to operate itself or establish a Subsidiary to operate as an SAE subject to the undertaking that the entity that will operate as an SAE shall comply with post-qualification requirements as to form, capitalization, and corporate registration to maintain its accreditation;
- (b) A foreign corporation, *provided* that it shall be bound by the laws of the Philippines and all issuances and regulations promulgated by the CIC and SEC;

<sup>6</sup> Sec. 3(p) of R.A. No. 9510 otherwise known as the Credit Information System Act.

<sup>7</sup> Sec. 3(q) of R.A. No. 9510 otherwise known as the Credit Information System Act.



- (i) If the Applicant is a foreign corporation, it may file for accreditation to establish a Subsidiary which will operate as a Special Accessing Entity. This Subsidiary, as a post-qualification requirement, shall be incorporated in the Philippines in accordance with the form and capitalization herein prescribed, and shall be majority-owned by the Applicant.

Further, all Applicants shall be engaged in any of the following lines of business as their primary purpose in their incorporation documents:

- (a) Credit Bureau;
- (b) Credit Analytics;
- (c) Credit Scoring; and
- (d) Other analogous businesses, as may be accepted by the CIC

**Section 3. Paid-Up Capital Stock.** Applicants for the accreditation should have a minimum paid-up capital stock of Eighty Million Philippine Pesos (PhP 80,000,000.00). This requirement shall also apply to the Subsidiary to be created under Rule II., Section 2.

**Section 4. Documentary Submissions.** Applicants shall submit the following documents during the application period set by the CIC:

(a) For Domestic Corporations -

- (i) Certified True Copy of Certificate of Incorporation;
- (ii) Certified True Copy of Articles of Incorporation and By-Laws, as well as its amendments, if any;
- (iii) Certified True Copies of the General Information Sheet for three (3) years prior to the date of application; and
- (iv) Clearance issued by the SEC.

(b) For Foreign Corporations -

- (i) Apostilled or Consularized Proof of Corporate Existence, as the case may be;
- (ii) Apostilled or Consularized Certified True Copy of Articles of Incorporation and By-Laws issued by the applicable relevant corporate registry or regulatory agency, as the case may be;
- (iii) Company Profile;
- (iv) Apostilled or Consularized Certificate of no Derogatory Record issued by applicable relevant corporate registry or regulatory agency, as the case may be;

(c) For both domestic and foreign corporations:

- (i) A certified true copy of Audited Financial Statements stamped received by the Bureau of Internal Revenue or relevant Tax Authority for the last three (3) years from the date of application for accreditation, *provided*, that for foreign corporations, the same shall be Apostilled or Consularized, as the case may be;



- (ii) Notarized, Apostilled, or Consularized, as may be applicable, Board Resolution indicating the following:
  - (1) Authorization to designate representative/s to apply for accreditation as SAE or for another on behalf of the Applicant;
  - (2) Name of the Representative for accreditation;
  - (3) Authorization of designated signatories for the Applicant who will sign any relevant documents of behalf of the Applicant;
  
- (iii) Business Plan for at least the next three (3) years regarding the operation of the Applicant or the Subsidiary under Rule II., Section 2., as the case may be. The Business Plan shall contain the following:
  - a) Description of products currently offered, if any, and/or products to be offered once accredited and intended pricing models;
  - b) Marketing and Financial sustainability plan, including information on target consumers whether by demographic or geographic considerations, including channels of distribution, short-term and long-term business expansion plans for credit-related operations, local and/or abroad;
  - c) Detailed track record of credit-related operations, local or abroad;
  - d) Expected growth and profitability and detailed justifications used for such projections;
  - e) Data protection policies and security measures; and
  - f) Other information relevant for its intention to operate as SAE in the Philippines.
  
- (iv) Organizational Structure and Projected Staffing requirements to implement its Business Plan;
  
- (v) Curriculum Vitae of the Board of Directors and Corporate Officers of the Applicant, provided, that for Subsidiaries, the same shall likewise be required;
  
- (vi) Detailed information on technical description and/or specification of internal Security Policies, Communications, and Technology Infrastructure, and Procedures to ensure the confidentiality, integrity, and security of credit data to be processed, consolidated and/or analyzed;
  
- (vii) Manual/s or Internal Guidelines and/or Handbooks on the following internal corporate policies and procedures of the Applicant and the corresponding Apostilled or Consularized Secretary's Certificate or Board Resolution, as the case may be:
  - (1) Good Governance;
  - (2) Risk Management;
  - (3) Information Security;
  - (4) Operational Policies and Procedures;
  
- (viii) Proposal containing the following:



- (1) Technical Specifications of the proprietary hardware, machinery, applications, programs, software, processes, and systems to be installed with SAE;
- (2) Security measures and controls to ensure data protection and confidentiality of sensitive personal information;
- (3) Risk management and consumer protection framework concerning any proprietary technology to be installed in the SAE, such as, but not limited to, business continuity and disaster recovery plans, data life-cycle and retention, procedures on data disposal upon non-renewal or revocation of SAE Accreditation;
- (4) Modes of Dispute Resolution; and
- (5) Terms of Service with data processing clients, if any;

**Section 5. Criteria for Accreditation.** The accreditation of all Applicants to become an SAE shall consider primarily, but not be limited to, the following factors:

- (a) Established experience and capability to operate measured through:
  - (i) Reputation in their applicable industry;
  - (ii) Market share;
  - (iii) Client base;
  - (iv) Product quality and development;
  - (v) Pricing;
  - (vi) Financial growth and sustainability;
  - (vii) Customer Service;
  - (viii) Adoption of Industry Best Practices; and
  - (ix) Proven track record of compliance with relevant laws, rules, and regulations, including other markets where it operates.
- (b) Adoption and implementation of up-to-date, relevant and appropriate technology for:
  - (i) Security;
  - (ii) Infrastructure;
  - (iii) Security of Premises; and
  - (iv) Internal control procedures and systems to protect confidential data from improper, unauthorized, or accidental access, use and loss and to ensure business continuity.
- (c) Good governance structure and risk management frame that is clearly defined and implemented through its previous operations in its industry;
- (d) Competent, educated, and highly-experienced corporate officers, key personnel and staff to operate the credit-adjacent business and the capability to implement a comprehensive training and education program for the development of local credit bureau professionals and staff; and,
- (e) Feasibility and commercial soundness of the Business Plan and the overall fitness of the Applicant to operate a Special Accessing Entity in the Philippines, with an emphasis on the detail, practicality, clarity, innovativeness, and comprehensiveness of the individual undertakings or projects in the Business Plan on such matters as



providing relevant credit products and services tailored to the local market, and developing and improving the local credit business industry.

**Section 6. Additional Criteria.** The SEC, *motu proprio*, or upon the recommendation of the CIC, in coordination with relevant government agencies, may modify, add, or remove any criteria for the accreditation of SAEs, subject to prior notice.

**Section 7. Procedure.** The procedure for accreditation shall be as follows:

- (a) The Applicant shall submit the complete documentary requirements as mentioned in Section 5 of this Rule within the designated application period as declared by the CIC. Incomplete or delayed submissions shall not be considered accepted unless otherwise accompanied by a justifiable reason explaining such delay or incomplete submission. Non-compliant applications may be denied outright without prejudice to their re-filing within the remainder of the application period.
- (b) Upon submission of the documentary requirements, the Applicant shall pay a non-refundable application fee in the amount of Three-Hundred Thousand Pesos (PhP 300,000.00) or an amount as prescribed by CIC to defray the cost of evaluating such application. Failure to pay the same within the specified period shall result in the automatic denial of the application.
- (c) The CIC shall establish a Technical Working Group ("TWG") which shall be responsible for reviewing the documents submitted by the Applicant within the evaluation period as determined by the CIC, which shall not exceed sixty (60) working days from the end of the application period, unless otherwise provided.
  - (i) The TWG may request for additional documents or information from an Applicant, *provided* that such documents or information shall be used for a fair and accurate comparison of all the Applicants with respect to their qualifications for accreditation.
  - (ii) An Applicant may request, within five (5) working days from submission of application and payment of corresponding application fees a Technical Demonstration of the CIC's Credit Information System (CIS);
  - (iii) Upon receipt of request of an Applicant, the TWG may schedule, within three (3) working days, the said Technical Demonstration for the requesting Applicants;
  - (iv) If an Applicant has questions or clarifications about the Technical Demonstration, it may submit the same to the TWG which shall answer within three (3) working days upon receipt of the questions or clarifications.
  - (v) All answers and clarifications given by the TWG, at any stage of the application period, shall be limited to only non-confidential information.
- (d) An Evaluation Report based on the criteria provided in Section 6 of this Rule shall be prepared by the TWG within the evaluation period. The Board of Directors of CIC, at its discretion, may require the TWG to submit a Supplemental Evaluation Report as necessary. These reports are merely recommendatory and shall not be binding on the Board of Directors.





- (e) The Board of Directors shall issue a Resolution on the approval or denial of the application after due consideration of the Evaluation Report and/or the Supplemental Evaluation Report, as the case may be.
- (f) Applicants with approved applications shall enter into an Accreditation Agreement with the CIC within Thirty (30) Working Days from the receipt of notice of approval of its application.

**Section 8. Finality of Decision.** All decisions and/or resolutions of the CIC concerning the grant of Accreditation of SAEs are final.

Applicants with denied applications shall be informed of such denial and reasons for the same. This denial shall be without prejudice to their future application.

### **RULE III. RIGHTS, PRIVILEGES, AND RESPONSIBILITIES OF SAEs**

**Section 1. Applicants for Accreditation.** Applicants accredited as an SAE or their designated Subsidiary shall have the following rights and privileges upon execution of the Accreditation Agreement:

- (a) The SAE shall be granted access to the CIC Database for purposes approved by CIC, within the parameters set out by relevant laws, regulations, and issuances;
- (b) The SAE shall be granted access to the CIC's Pool of Consolidated Data;
- (c) The SAE shall be provided with Anonymized Data extracted from the Pool of Consolidated Data;
- (d) The SAE shall be granted the right to access the Pool of Consolidated Data on a non-anonymized basis for purposes subject to CIC's approval, within the parameters set out by relevant laws, regulations and, issuances.

**Section 2. Obligations of SAEs.** Applicants or their designated Subsidiary accredited to operate as an SAE shall be bound by the Terms of the Accreditation Agreement upon execution.

### **RULE IV. POST-QUALIFICATION, EXECUTION OF CONTRACT, AND MAINTENANCE OF ACCREDITATION**

**Section 1. Post-Qualification.** Within three (3) months from receipt of the accreditation, the Applicant shall undertake to comply with the following requirements concerning the form and capitalization of SAE:

- (a) In case the Applicant shall operate itself as an SAE, it shall amend its Articles of Incorporation to have a primary purpose of providing credit reports, ratings, and other similar credit information products and services, unless it already states so in its Articles of Incorporation. In case a Subsidiary shall be created to operate as an SAE under Rule II., Section 2., it shall be incorporated with the primary purpose of providing credit reports, ratings, and other similar credit information products and services.



- (b) SAEs shall maintain a minimum paid-up capital stock of Eighty Million Pesos (PhP 80,000,000.00) for the duration of the Accreditation Period. The CIC shall notify the SAEs of any change in the Minimum Capital Requirements which shall be effective not earlier than the succeeding Accreditation Year;
- (c) Any Subsidiary accredited to be an SAE shall be operational in the Philippines within the period as determined by CIC. Failure to operate within the stipulated period shall result in the cancellation of the accreditation.

**Section 2. Execution of Contract.** Notwithstanding the grant of the accreditation, the execution of the Accreditation Agreement between the SAE and the CIC shall be subject to the following conditions:

- (a) SAEs shall notify CIC, in writing, within three (3) business days from becoming aware of any fact, matter, or circumstance which may impair the performance of any of its duties and responsibilities under the Accreditation Agreement;
- (b) SAEs warrant that the execution, delivery, and performance of the terms of the Accreditation Agreement does not violate any provision of law, judgment, or decree by which it is bound to obey and does not conflict with, or result in a breach of any provision of any license, franchise, indenture, deed of trust, or any other agreement, undertaking, or obligation which said SAE is a party to, or by which it may be bound, which may result in the impairment of said SAE from performing its obligations under the Terms of Accreditation; and,
- (c) A Certificate of Good Standing shall be issued annually upon a positive finding by CIC that an SAE has substantially complied with all its obligations for the current Accreditation Year under CISA, CIC Circular No. 2021-03, the Accreditation Agreement, and other relevant rules, regulations, and issuances.

**Section 3. Change of Controlling Interest.** Any change in ownership or control of the SAE shall not, by itself, result in the suspension or revocation of the accreditation of the SAE. However, it shall have the obligation to disclose such changes to the CIC at least thirty (30) calendar days before such change in ownership or control becomes effective. Upon due notice and hearing, the subject SAE's accreditation may be suspended and revoked under the following circumstances.

- (a) The required disclosure was not made within the period prescribed;
- (b) New ownership is unable or unqualified to operate the SAE under the terms of the Accreditation Agreement;
- (c) New ownership possesses a serious conflict of interest in operating the SAE; and
- (d) Public interest is impaired by such change in controlling interest.

Such disclosure by the SAE shall include a certification, Apostilled or Consularized if applicable, that the change in ownership or control shall not affect its ability to comply with any of its obligations under the terms of the Accreditation Agreement.

The CIC may request for additional information pertinent to any change of controlling interest in any of its accredited SAEs. The SAEs shall also disclose to CIC any mergers,



acquisitions, or consolidations involving or affecting them within the same period as mentioned above.

**Section 4. Validity of Accreditation Agreement.** Subject to the limitation under the following provision, the accreditation granted by the CIC shall be valid for a period of five (5) years, commencing from the date stated in the Accreditation Agreement, unless sooner revoked or suspended.

**Section 5. Transitory Provision.** New SAEs accredited prior to 31 October 2026 shall only be granted an initial Accreditation validity until the said date, which represents the end of the current Accreditation validity for incumbent SAEs. However, after the said date, the new SAEs shall be deemed to have automatically applied for re-accreditation subject to the requirements of CIC Circular No. 2021-03, otherwise known as "*The Standards and Rules for Reaccreditation of Special Accessing Entities to the Credit Information System*" and other applicable rules.

**Section 6. Suspension and Revocation.** The following shall be grounds for the suspension or revocation of the accreditation, at the discretion of the Corporation, after notice and hearing:

- (a) Failure to implement the Business Plan submitted or commence full operations within a period of six (6) months from receipt of the grant of accreditation;
- (b) Failure to submit the periodic reports required to be submitted to the Corporation pursuant to rules and guidelines to be issued by the Corporation;
- (c) Providing fraudulent or false information in procuring or maintaining its accreditation;
- (d) Violation of the confidentiality, or misuse, or destroying the integrity of the consolidated credit information received from the Corporation;
- (e) Violation of the terms and conditions of the Subscription Agreement with the Corporation; or
- (f) Violation of the Republic Act No. 9510 or its implementing rules and regulations and such other issuances by the Commission and/or the Corporation.

**Section 7. Continuing Right to Information.** The grant of accreditation shall be without prejudice to the Corporation's continuing authority to request for information or documents from the SAE which are necessary for the maintenance of the accreditation.

#### **RULE V. REPEALING CLAUSE**

**Section 1. Repealing.** - All issuances, orders, rules and regulations, or parts thereof that are inconsistent with the provisions of this Circular are hereby repealed, amended, or modified accordingly.



**CREDIT INFORMATION**  
CORPORATION

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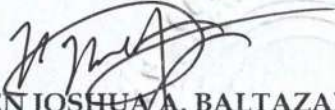
#### RULE VI. SEPARABILITY CLAUSE

**Section 1. Separability.** - Should any provision of this Circular be declared invalid or unconstitutional, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

#### RULE VII. EFFECTIVITY

**Section 1. Effectivity.** - This Circular shall be effective fifteen (15) days after the date of its publication either in the Official Gazette or in a newspaper of general circulation in the Philippines, and upon the filing of three (3) certified copies with the Office of the National Administrative Register of the University of the Philippines Law Center.

Signed this 8th day of August 2023, Makati City, Philippines.

  
**ATTY. BEN JOSHUA A. BALTAZAR**  
President and CEO

(As approved by the Securities and Exchange Commission En Banc on 08 August 2023)