



CIC Circular No. ____
Series of 2023

IMPLEMENTING GUIDELINES FOR THE MANDATORY CONTINUING COMPLIANCE OF ALL SUBMITTING ENTITIES IN PRODUCTION

RULE I. TITLE, SCOPE, AND CONSTRUCTION

SEC. 1. Title. - These guidelines shall be known as the “Implementing Guidelines for the Mandatory Continuing Compliance of All Submitting Entities in Production.”

SEC. 2. Scope and Coverage. - These rules shall apply to Submitting Entities in Production (“SEP”) and shall cover all processes involving SEPs and their continuing compliance. These guidelines are issued for the following purposes:

1. To establish the implementing guidelines for the mandatory continuing compliance of all Submitting Entities in Production (“SEP”);
2. To ensure that the Submitting Entities comply with the requirements set forth in Republic Act No. 9510, otherwise known as Credit Information System Act (“CISA”) and its Implementing Rules and Regulations (“IRR”);
3. To clearly and comprehensively establish the obligations of the SEs with regard to the processes which relate to Continuing Compliance;
4. To introduce an appropriate Compliance Rating System to monitor faithful compliance of SEPs thereby ensuring the accuracy of credit reports generated; and,
5. To effectively implement the corresponding Quality Management Development Fee (“QMDF”) to the SEPs.

SEC. 3. Definition of Terms. - For the purposes of these guidelines, the definition of terms mentioned in R.A. No. 9510 otherwise known as the Credit Information System Act (CISA) and its IRR shall apply in addition to the following:

- a. **Authorized Representative** - refers to the person authorized under the Secretary’s Certificate submitted by the Submitting Entities (SEs) designated as the primary signatory of all official documents.
- b. **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.¹
- c. **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.²
 - d. **Data Subject** - refers to an existing borrower or loan applicant or anyone who in any way applies for or avails of a credit facility.³
 - e. **Primary Contact Person** - A person designated by the SE to be in charge of communicating and promptly responding to the notices, issuances and Letters of Compliance of the CIC pertaining to pending disputes, and/or the compliance obligations of an SE to address incorrect, incomplete, delayed, or non-submissions.
 - f. **Letter of Compliance.** - refers to an issuance of the CIC to an SE or an SEP directing it to perform actions, institute measures, or obey any other instructions in relation to compliance with CIC guidelines and circulars within a prescribed period.
 - g. **Submitting Entity in Production ("SEP")** - refers to the Submitting Entity which has submitted at least one (1) basic credit data to the CIC after the receipt of a Production Confirmation letter from the CIC.⁴
 - h. **Transmittal Letter** - refers to a letter attached to the submitted documents explaining the summary of contents thereof including, but not limited to the filename, number of records for subject and contracts, regular or correction.
 - i. **Dispute Resolution Contact Person (DRCP)** - refers to the officer or employee of the SEP who was designated and named in the Submitting Entity Information Sheet (SEIS). In the absence of a designated DRCP, the Primary Contact Person (PCP) in the SEIS shall be the default DRCP between the CIC and the SE. The DRCP is the person who shall oversee the handling of disputes arising from erroneous, incomplete, or outdated credit information submitted by the SE to the CIC.

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

² Sec. 3(c) of CISA

³ Rule 3(k). Implementing Rules and Regulation of the CISA (Republic Act No. 9510).

⁴ As defined in CIC Circular 2021-01, Series of 2021 (Data Quality and Usability Assessment for All Potential Accessing Entities and Accessing Entities)



RULE II. SUBMITTING ENTITIES IN PRODUCTION

SEC. 1. - Classification of Submitting Entities in Production. - SEPs are classified according to their status in relation to their regular monthly submissions to the CIC. They are classified as either Active or Inactive.

SEC. 1.1. - Active Submitting Entity in Production. - refers to an SEP which has submitted basic credit data covering at least three (3) months in total for the calendar year.

SEC. 1.2. - Inactive Submitting Entity in Production. - refers to an SEP which has only submitted basic credit data covering less than three (3) months in total for the subject year.

For purposes of determining Inactive status of an existing SEP, their status in the immediately preceding year shall carry-over under the following rules:

- a. If they were Active in the previous year, they shall retain their Active status throughout the current year and will only be classified as Inactive at the end of the year if they fail to submit at least three (3) months of regular monthly submissions for the current year.
- b. If they were Inactive in the previous year, they shall immediately be classified as Active as soon as they submit at least three (3) months of regular submissions for the current year.

The CIC shall maintain an updated list of Active SEPs and publish the same on its website.

SEC. 2. - Obligations of Submitting Entities in Production. - All covered entities under CISA law are required to register, and submit data to the CIC on a monthly basis. The following are the duties and obligations of SEPs:

SEC. 2.1. - Regular Submission Date of Correct and Complete Basic Credit Data. - SEPs shall submit correct and complete basic credit data on or before the 5th day of each month.⁵ Basic credit data submitted on the Regular Submission Date covers that of the immediately preceding month. If the 5th day of the month falls on a

⁵ CIC Circular 2021-01, Series of 2021 (Data Quality and Usability Assessment for All Potential Accessing Entities and Accessing Entities).



Saturday, Sunday, or legal holiday, then the regular submission shall be made on the next working day.

SEC. 2.2. - Special Submission Date of Correct and Complete Basic Credit Data.

- SEPs shall submit correct and complete basic credit data within fifteen (15) working days from the issuance of a Letter of Compliance, within three (3) months, in case of Delayed Submissions, or within the five (5) working days, from receipt of Discrepancy Notices. If the due date falls on a Saturday, Sunday, or legal holiday, then the regular submission shall be made on the next working day.

SEC. 2.3. - Transmittal Letter - SEPs shall submit their Regular and Special Submissions with an attached Transmittal Letter containing the type of submission and a summary of its contents. Failure to attach the same shall be considered as Incomplete Submission in accordance with Section 2 of Rule IV of these guidelines.

SEC. 2.4. - Historical Data to be Submitted. All submitting entities are mandated to submit basic credit data pertaining to their borrowers and loans which are existing and in their possession since 1 January 2020 and thereafter. This coverage period may be expanded by the CIC, with prior notice to the submitting entities, but in no case shall this coverage period precede 31 October 2008.

SEC. 2.5. - Incomplete and Erroneous Submissions - SEPs who submit incomplete, and erroneous Regular and Special Submissions are obligated to complete and correct these submissions. Provided that, in the case of Incomplete and Erroneous Special Submissions, these shall already be considered delayed submissions and may be subject to appropriate penalties.

SEC. 2.6. - Request to Change Authorized Representative, Primary Contact Person, or Contact Information. - SEPs shall file the appropriate *Request to Change Authorized Representative, Primary Contact Person or Contact Information* no less than ten (10) working days before the effectivity of such change with the SEP Updates Team by sending an email to update the SEP's contact details on file. Issuances, Notices, and Correspondences sent to an SEP's Primary Contact Person on record through the contact details on file shall be deemed received, with the SEP assumed to be duly notified, and the appropriate compliance periods to begin to run.

SEC. 2.7. - Closure, Dissolution, Merger and Consolidation. - The SEP shall notify the CIC of any change in its status, structure, and/or juridical personality no less than thirty (30) working days from the effectivity of such change through a Notice of Closure, Dissolution, Merger and Consolidation. The CIC shall issue a Special Order containing instructions on Terminal Compliance and the appropriate compliance periods thereto.



SEC. 2.8. - Terminal Compliance. - In cases of Closure, Dissolution, Merger and Consolidation, the SEP, its successor-in-interest, and/or its administrators shall submit all prior unreported credit data and correction files for previous erroneous submissions, as well as a Final Compliance Report, to ensure that the records of its borrowers are complete and updated.

An SEP undergoing Closure, Dissolution, Merger and Consolidation, its successor-in-interest and/or its administrators may request for special training or orientation from the Data Center Team to assist them in their Terminal Compliance activities.

SEC. 3. - Period of Submission. - For Regular Submissions, SEPs are required to submit their respective credit data to the system on a monthly basis whereas for Special Submissions, these are submitted within a prescribed period.

SEC. 3.1. - Regular Submission Date. - SEPs are required to submit their respective credit data on a monthly basis, particularly on the 5th day of each month.⁶

SEC. 3.2. - Request for Extension for Regular Submission. - In case of failure to submit a Regular Submission within the Submission Date, SEPs may file, within five (5) working days after the 5th day of each month, a *Request for Extension* citing therein justifiable grounds for the belated submission of the monthly report. If the request is approved, the submission made pursuant thereto shall be made within twenty (20) working days from the date of approval. The Request for Extension may only be made once within the required submission period.

Failure to file Regular Submissions on time, failure to file a Request for Extension within the provided period, or filing a Request without any written and justifiable explanation, or unsigned by the Authorized Representative, shall subject the Submitting Entity to penalties.

Inaction from the CIC after five (5) working days from receipt of the Request for Extension shall be deemed as an approval of the same and will be considered effective for the period mentioned in paragraph 1 of this section, reckoned from the date of receipt of the Request for Extension.

⁶ Ibid.



The Request for Extension shall be filed by the Authorized Representative of the SEP and shall contain the ground/s for the extension, the actions to be taken to ensure compliance, and the projected date for the compliance.

SEC. 3.3. - Special Submission. - Special Submissions are submitted to correct or update erroneous, delayed, or incomplete submissions. These shall not be combined or consolidated in any Regular Submissions of an SEP.

SEC. 3.3.1 - Special Submissions for Correction Files. - An SEP shall submit special submissions within fifteen (15) working days from the date of issuance of the Output Error Report (OER) containing the errors for correction. The OER shall be considered as an equivalent of a Letter of Compliance.

SEC. 3.3.2 - Special Submissions for Delayed and Incomplete Submissions. - Submission of basic credit data omitted from a Regular Submission shall be through a Special Submission filed within fifteen (15) working days from receipt of a Letter of Compliance.

SEC. 3.3.3 - Special Submissions for Disputes. - An SEP shall submit Special Submissions containing corrected credit information of the Disputer within five (5) working days from receipt of the Discrepancy Notice. Special Submissions to address Disputes shall be in accordance with the form prescribed by the relevant circulars issued of the CIC.

SEC. 3.4. - Request for Extension for Special Submission. - In case of failure to submit the Special Submissions for Correcting Erroneous Files and for Dispute Resolution, SEPs may file a Request for Extension within the periods provided in the immediately preceding provisions, respectively.

Failure to file Special Submissions on time, failure to file a Request for Extension within the provided period, or filing a Request without any written and justifiable explanation, or unsigned by the Authorized Representative, shall subject the Submitting Entity to penalties.

Inaction from the CIC after five (5) working days from receipt of the Request for Extension shall be deemed as an approval of the same and will be considered effective for the period mentioned in Section 3.3.1 reckoned from the date of receipt of the Request for Extension.



The Request for Extension shall be filed by the Authorized Representative of the SEP and shall contain the ground/s for the extension, the actions to be taken to ensure compliance, and the projected date for the compliance.

The extension granted shall be for a fresh period not exceeding the number of days provided in Sec. 3.

SEC. 3.5. - Failure to Submit Basic Credit Data - SEPs are deemed to have failed to submit Basic Credit Data when no appropriate submissions are made and the following occur:

- a. Upon the lapse of the Regular Submission Date with respect to Regular Submissions;
- b. Upon the lapse of the three (3) month period with respect to Delayed Submissions;
- c. Upon the discovery of a malicious submission made by the SEP; or
- d. Upon the lapse of the applicable period following the issuance of a Letter of Compliance instructing the Submitting Entity to make a Special Submission.
- e. The lapse of the extension period granted, if applicable.

SEC. 4. - Letter of Compliance. - SEPs who fail to submit Basic Credit Data shall be notified with an appropriate Letter of Compliance containing therein the instruction to make Special Submissions which should contain the required correct, complete and updated credit data within fifteen (15) working days upon receipt of the letter.

Even without the issuance of a Letter of Compliance, an SEP may notify CIC of its intention to make a Special Submission containing correct, complete and updated credit data. In such cases, no Special Submissions shall be accepted without prior approval from the CIC.

SEC. 5. - Assessment of the Performance of Submitting Entities in Production. - An annual report shall be issued containing the compliance status and performance of the SEPs. The summary of such information will be posted on the CIC website for the information of the general public.

SEC. 6. - Compliance Rating of Submitting Entities in Production. - The SEPs shall be assessed annually according to their level of compliance pursuant to the following criteria:



SEC. 6.1. - Fully Compliant. - This rating shall be given to an SEP which has submitted all of its Regular Submissions and at least ninety percent (90%) of its Special Submissions due within the year.

SEC. 6.2. - Mostly Compliant. - This rating shall be given to an SEP which has submitted at least nine (9) Regular Submissions and at least seventy-five percent (75%) of its Special Submissions due within the year.

SEC. 6.3. - Partially Compliant. - This rating shall be given to an SEP which has submitted at least six (6) Regular Submissions and at least fifty percent (50%) of its Special Submissions due within the year.

SEC. 6.4. - Minimally Compliant. - This rating shall be given to an SEP which has submitted at least three (3) Regular Submissions and below fifty percent (50%) of its Special Submissions due within the year.

SEC. 6.5 - Ratings not applicable to Inactive Submitting Entities - These ratings shall not apply to inactive SEPs.

SEC. 6.6. - Final Compliance Rating. - The Annual Compliance Rating shall be assessed based on the Compliance performance of an SEP for the covered year. An SE must comply with both Regular and Special Submission thresholds in order to be assessed an appropriate Compliance Rating.

SEPs with higher compliance ratings may be entitled to special privileges and those with lower compliance ratings shall be subject to mandatory corrective action.

RULE III. SCHEDULE OF QUALITY MANAGEMENT and DEVELOPMENT FEE

SEC. 1. - Amount of Quality Management and Development Fee. - SEPs shall be assessed a Quality Management and Development Fee (QMDF) to defray the cost of providing technical support and enforcing compliance to the CISA and CIC's issuances.

The QMDF for SEPs shall be computed based on the following components:

- a. A flat-rate of **TWO-HUNDRED THOUSAND PESOS (Php 200,000.00)**;



- b. A variable rate shall be applied as part of the QMDF for SEPs with average monthly submissions of over 100,000 records at a rate of **PHP 0.25 PER EXCESS record**. For those SEPs that have no submissions, the Certificate of Total Number of Loan Accounts (CTNLA) shall be the basis for the average monthly submissions.
- c. The applicable discount rate to reduce the total assessed QMDF shall be based on an SEP’s most recent Compliance Rating as follows:

Compliance Rating	Discount Rate
Fully Compliant	100%
Mostly Compliant	75%
Partially Compliant	50%
Minimally Compliant	25%
Inactive	0%

For illustration purposes:

An SEP with average monthly submissions of 790,000 records.

Compliance Rating	Flat Fee	Variable Rate <small>(see computation below)</small>	Gross Due	Discount Rate	Assessed QMDF
Fully compliant	P200,000.00	P 172,500.00	P372,500.00	100%	0
Mostly compliant	P200,000.00	P 172,500.00	P372,500.00	75%	P93,125.00
Partially compliant	P200,000.00	P 172,500.00	P372,500.00	50%	P186,250.00



Minimally compliant	P200,000.00	P172, 500.00	P372, 500.00	25%	P279,375.00
Inactive compliant	P200,000.00	P 172, 500.00	P372, 500.00	0%	P372,500.00

Variable rate computation:

$$=(\text{Monthly Average of Record of SE} - 100,000 \text{ records}) \times P0.25/\text{record}$$

SEC. 2. - Payment of QMDF. - Full payment of the assessed QMDF shall be made within thirty (30) working days from the Notice of Assessment.

SEC. 3. - Non-Payment. - Non-payment of the QMDF within the prescribed period shall subject the concerned SEP to late payment surcharges.

SEPs with outstanding QMDF payments due beyond the prescribed payment period may be denied particular services, reliefs, or privileges by the CIC.

The QMDF and other applicable surcharges are without prejudice to the imposition of penalties for other applicable violations of an SE in relation to its Continuing Compliance obligations.

SEC. 4. - Payment Collection. - The following shall govern the collection of the payments for the QMDF:

1. **Notification of amount due for QMDF and mode of payment.** The Notice of Assessment shall indicate, among others, the computation of the QMDF due, the period covered by the QMDF, the mode of payment, and other billing information.
2. **Reduction of the amount due for QMDF.** Upon receipt of the Notice of Assessment, the SEPs shall check the correctness of the information therein and may submit any valid requests for reduction or modification of the assessed QMDF, with supporting documents, not less than ten (10) working days before the specified deadline of payment as indicated in the Notice of Assessment.

Any requests for reduction received after this period shall not be considered.

No appeals or motions for reconsideration shall be entertained for denied requests for reduction.



SEC. 5. Exemptions and reductions on QMDF. - Requests to be exempted from paying the QMDF shall not be allowed. Requests for reductions in the QMDF may be granted only on grounds of severe financial hardship or force majeure, and provided that tangible efforts towards improving its Compliance Rating are undertaken by the requesting SEP.

SEC. 6. - Transitory Provision. - The initial Annual Compliance Rating for SEPs and the corresponding QMDF thereto under these Guidelines shall be based on their compliance performance for the year 2023.

RULE IV. CONTINUING COMPLIANCE VIOLATIONS

SEC. 1 - Non-submission - Non-submission exists when an SEP fails to submit a Regular Submission or Special Submission within the prescribed period. The following acts shall likewise constitute non-submission:

1. Failure to successfully register within thirty (30) working days from notice as an identified SEP;
2. Regular Submissions made beyond the three (3) month period from the Regular Submission Date;
3. Failure to submit Special Submissions within the period stipulated in the Letter of Compliance;
4. Submissions with unreasonably high incidence of errors; and
5. Other analogous circumstances.

SEC. 2 - Incomplete Submission and/or Underreporting of Basic Credit Data - There is Incomplete Submission when basic credit data existing and in the possession of an SE anytime within a prior month is omitted in its most recent Regular Submission. Succeeding submissions containing the omitted credit data shall be through Special Submissions. The following acts shall also constitute Incomplete Submission:

- a. Failure to submit the actual number of loan in its possession or make timely updates to its CTLNA;
- b. Failure to submit the complete and updated credit data of any Data Subject by the Regular Submission Date;
- c. Failure to attach a Transmittal Letter in its Regular and Special Submissions.

SEC. 3 - Delayed Submission - A Delayed Submission occurs when an SEP submits its Regular Submission beyond the Regular Submission Date, but within three (3) months from this date. These shall be made through a Special Submission.



SEC. 4 - Malicious Submission - A Malicious Submission occurs when an SEP intentionally or repeatedly submits Regular or Special Submissions containing credit data which is outdated and patently erroneous. Malicious submissions may also be considered as Non-submission or Incomplete Submission as the case may be, and subject an SE and its personnel to other administrative, civil, and criminal liability.

SEC. 5- Misrepresentations regarding Continuing Compliance Obligations - Any misrepresentation made by an SEP with respect to its Compliance obligations and submissions shall be penalized separately for any underlying or related act of non-compliance. Any false or fraudulent information conveyed by the SEP to the CIC shall be disregarded and subject the SEP to penalties, possible re-assessment of its Compliance Rating and QMDF, the denial of particular services, reliefs, or privileges by the CIC, and subject the SEP and its personnel to other administrative, civil, and criminal liability.

SEC. 6 - Misrepresentations to the Public - Any misrepresentations made by the SEP in holding itself as compliant to its obligations under CISA, its IRR and under these Rules and other circulars and issuances of the CIC, or is misrepresenting itself as possessing a Compliance Rating from the CIC which it does not possess shall subject the SEP to penalties and the denial of particular services, reliefs, or privileges, provided by the CIC, without prejudice to other administrative, civil, and criminal liability.

SEC. 7 - Failure to Update the Primary and Dispute Contact Persons - The failure of the SEP to provide CIC with a Primary and/or Dispute Contact Person, or update such information, shall subject it to penalties and may result in the denial of particular services, reliefs, or privileges, provided by the CIC, without prejudice to the imposition of other administrative, civil, and criminal liability.

SEC. 8 - Violations Related to Dispute Resolution - Late, incomplete, or non-submission of the corrected or updated credit information, pertinent documents, or Special Submissions due by the SEP to resolve a Dispute, without any justifiable reason; or providing outdated or erroneous information; or performing any act which results in the delay or obstructs the prompt resolution of a Dispute, shall subject the SEP to penalties and may result in the denial of particular services, reliefs, or privileges provided by the CIC, without prejudice to the imposition of other administrative, civil, and criminal liability. The following also constitute as Dispute Resolution Violations:

1. Non-submission of documents by the SEP, relating to the resolution of the Dispute filed against it; and
2. Non-response of SEPs to the Discrepancy Notices, Letters of Compliance, Resolutions, and other correspondences from the CIC related to Disputes.



SEC. 9 - Violation based on Inactivity of the SEP - The inactivity of the SEP, as defined in Section 1.2 of Rule II, shall subject the SEP to the denial of particular services, reliefs, or privileges, provided by the CIC, without prejudice to the imposition of other administrative, civil, and criminal liability.

RULE V. DISPUTE RESOLUTION IN RELATION TO CONTINUING COMPLIANCE

SEC. 1. Primary Responsibility of Submitting Entities. - It is the primary responsibility of SEPs to submit correct and updated credit information of its borrowers to the CIC regularly to ensure accurate and reliable credit information is reflected in the credit report.

SEC. 2. Discrepancy Notice. -The Discrepancy Notice is issued by the CIC to resolve a Dispute filed against a SEP. This notice shall direct the SEP to submit the Special Submission containing the updated or corrected credit data within the period provided in these Rules. The DRCP shall acknowledge the Discrepancy Notice upon receipt and failure to do so shall not suspend the period for the submission of the Special Submission to resolve the Dispute.

RULE VI. REPEALING CLAUSE

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.

RULE VII. SEPARABILITY CLAUSE

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 VIII. EFFECTIVITY

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



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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 ____ day of July 2023, Makati City, Philippines.

BEN JOSHUA A. BALTAZAR
President and CEO