



LETTER CIRCULAR NO. 2022 - 05
Series of 2022

DATE : 11 April 2022
TO : DIGITAL BANKS
SUBJECT : NOTICE ON COVERAGE OF REPUBLIC ACT NO. 9510 OR
CREDIT INFORMATION SYSTEM ACT

I. BACKGROUND

The Credit Information Corporation (CIC) was created by virtue of Republic Act No. 9510 otherwise known as *Credit Information System Act (CISA)*, to receive and consolidate basic credit data, and act as a central registry or central repository of credit information and shall provide access to reliable, standardized information on credit history and financial conditions of borrowers, whether individuals or corporations, in support of, an essential to, the development of the financial market.

The CISA, specifically Section 4(a) thereof enumerated these entities that must submit Basic Credit Data to the CIC, one of which are banks:

“Section 4. Establishment of Credit Information Corporation- xxx

- (a) Banks, quasi-banks, their subsidiaries and affiliates, life insurance companies, credit card companies and other entities that provide credit facilities are required to submit basic credit data and updates thereon on a regular basis to the Corporation.

XXX

By virtue of the aforesaid provision, banks such as Universal and Commercial Banks, Thrift Banks, Rural Banks, and Cooperative Banks have been submitting Basic Credit Data to the CIC.

On 2 December 2020, the Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1105, Series of 2020, providing guidelines on the establishment of “Digital Banks” pursuant to the Monetary Board Resolution No. 1536. Said issuance provided for the creation of “Digital Banks”¹ as a distinct classification of banks and the guidelines for their establishment. Recently, the BSP issued Circular Letters granting entities Certificates of Authority to Operate as Digital Banks.

¹ Section 102, MORB, as amended by Monetary Board Resolution No. 1536 - **Digital Bank** refers to a bank that offers financial products and services that are processed end-to-end through a digital platform and/or electronic channels with no physical branch/sub-branch or branch-lite unit offering financial products and services.



II. PURPOSE

Pursuant to the CIC's authority to recognize banks as Submitting Entities (SE) and the resolution of the Monetary Board recognizing "Digital Banks" as a distinct classification of banks, the CIC hereby directs Digital Banks to register as SEs and submit their Basic Credit Data to the CIC.

III. SCOPE

This Circular shall apply to all entities authorized by the BSP to operate as a Digital Bank.

IV. REQUIREMENTS AND STEPS


As a pre-requisite before Digital Banks are allowed to submit credit data to the CIC in compliance to CISA, they must first register with the CIC as an SE. To register, Digital Banks are required to submit the following documents and/or requirements, *to wit:*²

1. Secretary's Certificate identifying its Authorized Representative (Annex A, Secretary's Certificate Template);
2. Submitting Entity Information Sheet (SEIS);
3. Certificate of Authority to Operate as a Digital Bank issued by the BSP (*for new registrants/not converted*); and
4. BSP Circular re: Conversion to a Digital Bank (*for converted banks*)

The Requirements and Guidelines on Online Registration of Submitting Entities to the Credit Information Corporation or *CIC Circular No. 2, Series of 2021* shall also be applicable to Digital Banks.

All Digital Banks must commence registration as an SE - within ten (10) calendar days from the issuance of the BSP Circular Letter granting the same of its Certificate of Authority to Operate as such.

For your guidance and strict compliance.


BEN JOSHUA A. BALTAZAR
President and CEO

² CIC Circular No. 2, Series of 2021.



REPUBLIC OF THE PHILIPPINES}

_____} S.S.

SECRETARY'S
CERTIFICATE

I, _____, Filipino, of legal age, with address
at _____, under oath, state:

1. I am the duly elected Corporate Secretary of
_____ (the "Corporation"), a corporation duly
organized and existing under and by virtue of the laws of the Republic of the
Philippines with office address at _____;

2. As Corporate Secretary, I am in possession of the records of the
Corporation;

3. During the Regular/ Special Meeting of the Board of Directors held
on _____ at _____, wherein a quorum
was present and acted throughout, the following resolutions were
unanimously approved and adopted to wit;

"RESOLVED FURTHER, AS IT IS HEREBY RESOLVED that
_____ is the *authorized representative* of the
Corporation to sign and execute the following;

(A) Submitting Entity Information Sheet (SEIS) and its
attachments and/or other documents relative to
submission of basic credit data;

(B) Memorandum of Agreement between the Credit



Information Corporation and the Accessing Entity;

- (C) Other documents required by the Credit Information Corporation (CIC) relative to accessing basic credit data from the CIC;

“RESOLVED FURTHER, that the *authorized representative* is the responsible officer for all information encoded in the Covered Entity (CE) Portal. “

“RESOLVED FINALLY, that the following resolutions shall remain valid and binding unless the Corporation, through its Corporate Secretary, issues and transmits to CIC a subsequent Board Resolution or Secretary’s Certificate expressly repealing or amending any or all of these resolutions.”

4. The foregoing resolutions have not been revoked, modified or suspended, and shall remain in full force and effect, and may be relied upon unless written notice to the contrary is issued by the Corporation.

IN WITNESS WHEREOF, I hereby affix my signature this _____ at _____.

Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ day of _____ at _____, affiant exhibiting to me his/her government issued identification card issued on _____ and valid until _____.

Doc. No. ___;
Page No. ___;
Book No. ___;
Series of 2022