

**1003 ENFORCEMENT ACTIONS**

- a. Enforcement is the implementation of corrective measures and imposition of sanctions to BSFIs to:
- (1) Ensure compliance with the Bangko Sentral regulations on consumer protection and consumer protection laws and regulations;
  - (2) Inform the management of the BSFIs of the consequences of their decisions and actions;
  - (3) Instill discipline to the BSFIs; and
  - (4) Serve as deterrent to the commission of violations.
- b. The bases for enforcement actions are the results of the:
- (1) On-site consumer protection framework assessment;
  - (2) Off-site surveillance;
  - (3) Market monitoring; and
  - (4) Bangko Sentral consumer assistance mechanism.
- c. The following enforcement action may be taken depending on:
- (1) *Rating-based enforcement actions for on-site periodic assessment.* To implement the foregoing enforcement actions, the following rules shall apply:
    - (a) A Consumer Protection Rating (CPR) of 4 will require no enforcement action.
    - (b) A CPR of 3 will require issuance of a written reminder on consumer protection areas that may lead to weaknesses in the BSFI's Consumer Protection Framework.
    - (c) A CPR of 2 will require a written Action Plan in response to the written reminder issued by the Bangko Sentral. The written Action Plan shall be duly approved by the board. It shall aim to correct the identified weaknesses in the BSFI's Consumer Protection Framework or the noted violations of the Bangko Sentral Regulations on Consumer Protection. Financial Consumer Protection Department (FCPD) shall assess the viability of the plan and shall monitor the bank's performance.
    - (d) A CPR of 1 shall also be considered as poor/grossly inadequate Financial Consumer Protection Framework. For this reason, a written action plan fully executable within ninety (90) days shall be prepared. The action plan shall be duly approved by the board aimed at instituting immediate and strong measures to restore the BSFI to acceptable consumer

protection operating condition, where it does not pose any risk of financial loss or harm to the financial consumers.

In the event of non-submission of the written Action Plan within the deadline or failure to implement its action plan, FCPD shall recommend appropriate enforcement actions on the BSFI and its responsible officers including monetary penalties to be computed on a daily basis until improvements are satisfactorily implemented.

<b>Composite Rating</b>				
Numerical Rating	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Adjectival Rating	<b>Strong</b>	<b>Acceptable</b>	<b>Marginal</b>	<b>Poor</b>
Supervisory Approach	No cause for supervisory concern	Minimal supervisory concern	More than normal supervisory concern	Immediate and close supervisory attention and monitoring
Enforcement Action	None	Written reminder	Written action plan	Written action plan suspension of introduction of new products and services or suspension of existing products/services that poses a consumer protection concern or suspension of further distribution or issuance of consumer products and services

Table No. 1. Enforcement Actions for Consumer Protection Ratings

d. Enforcement actions for violations of consumer protection regulations.

Depending on the seriousness and impact of the breaches of Bangko Sentral Regulations on consumer protection and specific consumer protection rules and regulations, the following administrative sanctions shall be imposed:

- (1) Fines in amount as may be determined by the Monetary Board to be appropriate;
- (2) Stopping/suspending operations/products or restricting approval of new operations/products;
- (3) Requiring the withdrawal/ modification of advertising/marketing materials; and
- (4) Requiring submission of additional reports for monitoring.

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*(Circular Nos. 890 dated 02 November 2015 and 857 dated 21 November 2014)*