

**[BSP CIRCULAR NO. 845 (CORRECTED COPY),
August 15, 2014]**

MEANING OF PRE-APPROVED CREDIT CARD

Adopted: 15 August 2014

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Pursuant to Monetary Board Resolution No. 1055 dated 02 July 2014, the following provisions of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) are hereby amended to clarify the meaning of a pre-approved credit card:

Section 1. Inclusion under the definition terms - The meaning of "preapproved credit cards" as well as "application" shall be included in the definition of terms under Subsection X320.1 of the MORB, and Subsections 4320Q.1 and 4301N.1 of the MORNBFI.

Subsection X320.1 of the MORB is hereby amended to read as follows:

"§ X320.1 Definition of terms

"xxx

"m. *Pre-approved credit cards* are unsolicited credit cards issued by credit card issuers to consumers who have not applied for such credit cards. Acts described under Appendix 103 and other similar acts are deemed tantamount to the act of issuing pre-approved credit cards, notwithstanding any contrary stipulations in the contract.

n. *Application* is a documented request of the credit card applicant to a credit card issuer for the availment of a credit card. The intention and consent for the availment of the credit card must be clear and explicit."

Subsection X4320Q.1 of the MORNBFI is hereby amended to read as follows:

"§ 4320Q.1 Definition of terms

"xxx

"m. *Pre-approved credit cards* are unsolicited credit cards issued by credit card issuers to consumers who have not applied for such credit cards. Acts described under Appendix Q-61 and other similar acts are deemed tantamount to the act of issuing pre-approved credit cards, notwithstanding any contrary stipulations in the contract.

n. *Application* is a documented request of the credit card applicant to a credit card issuer for the availment of a credit card. The intention and consent for the availment of the credit card must be clear and explicit."