

Transparent Pricing Initiative in the Philippines

MFTransparency launched the *Transparent Pricing Initiative in the Philippines* in March 2011. This *Initiative* will provide an opportunity for the variety of service providers in the Philippine market to exchange information, standardize pricing practices and demonstrate their commitment to transparent and responsible pricing.

The main objective of the *Transparent Pricing Initiative in the Philippines* is to promote improved consumer protection principles through microfinance product pricing transparency. The *Initiative* will take place in four major activities:

- **Program Launch – Training Workshop.** MFTransparency, the Microfinance Council of the Philippines (MCPI) and the Rural Bankers Association of the Philippines (RBAP) will host workshops, open to all industry stakeholders, where we will provide training on topics such as pricing analysis, client financial literacy and product development. We will also provide a tool for reporting the prices of microfinance loan products in a common format that includes all financial costs to the borrower, including interest rates, fees and other charges.
- **Data Collection, Analysis & Dissemination.** Following these workshops, we will meet one-on-one with MFIs to begin collecting product-specific pricing data from institutions throughout the country. We will then publish this data alongside market analysis, providing a platform for MFIs to showcase their compliance with the Philippines Truth in Lending Act and Price Disclosure Policy.
- **Development & Dissemination of Educational Materials.** We will develop educational and training materials tailored to several specific audiences including consumers of microfinance products and MFI management and staff. All educational materials will be translated into the primary local language and we will adapt terminology according to the local market.
- **Promotion of Pricing Transparency Policy:** MFTransparency seeks to educate regulators on how they can implement policies that foster a healthy microfinance market in which free competition is possible, institutions can be financially sustainable and consumers are protected and educated. Our goal is to support regulators and policymakers in developing cost-effective, high-impact policies and programs for pricing transparency through training, market analysis and the sharing of best practices

By collecting and standardizing data on prices for microfinance loan products, MFTransparency provides an important service to an industry lacking a mechanism to ensure accurate reporting. This work addresses a fundamental component of client protection by enabling consumers to make informed decisions. MFTransparency focuses on training and education of the broad range of stakeholders to create an environment in which transparency leads to a strengthening of the market, effective self-regulation and renewed public confidence in the local microfinance industry.

MFTransparency's multi-pronged approach of collecting and disseminating pricing data, educating and training microfinance stakeholders, and promoting industry standards at the regulatory level ensures long-term, sustainable development within the consumer protection sphere. Through the *Transparent Pricing Initiative*, MFTransparency seeks to further sustainable microfinance and improve the quality of financial services for the poor.

For more information or to participate in the Transparent Pricing Initiative in the Philippines please write to philippines@mftransparency.org

The *Transparent Pricing Initiative in the Philippines* is sponsored by:



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