

October 5, 2026

National Privacy Commission
25th-27th Floors, The Upper Class Tower,
Quezon Ave. Corner Scout Reyes Street
Quezon City 1103
Philippines

RE: Comments on Draft National Privacy Commission Circular on Data Subject Rights

The Association for Competitive Technology (ACT) respectfully submits the following comments on the National Privacy Commission (the Commission) draft Circular on data subject rights.¹

I. Introduction and Statement of Interest

ACT represents small business innovators and startups in the software development and high-tech space located in the Philippines and around the world.² As the world embraces mobile technologies, our members create the innovative products and services that drive the global digital economy by improving workplace productivity, accelerating academic achievement, and helping people lead more efficient and healthier lives. Today, the app economy is a significant driver of economic growth, job creation, and innovation around the world.

As the Commission considers the draft Circular on Data Subject Rights, ACT respectfully encourages the Commission to consider the impact of the proposed requirements on micro, small, and medium enterprises (MSMEs) that process personal data in the Philippines. MSMEs often operate with limited legal, compliance, technical, and administrative resources. As a result, requirements that may be readily absorbed by larger organizations can impose disproportionate operational burdens on MSMEs. ACT asks that the final Circular be sufficiently flexible and proportionate to allow MSMEs to fulfill their obligations in a manner that accounts for their size, resources, technical capabilities, the nature and complexity of their processing activities, and the risks presented to data subjects. This approach would preserve the full exercise of data subject rights while supporting practical and effective compliance across organizations of varying sizes and capacities. ACT also asks that the Commission clarify that Section 16, which provides that any doubt in interpreting the Circular be resolved in a manner mindful of the

¹ <https://privacy.gov.ph/wp-content/uploads/2026/09/For-Publication-DPCJ-18Sep2026-Draft-Circular-Data-Subjects-Rights.pdf>

² Association for Competitive Technology, *About*, available at <https://actonline.org/about>.

rights and interests of the data subject, does not displace the reasonableness and proportionality standards that appear throughout the Circular.

II. Simplify Documentation and Compliance Requirements for MSMEs

The draft Circular appropriately requires personal information controllers (PICs) and personal information processors (PIPs) to establish clear policies and procedures for handling data subject requests, including documenting procedures and incorporating them into applicable privacy materials. However, extensive documentation requirements can create significant administrative burdens for MSMEs, particularly where an organization does not have dedicated legal, privacy, or compliance personnel. The draft would require a record of every request, including the actions taken, the dates of receipt and resolution, and any grounds for denial (Section 15(D)), as well as audit trails demonstrating the deletion or blocking of personal data (Section 11(J)). It would also require a written confirmation following each erasure request that identifies the data erased, the actions taken, the recipients notified, and whether copies remain in backup or archival systems (Section 11). ACT respectfully recommends that the Commission consider simplified compliance mechanisms for MSMEs, including allowing these records and confirmations to be kept in a form and level of detail proportionate to the size of the organization and the volume of requests it receives. A proportionate approach to these records would promote consistent compliance with the final Circular while allowing MSMEs to devote their limited resources to substantive compliance and serving their customers.

III. Consider MSMEs' Reliance on Standardized Service Provider Terms

Section 6(D) seeks to ensure cooperation between PICs and their service providers in responding to data subject requests. In practice, however, MSMEs frequently rely on large cloud, payroll, communications, e-commerce, and other service providers whose standard contractual terms are offered on a non-negotiable basis. Smaller businesses may lack the commercial leverage necessary to obtain specific contractual provisions addressing particular procedures or timelines. ACT respectfully recommends that the Commission clarify that MSMEs may satisfy these obligations through reasonable diligence and reliance on appropriate standardized processor terms where individually negotiated provisions are not commercially available, and that the Commission will take such diligence into account when assessing a PIC's responsibility under Section 6(D) for a delay or failure attributable to the service provider.

IV. Provide Appropriate Flexibility in Data Subject Request Timelines

ACT supports the Circular's goal of ensuring that data subject requests are addressed promptly. At the same time, fixed response periods can present particular challenges for MSMEs that may rely on a single individual to perform privacy, legal, human resources, and other operational functions, and that may lack automated tools for locating and reviewing responsive information. The draft requires PICs to acknowledge a request within 15 calendar days and resolve it within 30 calendar days, and it permits a single

extension of up to 30 calendar days only on the grounds listed in Section 6(G) and only where the PIC notifies the data subject within the first 15 days of the original period. ACT respectfully requests that the Commission add the size, resources, technical capabilities, and operational capacity of a PIC or PIP to the grounds in Section 6(G) that may justify additional time to resolve a request, and allow MSMEs to give notice of an extension at any point before the original period ends. Such flexibility could be structured to preserve timely responses and prevent unnecessary delay while recognizing that the same request may require materially different resources for a small business than for a large enterprise.

V. Clarify the Scope of the Provisions on Automated Processing and AI Systems

The draft Circular would require PICs to inform data subjects whether their personal data will be used for machine learning purposes or processed through an AI system, and to provide meaningful information about the logic involved in automated processing (Section 7). It would also allow data subjects to object where AI, profiling, or automated processing is used as the sole basis for a decision that significantly affects them, and would require the PIC to stop that processing upon receipt of the objection (Section 8). Because the draft defines automated decision-making to include processing that is wholly or partially automated, these provisions could reach many ordinary software features that MSMEs build into their products and services, such as spam filtering, fraud detection, search, and product recommendations, including features that rely on third-party AI tools whose internal workings the MSME does not control.

ACT recommends that the Commission clarify that the objection right in Section 8 applies only to decisions made solely through automated processing without meaningful human involvement, consistent with the “sole basis” language in that Section, and that PICs have the ordinary response period to evaluate such objections. ACT also recommends that the Commission clarify that PICs can meet the notice and explanation obligations in Section 7 through a general description of the processing and its intended purpose, without disclosing source code, model parameters, trade secrets, or information that could allow a system to be manipulated or circumvented. Where an MSME relies on an AI tool provided by a third party, the Commission should confirm that the MSME may meet these obligations using the information the provider makes available.

VI. Consider Additional Transition Time for MSMEs

The draft Circular provides a 90-day period following effectivity for PICs to comply with its requirements (Section 18) but does not address the period available to PIPs, even though many of its obligations apply to both. For MSMEs, implementation may require developing new procedures, updating privacy notices and internal policies, training personnel, assessing service-provider arrangements, and updating processes for receiving, verifying, tracking, and responding to requests. ACT respectfully recommends that the Commission consider a longer or phased implementation period for MSMEs, particularly where compliance may depend on changes by third-party service providers, and confirm that the same transition period applies to PIPs. ACT also recommends that service

agreements in effect before the Circular takes effect be permitted to remain in place until their next renewal, so that the contract terms called for by Section 6(D) can be addressed in the ordinary course of business. Additional transition time would help smaller organizations implement the Circular effectively rather than requiring hurried adoption of processes that may later need to be revised.

VII. Expand the Circular's Inclusion of Practical Guidance and Examples

ACT appreciates the practical forms, templates, and guidance that the Commission has previously made available to PICs and PIPs to support compliance with privacy regulations. ACT respectfully recommends that the Commission update and expand these resources to reflect the requirements of the final Circular, including model policies, request and response templates, sample workflows, and practical examples addressing the new procedural obligations for handling data subject requests. Guidance tailored to MSMEs would be particularly valuable, as smaller organizations may depend more heavily on regulatory examples when designing compliant processes. The illustrative sectoral examples included in Annex A are a helpful step in this direction and ACT encourages the Commission to build on that approach by providing additional examples showing how organizations of different sizes and technical capabilities may reasonably comply with the Circular.

VIII. Conclusion

We appreciate your consideration of the above views and welcome any opportunity to provide additional commentary as the rulemaking process advances.

Sincerely,

A handwritten signature in black ink, reading "Morgan Reed". The signature is fluid and cursive, with the first name "Morgan" and last name "Reed" clearly distinguishable.

Morgan Reed
President
Association for Competitive Technology