



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 4106

Introduced by **ERIC L. OLIVAREZ**

EXPLANATORY NOTE

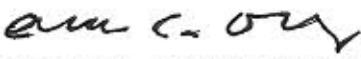
In the fast-rising modernity of our society, the evolution and improvement of modes of transaction becomes inevitable. Every field or industry, every tool or way of conducting day to day businesses and activities becomes highly technological and much more efficient as well.

One aspect in regular transactions which has necessarily transformed is payment method. In the Philippine setting, more and more Filipinos are availing different alternatives for cash or money nowadays. The use of credit card is not new to us. It has gained popularity all over the world because of many advantages that it offers. For one, credit cards are a helpful tool when it comes to emergencies. It is also a safer alternative of cash considering that potential thieves or robbers cannot really make use of such credit card even if they get a hold of it because of its security features.

In most of the countries worldwide, credit cards are being utilized for transportation and travelling payments. This is so because credit cards generally offer peace of mind to a

travelling or commuting individual. To be more particular, most countries now allow credit card payments for their taxi rides, among many other modes of transportation.

In the Philippine setting however, commuters are still required to pay in cash when riding taxi cabs, notwithstanding the increasing rate of crimes related to theft, robbery and snatching which are now proliferating not only in public streets but also inside public utility vehicles like taxi cabs. These traumatic experiences can be prevented if only passengers have the option to pay using cash alternatives such as credit card. It is about time that we join the other countries in providing safer transportation to our citizens. Considering that a lot of Filipinos, especially the professional and working classes, do have or are capable of availing credit cards, it is very reasonable and pragmatic to approve this bill and turn it into law once and for all.


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**“AN ACT ADOPTING THE CREDIT CARD SYSTEM AS
AN ALTERNATIVE OR OPTIONAL MODE OF PAYMENT IN
TAXI CAB TRANSPORTATION.”**

SECTION 1. *Short Title.* This Act shall be known as the “Credit Card Payment for Cabs Act of 2014”.

SECTION 2. *Definition of Terms.*

Credit Card - a small plastic card issued by a bank and or a financial company allowing the holder to purchase goods or services on credit.

Taxicab - an automobile operating as a public utility vehicle and carries passengers for a fare usually determined by the distance traveled.

SECTION 3. Coverage. This Act shall cover all taxi cab operators and/or drivers whether licensed or not, nationwide, or in any route, or in any area applicable where taxi cabs may be operated.

SECTION 4. Adoption of a New Taxi Meter System. A new taxi meter system which allows and/or reads and/or accepts credit card as payment from the passenger of such cab shall be adopted by the Land Transportation Franchising and Regulatory Board (LTFRB).

SECTION 5. Mandatory Installation of the Credit Card System. All taxi owners/operators, whether under an existing franchise or upon application of a new one, are hereby required to install a taxi meter system that accommodates credit card payments in every cab unit he/she presently owns/operates or will own/operate in the future.

SECTION 6. Allowance of Time for Owners/Operators with Subsisting Franchise. Owners/Operators of taxi cabs under an existing franchise are given three (3) months from the adoption by the LTFRB of a taxi meter system that accommodates credit card payments, to comply with the requirements of this Act.

SECTION 7. Monitoring. The Land Transportation Franchising and Regulatory Board (LTFRB) shall conduct regular ocular inspections after the lapse of three (3) months from the promulgation of this Act to ensure that all taxi owners/operators have complied with the requirements of this Act.

SECTION 8. Requirement for Application of a New Franchise. Application for a franchise to operate a taxi line or business by a person or persons who wish to own/operate taxi cabs as public utility vehicles, shall not be granted until and unless the owner or

operator, upon the inspection and assessment of the LTFRB is ready and/or equipped to install the new taxi meter that accommodates credit card payments as provided by this Act for every cab unit it owns/will operate.

SECTION 9. *Applicants to Obtain Certification from LTFRB.*

Applicants of a new franchise shall obtain a certification from Land Transportation Franchising and Regulatory Board stating that each of its taxi unit is equipped with, willing and ready to adopt the new taxi meter system that accommodates credit card payments, and the said certification shall be attached or incorporated to the other pertinent documents necessary for the application process of a franchise to operate a taxi line or business.

SECTION 10. *Pending Applications for Franchise.* Applications for franchise already filed before the Land Transportation Franchising and Regulatory Board but pending approval thereof upon the promulgation of this Act shall be deferred until and unless applicants comply with the additional requirement as provided under this Act. An additional requirement of obtaining Certification from the LTFRB as stated in Section 7 hereof shall be submitted by the applicants whose franchise applications are pending. Only upon the attainment and submission of the said certification, along with compliance with other requirements as required by existing laws, shall the application be finally granted or approved.

SECTION 11. *Broken Credit Card Equipment.* The taxi cab may not be in service if the credit card equipment is not functional. If indeed the credit card processing equipment ceases to function, the taxicab driver must report the problem to the LTFRB or any of its delegated office or branch for repair. Any other action by the driver in this particular situation is considered a direct conflict and violation of this Act and shall be meted with a penalty of suspension

or revocation of license or franchise and a fine of not less than P20,000.00 but not more than P50,000.00.

SECTION 12. *Refusal to Accept Credit Card as Payment.* Refusal of a credit card payment for a taxicab fare is considered a violation of this Act and shall be meted with a penalty of suspension or revocation of license or franchise and a fine of not less than P20,000.00 but not more than P50,000.00.

SECTION 13. The taxi passengers have the right to demand for a receipt covering the whole trip which must contain all of the trip information necessary, in accordance with the Implementing Rules and Regulations of this Act.

SECTION 14. *Implementing Rules and Regulations.* The Department of Transportation and Communications (DOTC) in coordination with the Land Transportation Franchising and Regulatory Board (LTFRB) and the Land Transportation Office (LTO) shall promulgate the Implementing Rules and Regulations to carry out the provisions of this Act. Such rules and regulations shall take effect upon their publication in three (3) newspapers of general circulation.

SECTION 15. *Repealing Clause.* – All laws, presidential decrees, letters of instructions, executive orders, rules and regulations insofar as they are inconsistent with this Act, are hereby repealed or amended as the case may be.

SECTION 16. *Separability Clause.* – In the event that any provision of this Act or any portion thereof is declared unconstitutional by a competent court, the other provisions shall not be affected thereby and shall remain valid and enforceable.

SECTION 17. *Effectivity Clause.* – This Act shall take effect after its complete publication in at least three (3) newspapers of general circulation.

APPROVED.