

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **5136**



Introduced by HON. ROMAN T. ROMULO

EXPLANATORY NOTE

Back then, automated teller machines (ATMs) could only be found at the premises of our banks. Given the high profitability of offering ATM services, banks resort to aggressive marketing of said services resulting to the proliferation of ATM facilities nationwide. Today, these machines can be found almost everywhere on shopping malls, supermarkets, airports, hospitals, offices and other business establishments. In fact, according to the Bangko Sentral ng Pilipinas, there are fourteen thousand five hundred twenty eight thousand (14,528) units of ATMs nationwide as of 2013.

While ATMs have proven its accessibility for the purpose of obtaining considerable amounts of cash, the same makes customers move vulnerable to robbery especially during nighttime. A review of our banking laws as well as regulations imposed by the Bangko Sentral ng Pilipinas (BSP) show that the matters often addressed to are those relating to the security of the banks, the ATMs itself and fraudulent banking transactions, and not matters directly relating to or affecting the safety and security of ATM users.

A report of the BSP even states that our banking sector continued to display strong profitability as of the period ended December 31, 2013 with a total net profit of P144.9 billion pesos. Given the said figure, our banking institutions cannot question the feasibility of the proposed measure, as the same would not result to operational loss. Considering that automated teller machines (ATMs) are an integral part of consumers' lives and are used by many people on a daily basis, it is but proper to ensure the convenience and safety of users and to deter the commission of crimes relating thereto by establishing security measures for automated teller machine facilities.

In view of the foregoing, the passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read "Roman T. Romulo".

ROMAN T. ROMULO

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**AN ACT PROVIDING FOR THE MINIMUM SECURITY
STANDARDS FOR AUTOMATED TELLER MACHINE
FACILITIES**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress
Assembled:*

SECTION 1. *Short Title.* – This Act shall be known as “ATM
Minimum Security Standards Act”.

SECTION 2. *Declaration of Policy.* – It is the policy of the State to
serve and protect the people, to maintain peace and order, to protect life,
liberty, and property, and to promote the general welfare.

SECTION 3. *Definition of Terms* – For purposes of this Act, the
following terms shall mean:

- (a) AUTOMATED TELLER MACHINE (ATM) shall mean a
machine at a bank or other location which enables a bank
customer to perform basic banking activities such as but not
limited to checking one’s balance, withdrawing or transferring
funds during or even after banking hours;
- (b) AUTOMATED TELLER MACHINE FACILITY (ATM
FACILITY) means an area within the dominion and control of a
banking institution comprised of one or more automated teller
machines and any adjacent space which is made available to
banking customers during and after regular banking hours. For
purposes of this Act, the same shall extend to off-site ATM
machines located in non-banking establishments such as but not

limited to schools, airports, shopping malls, supermarkets, hospitals and other office buildings;

- (c) **BANKING INSTITUTION** shall mean a network of commercial, savings, and specialized banks that provide financial services, including accepting deposits and providing loans and credit, money transmission and investment facilities;
- (d) **CLOSED CIRCUIT TELEVISION (CCTV)** means any system wherein the circuit in which the video is transmitted is closed and all elements (camera, display monitors, recording devices) are directly connected;
- (e) **CCTV CAMERA** means any camera that broadcasts a signal that can be attached to a CCTV system, whether wired or wireless;
- (f) **DEFINED PARKING AREA** means any portion of a parking area available and accessible to customers of a banking institution which is contiguous to any paved walkway or sidewalk within fifty feet of an automated teller machine facility that is regularly, principally and lawfully used for parking by users of the automated teller machine facility while conducting transactions at such automated teller machine facility and is owned or leased by the operator of the automated teller machine facility, or owned or otherwise controlled by the party leasing the automated teller machine facility site to the banking institution; and
- (g) **EMV CHIP TECHNOLOGY** means the use of smart chip technology features on payment instruments such as but not limited to ATM and credit cards with embedded microprocessor chips that store and protect cardholder data. To combat counterfeit fraud, the same has dynamic authentication capabilities such as dynamic values existing within the card chip itself that, when verified by the point-of-sale device, ensure the authenticity of the card.

SECTION 4. *Deployment of Security Guards* – All banking institutions shall be required to provide twenty four (24) hour security to all their ATM facilities by deploying at least one security guard per facility. Provided, that unenclosed machines that are available for use only during regular hours of operation located inside any building, structure or space whose primary purpose or function is not related to banking activities such as but not limited to shopping malls, supermarkets, school buildings, and public buildings are required to be guarded only during operating hours. Provided further, that the expenses related thereto shall be subject to the agreement between the banking institution concerned and the owner/s of the establishment.

SECTION 5. *Installation of Security Cameras* – All banking institutions shall be required to install and maintain in good working condition Closed Circuit Television (CCTV) Cameras on every ATM facility sufficient to clearly capture close-up images of the ATM user and the view or surroundings immediately behind the user, even during nighttime, for proper monitoring thereof. In no case shall these cameras be installed in such a way that would capture on record and reveal the personal identification number (PIN) encoded by cardholders.

SECTION 6. *Video Recordings*. – All banking institutions shall retain the video recordings captured by the CCTV camera for thirty (30) days for purposes of review and reference and shall be preserved for a period not less than three (3) years.

SECTION 7. *Use and Disclosure of Video Recordings* – The CCTV recordings required under this Act shall only be used, viewed, copied or disclosed only under the following circumstances:

- (a) If the recordings are requested by any member or officer of a law enforcement agency in connection with and limited to the investigation or prosecution of an offense punishable by law or regulation;
- (b) If the recordings shall be used in connection with any pending criminal or civil proceeding by any party privy to the case; or
- (c) If the recordings shall be necessary for persons to determine whether or not an offense was committed against their person or property, to ascertain the identity of the perpetrator thereof, and to determine the manner by which the offense was committed.

SECTION 8. *Adoption of EMV Technology* – Banking institutions shall ensure the adoption and application of EMV technology on all ATM cards to be released to clients. Further, they should ensure that previous or existing magnetic stripe ATM cards released to clients be replaced.

SECTION 9. *Adequate Lighting and Proper Landscaping* – All ATM facilities shall be provided with adequate lighting on a twenty-four hour basis that would sufficiently permit the security camera/s installed to clearly capture the images of the ATM user and the view or surroundings immediately behind the user most especially during nighttime. Adequate lighting shall also be required on defined parking areas for ATM facilities.

Banking institutions and establishments covered by this Act are required to ensure that ATM facilities are visible to passersby and to routinely remove or trim trees or shrubs, if present, that may be used as

potential hiding places for offenders and to allow security cameras to capture and record an unobstructed view of the surroundings.

SECTION 10. *Installation of Mirrors* – Banking institutions and establishments with ATM facilities shall be required to install mirrors on ATMs that are sufficient in size in order to allow users to have a rear view of the surroundings that are outside plain view during transaction.

SECTION 11. *Posting of Safety Reminders* – Safety reminders are required to be posted an area visible to ATM users while transacting. These posters shall contain reminders that may be similar to the following:

- (a) Be aware of your surroundings at all times;
- (b) If using the ATM at night, it is best to take someone along with you;
- (c) Park your vehicle in a well lit area as close as possible to the ATM;
- (d) Keep your PIN secret and never write it down;
- (e) Shield the keypad when entering your PIN to keep it from the sight of others;
- (f) After withdrawing cash, count it quickly in private and put it away promptly;
- (g) Put your ATM card and receipt away promptly and never leave your receipt at the ATM;
- (h) Avoid being too regular in using an ATM – don't repeatedly visit the same machine at the same time at the same day of the week, for instance; and
- (i) Any other safety or precautionary reminder/s that the bank may deem necessary to include

SECTION 12. *Compliance Report* – Within six (6) months after the effectivity of this Act, and each year thereafter, every banking institution which has an ATM facility in operation on such date and such date every succeeding year shall submit a written report to the Bangko Sentral ng Pilipinas (BSP) in the form prescribed by the latter, certifying that all ATM facilities are in strict compliance with the provisions of this Act, or if any of its facilities are not in compliance with such provisions, such report shall state the manner in which the requirements are not met, the reasons for such non-compliance and the possible remedies thereof.

If non-compliance with the provisions of this Act be disclosed and reasonably justified, the BSP shall allow the banking institution concerned to strictly comply with the requirements within a period it may deem reasonable which shall in no case exceed sixty (60) days. Failure to comply

within the grace period provided shall call for the imposition of the proper penalties in accordance with this Act.

SECTION 13. *Implementing Rules and Regulations* – Within ninety (90) days after the enactment of this Act, the Bangko Sentral ng Pilipinas (BSP) shall promulgate the necessary rules and regulations to implement this Act.

SECTION 14. *Implementing Agency* – The Bangko Sentral ng Pilipinas (BSP) and the respective local government units having jurisdiction over the area wherein the banks or covered establishments are situated shall ensure the implementation and enforcement of this Act. The BSP is required to conduct unannounced inspection on ATM facilities to ensure compliance with the requirements of this Act. In addition, the BSP is required to submit to Congress at the end of each year annual reports containing the results of their inspections, the number and types of violations or other instances of non-compliance of all banking institutions and all other relevant matters that it deems best to report.

SECTION 15. *Civil Liability in Case of Death, Physical Injuries and Other Crimes* – Any banking institution proven to be non-compliant with the provisions of Sections 4 or 5 of this Act before a court of competent jurisdiction shall incur civil liability for any death or injury or any other crimes committed against the person of any person during an attempt to perform a transaction, during the transaction itself, or immediately preceding a transaction in an ATM so long as he/she is still within the premises of the ATM facility.

SECTION 16. *Penalties* – Apart from the civil liability imposable in the preceding paragraph, the Bangko Sentral ng Pilipinas (BSP) shall collect a fine not less than Twenty Five Thousand Pesos (Php25,000.00) but shall in no case exceed Two Hundred Thousand Pesos (Php200,000.00) for any act or omission thereby resulting to any violation of this Act.

In addition thereto, the BSP shall impose a penalty of Two Hundred Thousand Pesos (Php200,000.00) on any banking institution that makes a material false statement or material omission on its annual compliance report pursuant to Section 11 of this Act.

SECTION 17. *Separability Clause* – If any separable provision of this Act be declared unconstitutional, the remaining provisions shall continue to be in force.

SECTION 18. *Repealing Clause* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or

regulation contrary to, or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 19. *Effectivity Clause* – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,