

REPUBLIC OF THE PHILIPPINES
House of Representatives
Quezon City

16th Congress
3rd Regular Session

HOUSE BILL NO. 6296



Introduced by Congressman Alfredo D. Vargas III

EXPLANATORY NOTE

Gone were the days when Filipinos can conveniently access cash and bank transaction through the Automated Teller Machines (ATMs) free of charge. Due to the rising costs of operating the ATMs, banks have to charge the clients whenever they use the ATM. While this is understandable, it must be assured that the clients are informed and aware of these transaction fees whenever they use the ATM.

The proposed ATM Fee Regulatory Act directs financial institutions to disclose to their clients the bank fees by displaying the necessary data on the screen of the ATM before the transaction is completed. Through this, we are giving bank clients a choice to avoid these bank charges¹, and therefore empowering them to control how they wish to spend their hard-earned money.

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


ALFREDO D. VARGAS III

¹ Service charges are waived whenever clients use their own bank's ATM.

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AN ACT

REQUIRING CERTAIN FINANCIAL INSTITUTIONS TO POST TRANSACTION FEES FOR EACH AUTOMATED TELLER MACHINE TRANSACTION AND RESTRICTING TRANSACTION FEES FOR AUTOMATED TELLER MACHINES

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 the “ATM Fee Regulatory Act.”

SECTION 2. *Declaration of policy.* – It is the policy of the State to promote the general welfare of the people. Pursuant to this policy, this Act seeks to uphold the people’s right to be informed of hidden ATM fees before they are unceremoniously charged with the same.

SECTION 3. *Definition of Terms.* – For purposes of this Act, the term:

(A) “ATM” means an automated teller machine; and

(B) “Financial institution” means a national bank, savings bank, savings and loan association, federally chartered credit union, credit union and any entity that owns or operates an automated teller machine.

SECTION 4. *Fee Disclosure Required.* – A financial institution shall disclose the total transaction fee or surcharge to be imposed for each transaction on the screen of the ATM prior to the completion of the transaction. The customer shall have the right to cancel the transaction after the fee or surcharge is disclosed. A financial institution shall provide written notice to its account holders that a fee may be imposed when the account holder uses ATMs owned or operated by another financial institution or any national, regional or local ATM network whenever a card, code or other means of ATM access is issued by the financial institution for the purpose of initiating ATM transactions.

SECTION 5. *Fee Restrictions.* – The following fee restrictions shall apply to all ATMs and ATM transactions under this Act:

- (A) Screen Display and Printed Receipt as Pre-requisites for Fee. – No customer shall be liable to pay any fee or surcharge to a financial institution for an ATM transaction at an ATM screen unless the fee or surcharge is displayed on the ATM screen prior to the transaction and the fee or surcharge is indicated in the printed receipt after the transaction.
- (B) Telephone Transactions. – No customer shall be liable to pay any fee or surcharge to any financial institution for any ATM transaction initiated via telephone.
- (C) Single Fee per Transaction. – No customer shall be billed for more than one fee per ATM transaction regardless of the number of financial institutions involved in the transaction.
- (D) Cash-Dispensing Requirement. – No customer shall be liable to pay an ATM fee or surcharge to a financial institution that does not dispense cash at all of the institution's branch locations.

SECTION 6. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SECTION 7. *Repealing Clause.* – All laws, decrees, orders, and issuances, or portions thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly.

SECTION 8. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,