

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Seventeenth Congress
First Regular Session

HOUSE OF REPRESENTATIVES
H.B. No. **5850**



Introduced by Representative H. Harry L. Roque Jr.

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

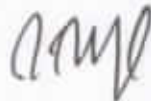
EXPLANATORY NOTE

Automated Teller Machines (ATMs) benefit the public by providing them with convenient access to cash wherever and whenever the need arises. With the advancement in technology, some banks, through arrangements with other banks or ATM affiliates, now allow their clients access to their accounts through other banks' ATMs. In addition, other transactions such as deposits, fund transfers, and bill payments which have traditionally been done in banks can now be done through the use of ATMs.

All this convenience, however, comes with a price. Some financial institutions charge their client for ATM transactions without the latter even being aware of the amount of the charge, much less the fact of the charge, until he receives his periodical bank statement. By then, it would be too late for him to take steps to avoid the charge.

This bill seeks to protect ATM users from hidden charges by requiring financial institutions to inform their clients, either by prior written notice or on the screen of the ATM prior to the completion of the transaction, of the fee that they may incur should they choose to undertake a particular ATM transaction.

It also seeks to restrict the possible transaction fees that such financial institutions may charge for certain ATM transactions.¹



H. HARRY L. ROQUE JR.

¹ This bill was originally filed by Senator Miriam Defensor Santiago during the Sixteenth Congress, Third Regular Session.

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “ATM Fee
2 Regulatory Act.”

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

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

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

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

1 SECTION 4. *Fee Disclosure Required.* – A financial institution shall disclose
2 the total transaction fee or surcharge to be imposed for each transaction on the screen
3 of the ATM prior to the completion of the transaction. The customer shall have the
4 right to cancel the transaction after the fee or surcharge is disclosed.

5 A financial institution shall provide written notice to its account holders that a
6 fee may be imposed when the account holder uses ATMs owned or operated by
7 another financial institution or any national, regional or local ATM network whenever
8 a card, code or other means of ATM access is issued by the financial institution for the
9 purpose of initiating ATM transactions.

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

12 (A) *Screen Display and Printed Receipt as Prerequisites for Fee.* - No customer
13 shall be liable to pay any fee or surcharge to a financial institution for an
14 ATM transaction at an ATM screen unless the fee or surcharge is displayed
15 on the ATM screen prior to the transaction and the fee or surcharge is
16 indicated in the printed receipt after the transaction.

17 (B) *Telephone Transactions.* -No customer shall be liable to pay any fee or
18 surcharge to any financial institution for any ATM transaction initiated via
19 telephone.

1 (C) *Single Fee per Transaction.* - No customer shall be billed for more than
2 one fee per ATM transaction regardless of the number of financial
3 institutions involved in the transaction.

4 (D) *Cash-Dispensing Requirement.* - No customer shall be liable to pay an
5 ATM fee or surcharge to a financial institution that does not dispense cash
6 at all of the institution's branch locations.

7
8 SECTION 6. *Separability Clause.* - If any provision of this Act is held invalid
9 or unconstitutional, the same shall not affect the validity and effectivity of the other
10 provisions hereof.

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

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

Approved,