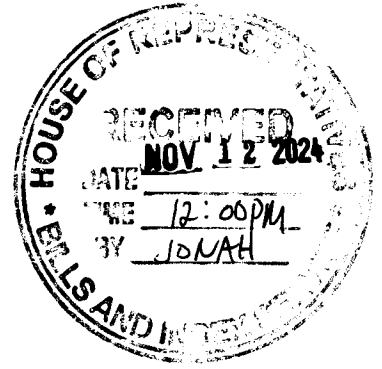




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Third Regular Session

House Bill No. 11069



Introduced by Representative Midy N. Cua
Lone District, Quirino

AN ACT
MANDATING THE WAIVER OF FEES FOR SMALL-VALUE ELECTRONIC PAYMENTS
AND INTERBRANCH TRANSACTIONS

EXPLANATORY NOTE

The proposed bill supports the government's efforts to promote financial inclusion by mandating the waiver of fees for small-value electronic payments and interbranch transactions.

The total volume of electronic payments has grown rapidly from only 1% of retail payments coursed through digital channels in 2013 to over 20% in 2020. Largely due to the limited mobility during the height of the COVID-19 pandemic, the adoption of electronic payments made significant progress in the last three years, surpassing the 50% target set by the Bangko Sentral ng Pilipinas. As of the end of 2023, electronic payments accounted for 52.8% of total retail volume.

First introduced during the height of the COVID-19 pandemic, the waiver of fees has proven to be an effective strategy to encourage Filipinos to adopt electronic payments. As the country strives to introduce digital financial services to the rest of the population, the proposed bill institutionalizes a proven strategy to increase the trust and acceptance of electronic payments among the public.

The expansion of banking networks has increased access to financial services to a larger number of Filipinos. However, the persistence of fees for interbranch dampen efforts to provide the public with a seamless and convenient banking experience.

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


MIDY N. CUA
Representative
Lone District, Quirino



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**AN ACT
MANDATING THE WAIVER OF FEES FOR SMALL-VALUE ELECTRONIC PAYMENTS
AND INTERBRANCH TRANSACTIONS**

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 “Small-Value Electronic Payment and Interbranch Transaction Fee Waiver Act.”

SEC. 2. *Declaration of Policy.* – The State recognizes the vital role of electronic payments and interbranch transactions in promoting financial inclusion and providing access to financial services for all Filipinos, especially the low-income and unbanked population.

However, fees associated with small-value electronic payments and interbranch transactions can disproportionately burden low-income individuals, limiting their full participation in the economy.

Therefore, it is declared the policy of the State to:

- a) Promote digital adoption by mandating the waiver of fees for small-value electronic payments;
- b) Encourage wider adopt of electronic payments, especially among those unserved and underserved by the financial sector; and
- c) Contribute to the overall financial inclusion goals of the Philippine government.

SEC. 3. *Definition of Terms.* – As used in this Act:

- a) *Electronic payment or electronic fund transfer* refers to transfers of funds between two transaction accounts in the same or different Bangko Sentral ng Pilipinas-supervised financial institution (BSFI), which are initiated and received using electronic devices and channels to transmit payment instructions.
- b) *Interbranch transaction* refers to a deposit or withdrawal to or from an account, which is initiated from a branch other than where the account in question is maintained.
- c) *Small-value transaction* refers to a transaction involving an amount of not more than one thousand pesos (P1,000.00).

SEC. 4. *Mandatory Waiver of Fees for Electronic Payments.* – All BSFIs participating in electronic payments shall be required to waive all fees related to small-value transactions.

SEC. 5. *Daily Cumulative Limit.* – If the total value of small-value transactions exceeds ten thousand pesos (P10,000.00) in a day, the subsequent small-value transactions shall be subjected to fees.

SEC. 6. *Bangko Sentral ng Pilipinas Power to Adjust Amounts.* – The threshold for small-value transactions and the daily cumulative limit may be adjusted by the Bangko Sentral ng Pilipinas (BSP) factoring in consumer behavior, socio-economic conditions, and macroeconomic trends.

SEC. 7. *Transparency and Disclosure.* – BSFIs participating in electronic payments shall disclose all fees and charges associated with electronic payments in a prominent and easily accessible manner, including the fee waiver for small-value transactions. The BSP shall maintain an electronic bulletin board of fees related to electronic payments in its website.

SEC. 8. *Mandatory Waiver of Fees for Interbranch Transactions.* – All banks shall be required to waive all fees related to interbranch transactions.

SEC. 9. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the BSP shall promulgate the necessary rules and regulations for the implementation of this Act.

SEC. 10. *Separability Clause.* – If for any reason any provision of this Act is declared invalid or unconstitutional, the remaining provisions not otherwise affected shall remain valid and subsisting.

SEC. 11. *Repealing Clause.* – All provisions of laws, decrees, executive orders, presidential issuances and other administrative rules and regulation, or parts thereof, which are incompatible or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 12. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,