

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2753**



Introduced by Representative Julius Cesar "Jay" V. Vergara

EXPLANATORY NOTE

This bill mandates the waiver of transfer and transaction fees imposed by financial institutions on fund transfer and disbursement of funds involving financial or cash aid programs of the government for indigents.

The modernization of cash disbursement through banking and payment systems has alleviated the quality of life of indigent Filipino beneficiaries of government aid programs by eliminating the transportation costs and opportunity costs of personally going to the offices of government agencies.

However, some transactions such as intra-bank transactions carry fees that burden the indigent Filipino who needs every peso to survive.

This proposed measure aims to alleviate the financial burden on indigent beneficiaries, the most vulnerable members of the society, by ensuring that they receive their entitled benefits in full, without deductions for electronic fund transfers and transaction fees. These fees, which are often charged by financial institutions when processing electronic fund transfers or on ATM withdrawals made with other banks, significantly reduce the amount of cash aid received by the beneficiaries, thereby impeding their ability to meet basic needs such as food, shelter and healthcare.

Hence, to address this issue, there is a need to waive these electronic fund transfer and transaction fees imposed by banks or financial institutions on the cash aid provided by the government for indigent beneficiaries. While currently, it is only the Pantawid Pamilyang Pilipino Program (4Ps) which are disbursed through a cash account through Landbank, moving forward, this bill aims to waive all other future transaction fees of government aid disbursed through electronic banking or payment systems.

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

A handwritten signature in black ink, appearing to read "J. Vergara", written over a horizontal line.

JULIUS CESAR "JAY" V. VERGARA
Third District of Nueva Ecija

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House Bill No. **2753**

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AN ACT

**MANDATING THE WAIVER OF TRANSFER AND TRANSACTION FEES
IMPOSED BY FINANCIAL INSTITUTIONS ON ELECTRONIC TRANSFER
AND DISBURSEMENT OF FUNDS INVOLVING FINANCIAL OR CASH AID
PROGRAMS OF THE GOVERNMENT FOR INDIGENTS**

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

Section 1. Financial institutions engaged in the electronic transfer or disbursement of financial or cash aid programs of the government for indigents, including the *Pantawid Pamilyang Pilipino Program* (4Ps), Assistance to Individuals in Crisis Situations (AICS) Program, and Social Pension For Indigent Senior Citizens and other similar social programs of the government for indigents, shall waive any transfer or transaction fees imposed upon such electronic transfer or disbursement to indigent beneficiaries.

For the purpose of this Act, financial institutions refer to banks and non-bank payment service providers authorized to accept government funds and perform payment services on behalf of government entities to facilitate the payment of government financial aid to indigents.

Section 2. The waiver of transfer or transaction fees under this Act shall apply on electronic transfers and machine withdrawals of the financial or cash aid fund by the beneficiaries from banks or e-wallets and other digital platforms that allow users to store, send and receive money using mobile phones or other electronic devices.

The Bangko Sentral ng Pilipinas shall, in coordination with the Department of Social Welfare and Development and financial institutions, devise a scheme to identify that such fund is financial aid provided under the social programs of the government for indigents and is not subject to transfer and transaction fee charges.

1 **Section 3.** Any person who imposes transfer or transaction fees on such
2 electronic transfer or withdrawal of government aid to indigent beneficiaries in
3 violation of Section 1 of this Act shall be punished by a fine of Five Hundred Pesos
4 (Php500.00) for each transfer or transaction fee charged.
5

6 If the offender is a corporation, partnership, association, agency or other
7 juridical entity, the penalty shall be imposed on the officer or officers of the
8 corporation, partnership, association, agency or other juridical entity who caused the
9 violation.
10

11 **Section 4.** Within sixty (60) days from the approval of this Act, the *Bangko*
12 *Sentral ng Pilipinas* shall, in consultation with the Department of Social Welfare and
13 Development, promulgate the necessary rules and regulations for the effective
14 implementation of this Act.
15

16 **Section 5.** All laws, decrees, executive orders, rules and regulations, or parts
17 thereof which are contrary to or inconsistent with the provisions of this Act are
18 repealed or amended accordingly.
19

20 **Section 6.** This Act shall take effect fifteen (15) days after its publication in the
21 *Official Gazette* or in a newspaper of general circulation.
22

23 *Approved,*