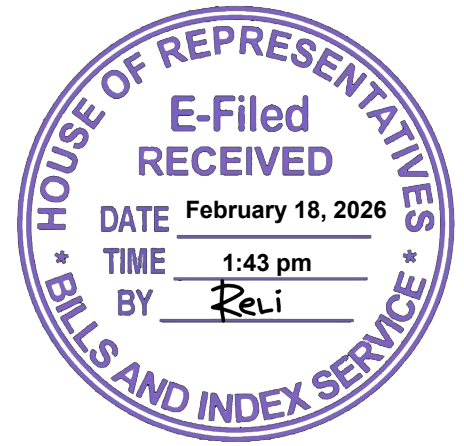


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7852



Introduced by **ANG PROBINSYANO**
Party-List Representative Alfred Delos Santos

EXPLANATORY NOTE

With the continued advancement of digital technology, the Philippine financial landscape has undergone a significant transformation marked by the rapid expansion of electronic and contactless transactions. Digital payments, e-wallets, online banking, and e-commerce platforms have become integral to daily economic activity, reflecting both evolving consumer behavior and the government's sustained efforts to promote ease of doing business, financial inclusion, and a modernized payments system.

The accelerated adoption of cashless transactions, initially spurred by past public health challenges, has since matured into a structural shift in the economy. In a study¹ conducted by Visa Philippines, it was shown that seven (7) out of ten (10) Filipinos are "already using contactless payment methods more often than they did two years ago. Three (3) out of four (4) Filipinos have experienced going cashless and relied mainly on electronic transactions. E-commerce has also taken over twenty-five percent (25%) of all transactions in the country, fifty percent (50%) of which are cashless. Only one (1) out of three (3) is done by cash-on-delivery. Filipinos mostly use cashless payments when paying for utilities, and forty-nine percent (49%) of those surveyed preferred using cashless transactions for their grocery shopping and forty-five (45%) preferred the same for fast food. In addition, cashless transactions have contributed a lot to the ease of doing business, and in giving consumers options in the means and methods of spending their money.

Filipinos increasingly rely on electronic payment methods for a wide range of transactions, including utilities, groceries, food services, transportation, and online commerce. E-commerce now accounts for a substantial share of total transactions in the country, with a growing majority conducted through cashless means rather than traditional cash-on-delivery arrangements. This shift has

¹ <https://business.inquirer.net/296510/visa-philippines-study-shows-filipinos-are-ready-to-go-cashless>

provided consumers with greater convenience, efficiency, and flexibility in managing their finances, while enabling businesses, particularly micro, small, and medium enterprises (MSMEs), to expand their market reach and streamline operations.

In view of these developments, the passage of this measure is necessary to ensure that Philippine society is adequately equipped to support, regulate, and maximize electronic transactions. By doing so, the government affirms its commitment to a secure, inclusive, and future-ready digital economy that responds to the realities of the present economic landscape while safeguarding the interests of the Filipino people.

It is for the foregoing premises that the approval of this Bill is earnestly sought.



ALFRED C. DELOS SANTOS
Representative, Ang Probinsyano Party-List

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AN ACT
PROMOTING THE ADOPTION OF ELECTRONIC MONEY AS A MEDIUM OF
EXCHANGE FOR FINANCIAL TRANSACTIONS OF THE GOVERNMENT AND ALL
MERCHANTS AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* – This Act shall be known as the “e-Money Act.”

SECTION 2. *Declaration of Policy.* – It is hereby declared as a policy of the State to recognize the vital role of communication and information in nation-building. The State also recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives for needed investments. With this, the State recognizes the need to promote ease of doing business and efficient delivery of goods and services to the general public. Towards this end, the State shall promote the use of electronic money or e-money as a medium of exchange to optimize the use of technology and innovative payment systems for financial transactions and to strengthen financial inclusion.

SECTION 3. *Objective.* – This Act aims to speed up and facilitate a more efficient mode of transactions, arrangements, or exchanges of goods and services by promoting the enhanced and strengthened use of e-money as a medium of exchange and legal tender in financial transactions of the government and the general public.

SECTION 4. *Definition of Terms.* – As used in this Act, the following terms shall mean:

- (a) “Access device” refers to any card, plate, code, account number, electronic serial number, personal identification number, or other telecommunications service, equipment or instrumental identifier, or other means of account access that can be used to obtain money, goods, services, or any other thing of value or to initiate a transfer of funds (other than a transfer originated solely by paper instrument);

- (b) “*Consumer*” refers to a natural or juridical person who is a purchaser, lessee, recipient, or prospective purchaser, lessor, or recipient of consumer products, services, credit, technology, advertising, or promotion, and other items in eCommerce;
- (c) “*Electronic commerce*” or “*eCommerce*” refers to the production, distribution, marketing, sale, or delivery of goods and services by electronic means;
- (d) “*Electronic money*” or “*e-money*” shall refer to monetary value as represented by a claim on its issuer, that is (1) electronically stored in an instrument or device; (2) issued against receipt of funds of an amount not lesser in value than the monetary value issued; (3) accepted as a means of payment by persons or entities other than the issuer; (4) withdrawable in case or cash equivalent; and (5) issued in accordance with relevant Bangko Sentral ng Pilipinas (BSP) regulations;
- (e) “*Electronic money issuer*” or “EMI” refers to any entity authorized by the BSP under Subsection X780.2 of MORB which provides money transfer or remittance services using electronic stored money value system and similar digital financial services;
- (f) “*Merchant*” refers to a person or entity engaged in buying and selling merchandise at a fixed place of business;
- (g) “*Online merchant*” refers to any natural or juridical person, irrespective of whether privately or publicly owned, that directly sells, manufactures goods, or offers for sale, any goods and services, in the ordinary course of business over the internet, through a website, an online marketplace, a social media website, or application, or through other similar means;
- (h) “*Online eCommerce Platform*” refers to a natural or juridical person that solicits the purchase of digital products through digital platforms and marketplaces whose business is to connect online buyers and online sellers, facilitating sales of products, goods, or services through the internet with the presence and use of monetary transactions;
- (i) “*Payment system*” refers to the set of payment instruments, processes, procedures, and participants that ensure the circulation of money or movement of funds.

SECTION 5. Scope and Coverage. – This Act applies to the sale or exchange of goods, products and services, whether physical or digital, including, but not limited to:

- (a) Retail of consumer goods;
- (b) Travel services, covering the purchase of flights, hotel accommodations, and vacation rental spaces;
- (c) Digital media providers, including advertising, gaming, music subscription, and video on demand;

- (d) Ride hailing services for personal transport, delivery of food and merchandise; and
- (e) Financial services offered through both physical and online platforms, such as payments, remittances, lending, investment, and insurance services.

SECTION 6. *Use of E-Money.* – All national government agencies (NGAs), government-owned and controlled corporations (GOCCs), and local government units (LGUs) are hereby mandated to utilize and strengthen the use of e-money among the medium of exchanges in the collection of taxes, fees, tolls, imposts, and other revenues and in the payment of goods, services, and other disbursements, among others. For this purpose, the NGAs, GOCCs, and LGUs are hereby authorized and highly encouraged to partner with any duly authorized e-money issuer (EMI) to enable them to facilitate cashless electronic transactions.

To ensure the efficient, sustainable, and continued use of the e-money payment system, NGAs, GOCCs, and LGUs are mandated to create their respective e-money technical support and maintenance service. The support service shall be responsible for all technical troubleshooting and maintenance, in coordination with the EMI partner for technical and other concerns within the agency. The creation of the technical support and maintenance service shall be without prejudice to any technical support arrangement between the agency and the EMI partner pursuant to a contract or arrangement.

The selection of an EMI partner shall not be subject to the rules of procurement prescribed under Republic Act No. 9184: *Provided*, That only EMIs duly authorized by the BSP and accredited by the Department of Budget and Management (DBM), Department of Information and Communications Technology (DICT) and Department of Interior and Local Government (DILG) may be engaged by agencies to service their e-money transactions.

The Congress shall jointly, as House of Representatives and the Senate, accredit EMIs based on technical capability, financial resources, network coverage, adequacy of merchant partners, and such other factors as they may deem appropriate and decisive in determining the overall capability of EMIs to provide the necessary service.

Insofar as these factors may vary depending on the area served, the accreditation of EMIs may be grouped by region or such other geographical consideration as the Congress may consider appropriate and sustainable. The Congress shall promulgate the list of accredited EMIs simultaneous with the promulgation of the rules and regulations implementing the provisions of this Act. The list of accredited EMIs may be revised, supplemented, or reduced regularly as the concerned agencies may deem necessary.

SECTION 7. *E-Money Capability of Merchants .* – LGUs shall, by ordinance, require merchants within their jurisdiction to obtain and maintain an e-money payment system capability in carrying on their businesses as a prerequisite for the approval or renewal of their business permits. No new or renewal of business permit shall be approved unless the merchant concerned shows to the satisfaction of the LGU that a functional e-money payment system accessible by mobile phone or other access devices

is installed or provided by a duly registered EMI in the merchant partner's place of business.

The LGUs shall extend the necessary assistance and support to the merchants within their jurisdiction to facilitate their adoption of e-money transaction capability.

SECTION 8. *Promotion of E-Money Transactions.* –To optimize the benefits of this technological innovation, scale up financial inclusion, and promote sustainability, NGAs, GOCCs, and LGUs shall prioritize the use of e-money as the medium of exchange in their financial transactions.

NGAs, GOCCs, and LGUs shall also explore the feasibility of prescribing discounted rates for selected financial transactions to encourage the availment of e-money payments. LGUs may, likewise, impose reduced fees or grant other incentives for merchants providing an efficient e-money payment system.

SECTION 9. *Security Provisions.* – All concerned agencies will hereby establish the necessary security features and guidelines as may be needed to prevent phishing and digital fraud. The right to privacy of the consumer shall be of utmost importance.

The LGAs, GOCCs, and LGUs shall periodically report to the DICT as regards their compliance to the required security features and those added security features that they have adopted over time. In addition, the compliance of merchants under the jurisdiction of a specific LGU shall also be the subject of this report, and will be included in the periodical report of the LGU to the DICT.

SECTION 10. *Joint and Solidary Liability.* – EMI shall share solidary liability with an merchant, whether physical or online, under the following circumstances:

- (a) If the merchant or EMI fails to exercise extraordinary diligence to prevent any loss or damage to the consumer;
- (b) If the identity of the merchant and the EMI is the same;
- (c) If the merchant knows or should have known that the digital products sold to not comply with law, or otherwise infringes on intellectual property rights, and fails to take necessary measures;
- (d) If the merchant or EMI fails to publish details of its merchant;
- (e) If the merchant fails to examine its products related to food, drugs, and cosmetics, or otherwise relates to the life or health of consumers;
- (f) If a merchant is not duly registered with the appropriate regulatory agencies;

SECTION 11. *Digital Payments.* – The merchants and EMIs shall, issue paper or electronic invoices or receipts for all sales. An electronic invoice or receipt shall have the same legal effect as a physical invoice or receipt.

Within sixty (60) days from the effectivity of this Act, the Bureau of Internal Revenue shall, in coordination with the Bureau of Customs, issue rules and regulations that modernize and streamline the regulatory framework and encourage the adoption of electronic payment systems by the citizenry. The Department of Trade and Industry and the Bangko Sentral ng Pilipinas shall also develop guidelines to protect merchants and consumers covering the various digital payment solutions.

SECTION 12. *Appropriation.* – The amount necessary for the implementation of the provisions of this Act shall be taken from the current year’s budgets of the NGAs, GOCCs, and LGUs. Thereafter, such sums as may be necessary for the continued implementation of the Act shall be incorporated in the annual General Appropriations Act, corporate operating budget, or appropriation ordinance, as the case may be.

SECTION 13. *Implementing Rules and Regulations.* – The DBM, DICT, and DILG shall promulgate the rules and regulations implementing the provisions of this Act within ninety (90) days from its effectivity.

SECTION 14. *Separability Clause.* – If for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SECTION 15. *Repealing Clause.* – All laws, executive orders, presidential decrees or issuances, letters of instruction, administrative orders, rules, and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 16. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,