



Republic of the Philippines
SANGGUNIANG PANLUNGSOD
City Government of Pasig

Ordinance No. 46
Series of 2022

Simon

AN ORDINANCE STRONGLY ENCOURAGING AND INCENTIVIZING THE ADOPTION OF QR PH DIGITAL PAYMENTS IN LINE WITH THE PALENG-QR PH PROGRAM OF THE BANGKO SENTRAL NG PILIPINAS IN ALL BUSINESS ESTABLISHMENTS IN THE PASIG CITY MEGA MARKET.

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WHEREAS, financial inclusion is defined as having effective access to a wide range of financial products and services by all Filipinos. Financial services, such as savings accounts, payment, credit, and remittances are tools that can help Filipinos improve their welfare and achieve their goals for their household and enterprises.

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WHEREAS, account ownership is considered the gateway to financial inclusion. Through a formal account, one can not only safely save money but also conveniently send and receive money to and from anyone for transactions such as receiving salary and cash assistance, collecting payment from customers, and paying taxes, purchases and bills.

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WHEREAS, payments are basic financial transactions. As demonstrated during the COVID-19 pandemic, the digitalization of payments proved to be effective in facilitating the continuation of business and government transactions amid mobility restrictions. This has enabled the government and private institutions to provide lifelines of support for the vulnerable sectors. To be able to transact digital payments, one needs to have an account.

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WHEREAS, over the years, the Bangko Sentral ng Pilipinas (BSP) has established the regulatory foundation to promote account ownership and digital payments in the country. This includes the introduction of the basic deposit account (BDA) and e-money as a no-frills and affordable account designed for the low-income unbanked clients; the cash agent regulation which allows banks to tap third-party retail outlets such as pawnshops and convenience stores to serve as cash-in and cash-out (CICO) points for bank clients; the launch of InstaPay to facilitate real-time electronic fund transfers between accounts held in different participating financial institutions; and the launch of QR Ph to promote use of quick response (QR) technology as an expedient and cost-efficient means for digital payment.

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WHEREAS, launched in November 2019, QR Ph is the national QR code standard which serves as an instrument for cost-efficient digital payments, whether for person-to-person (P2P) or person-to-merchant (P2M) transactions. With QR Ph, small entrepreneurs need not invest in costly equipment such as point of sale (POS) terminals to accept digital payments from their customers. Instead, merchants only need to print and display the QR code tied to their transaction account, which their customers can scan to pay digitally.

WHEREAS, on 28 January 2022, the Financial Inclusion Steering Committee (FISC) launched the National Strategy for Financial Inclusion (NSFI) 2022-2028 as a six-year blueprint to achieve the vision of driving financial inclusion toward broad-based growth and financial resilience. The NSFI aims to harness a coordinated whole-of-government approach to accelerate financial inclusion in support of the country's broader inclusive and sustainable development agenda. The FISC, chaired by the BSP and with twenty (20) agencies as members including the Department of Interior and Local Government (DILG), oversees and drives the implementation of the NSFI.

WHEREAS, one of the priority initiatives in the NSFI is the promotion of digital payments in markets by utilizing QR Ph. Payment for purchases from the public market are part of the daily payment pattern of a typical Filipino. By being able to pay market purchases digitally through their accounts, the public will realize the convenience and benefits of using a transaction account and other digital financial services (DFS). Promoting digital payments among market vendors is thereby crucial in expanding the country's digital payments ecosystem toward greater financial inclusion.

WHEREAS, in view of the above, the DILG and BSP jointly developed the Paleng-QR Ph Program to promote digital payment in public markets in support of the NSFI.

WHEREAS, the Paleng-QR Ph Program builds on the QR Ph initiative by promoting financial inclusion and cashless transactions at public markets and community stores around the country. It aspires to build a digital ecosystem based on basic payment behaviors among Filipinos, raise the utility of transaction accounts, and aid in the promotion and adoption of these accounts.



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WHEREAS, on 22 June 2022, the DILG and the BSP released a Joint Memorandum Circular (JMC) No. 01 Series of 2022 on the Paleng-QR Ph program, which established guidelines enjoining Local Government Units (LGUs) participation in the Paleng-QR Ph program. The JMC provided the guidelines for the country-wide adoption and implementation of Paleng-QR Ph Program by the LGUs to promote digital payments among market vendors and consumers.

WHEREAS, it is in the best interests of the public if the City Government of Pasig will adopt the Paleng-QR Ph Program.

NOW THEREFORE, BE IT ENACTED BY THE SANGGUNIANG PANLUNGSOD OF PASIG CITY, BY VIRTUE OF ITS POWERS IN LAW, IN SESSION DULY ASSEMBLED, THAT:

SECTION 1. TITLE. This Ordinance shall be known as the "PALENG-QR PH PROGRAM IN PASIG CITY".

SECTION 2. DEFINITION OF TERMS. –

- a. **Digital payment** – refers to a monetary payment transaction between two (2) parties through a digital payment instrument in which both the payer and the payee use an electronic channel.
- b. **Electronic fund transfer (EFT)** – refers to transfer of funds between two (2) transaction accounts in the same or in different financial institutions supervised by the BSP, which are initiated and received using electronic devices and channels to transmit payment transactions.
- c. **InstaPay** – an electronic fund transfer facility offered by a participating bank or EMI to its clients to allow them to instantly transfer funds from their account to another held in other participating banks or EMI in the Philippines.
- d. **QR code** – short for "Quick Response code," a QR code is a two-dimensional image-based barcode capable of holding large amounts of information. QR codes store information using patterns of black dots and white spaces, arranged in a square grid. It can be read by a smartphone camera that is equipped with a bar-code reader. When personal and financial information are stored in it, a QR code can be used to send and receive money such as payment transactions. A recipient of the funds shows his/her QR code to the payer or sender who will scan the code to initiate the payment transaction.



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- e. **QR Ph** – QR Ph is the national QR Code standard that allows a quick, low-cost, and safe method to pay, transfer to and receive funds from other bank and e-money accounts in the Philippines. This is aligned with the Europay-Mastercard VISA Co (EMVCo) standard, the global standard for secure payments, which unifies the various domestic cashless payment schemes that make use of the QR code as a form factor.
- f. **Rental** – means the value of the consideration, whether in money or otherwise, given for the enjoyment or use of a thing.
- g. **Seller** – shall refer to a person who sells goods, commodities, or food other than inside a public market.
- h. **Buyer** – shall refer to a person who purchases goods, commodities, or food to a vendor or seller.
- i. **Vendor** – shall mean a person who sells goods, commodities, or food within the public market.
- j. **Ambulant Vendors** – also known as “*Mobile Trader*” or “*Peddlers*” is a person, who either for himself or commission, travels from place to place and sells his goods or sells and offers to deliver the same, using a vehicle.
- k. **Hawkers** – refers to ambulant vendors who set their wares on a daily basis.
- l. **Transaction Account** – refers to a bank or e-money account held with a BSP-regulated financial service provider that can be used to store, send, and receive funds. Examples of transaction accounts are as follows:
1. **Basic Deposit Account (BDA)** – refers to interest or non-interest-bearing bank account with an initial minimum deposit of no more than one hundred pesos (Php 100.00), no minimum maintaining balance, no dormancy charges, maximum balance of fifty thousand pesos (Php 50,000.00), and with simplified know-your-customer or KYC requirements.
 2. **Electronic Money (E-money)** – a monetary value as represented by a claim on its issuer, that is: a) electronically stored in an instrument or device; b) issued against receipt of funds of an amount not lesser in value than the monetary value issued; c) accepted as a means of payment by persons or entities other than the issuer; d) withdrawable in cash or cash equivalent; e) issued in accordance with Section 702 of the BSP’s Manual of Regulations for Banks.



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SECTION 3. SCOPE OF APPLICATION. The Ordinance shall cover all public market vendors in the Pasig City Mega Market.

SECTION 4. QR PH ENABLED PAYMENTS. All public market vendors in the Pasig City Mega Market are hereby strongly encouraged to make QR Ph payments available for their customers, in line with the Paleng-QR Ph program.

Public market vendors, at their own discretion, may select as their alternative mode of payment from any QR Ph-ready financial service providers (FSP) participating in the Paleng-QR Ph program of the BSP.

Provided, however, that nothing in this Ordinance shall prohibit payment in cash when, otherwise chosen by the patrons, consumers, buyers, or clients.

SECTION 5. ROLES AND RESPONSIBILITIES -

a. the Local Government Unit of Pasig shall:

1. Authorize the City Mayor to enter into and sign a Memorandum of Agreement (MOA), on behalf of the City Government of Pasig with the chosen qualified FSPs for the Program implementation if warranted;
2. Coordinate with key local stakeholders such as the vendor associations and the market superintendents, to ensure effective implementation of the Program;
3. Invite FSPs to participate in the program and negotiate for deals/special offers to encourage target participants to open a transaction account and use QR code digital payment. The LGU can partner with as many participating FSPs as deemed appropriate;
4. Assist target participants in the opening of accounts by, among others, providing additional relevant documents such as LGU certification to support the know-your-customer (KYC) requirements of the FSP;
5. Organize special "account opening day(s)," in coordination with participating FSPs, to ensure ease and convenience of account opening by covered users and their clients, including the provision of QR code printouts that can be readily displayed in their stores;

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6. Maintain a record on participating merchants under the Paleng-QR Ph program.

b. the participating **Financial Service Providers (FSPs)** shall:

1. Provide personnel, customer assistance booths, and other appropriate resources, including QR code printouts, deemed reasonable to ensure successful conduct of LGUs of Paleng-QR Ph program "account opening day(s)";
2. Provide target users with appropriate materials on opening a transaction account, using QR Code payments and other digital financial services;
3. Provide resource speakers and contents, as requested, for the LGU's financial literacy program;
4. Assign competent contact person(s) to the LGUs for efficient and timely coordination on the program implementation; and
5. Provide special offers for accounts opened under the Paleng-QR Ph program such as free microinsurance coverage for a certain period (e.g., three months), t-shirts and other wearables, and special user rebates for a limited period.

Participation of FSPs in the program shall be non-exclusive.

[CAN BE INCLUDED IN THE MEMORANDUM OF AGREEMENT BETWEEN THE LGU AND FSP INSTEAD]

c. **Covered merchants** are strongly encouraged to:

1. Open and maintain a QR Ph-ready transaction account. In the event the covered entity does not have an account, entity commits to have an account six months after effectivity of the ordinance;
2. Explicitly display their QR Ph code in their store where it is visible to customers;
3. Make QR Ph payments available as a method of payment;
4. Participate in the information campaign, financial literacy program and other relevant activities that will be facilitated by the LGU and FSPs.



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SECTION 6. INCENTIVE CLAUSE. All Pasig City Mega Market vendors who shall provide QR-Ph as an alternative mode of payment shall be granted the following incentives:

- a. Business and financial literacy training for each market vendor and one immediate family member;
- b. Priority during renewal period every year;
- c. Special credit window, if available; and
- d. The option to use digital platforms by the partner FSPs in rental payments for the use of stalls in Pasig Mega Market.

These incentives are not automatically applied and shall only be granted upon application and declaration of the market vendor with the Pasig City's Business Permit and Licensing Office and the Market Administration Office

SECTION 7. COMPLIANCE MONITORING. The Business Permit and Licensing Office with the assistance of the Market Administration Office are hereby asked to monitor compliance of this Ordinance.

SECTION 8. REPEALING CLAUSE. All Ordinances, Rules, Orders, Regulations or portions thereto which are contrary to or inconsistent with this Ordinance if any, are hereby repealed, modified or amended accordingly.

SECTION 9. SEPARABILITY CLAUSE. If for any reason, any section or provision of this Ordinance is held to be unconstitutional or invalid by a competent authority, such judgment or action shall not affect or impair the other sections or provisions hereof.

SECTION 10. EFFECTIVITY. This Ordinance shall take effect fifteen (15) days following the publication in a newspaper of general circulation.

APPROVED, this 7th day of **December 2022** at Pasig City.


HON. RAYMUND FRANCIS S. RUSTIA
City Councilor


HON. CORAZON M. RAYMUNDO
City Councilor



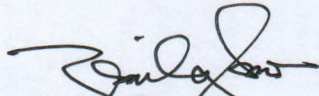
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HON. SIMON GERARD R. TANTOCO
City Councilor



HON. SYVEL ASILO-GUPILAN
City Councilor

HON. PAUL ROMAN C. SANTIAGO
City Councilor

HON. NOEL L. AGUSTIN
City Councilor


HON. RODERICK MARIO U. GONZALES
City Councilor


HON. QUIN A. CRUZ
City Councilor

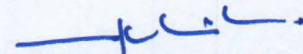

HON. REGINO S. BALDERRAMA
City Councilor


HON. MARION ROSALIO M. MARTIRES
City Councilor

HON. RIGOR J. ENRIQUEZ
LIGA President

HON. GEORGIA LYNNE P. CLEMENTE
SK Fed. President


HON. MARIA LUISA M. DE LEON
City Councilor
Minority Floor Leader


HON. MARK GIL M. DELOS SANTOS
City Councilor
Majority Floor Leader



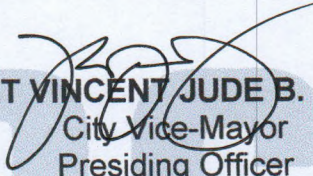
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Attested by:

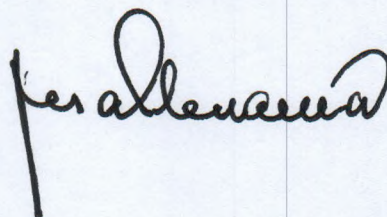

HON. ROBERT VINCENT JUDE B. JAWORSKI, JR.
City Vice-Mayor
Presiding Officer

APPROVED:


HON. VICTOR MA. REGIS N. SOTTO
City Mayor

Attested by:


LOIDA U. VILLANUEVA
Acting City Council Secretary



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