

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4850



Introduced by Rep. Precious Hipolito Castelo

EXPLANATORY NOTE

It is the policy of the State to protect the interests of the consumer, promote his general welfare, and to establish standards of conduct for business and industry.¹

Nowadays, it has become the "new normal" for employers to just deposit the wages of their employees to their bank accounts. This practice came about due to the advent of automated teller machines (ATMs), which one can now find practically everywhere. The convenience offered by ATM banking is now considered as an added service by numerous banks and financial institutions.

Currently, universal and commercial banks charge cardholders of other banks P10.00 to P15.00 for every withdrawal from their machines, and P2.00 per balance inquiry. However, it is safe to assume that these fees are bound to increase. Last July 19, 2019, the Bangko Sentral ng Pilipinas (BSP) issued Memorandum No. M-2019-020, which lifted the moratorium on the increase of service fees imposed on ATM transactions. Due to this memorandum, several banks have already sought the approval of the BSP for service fee increases on ATM transactions.

The looming increase in the service fees charged by banks on ATM transactions will be financially detrimental to our country's more than 58 million ATM cardholders. Even a measly increase in the fees can already be damaging to a minimum wage earner.

It is thus apt to regulate the fees and charges imposed by banks and financial institutions for ATM transactions. At the very least, there must be standardized fees for all ATM interbank transactions. It is also important to set a fee ceiling for all ATM-related transactions.

The immediate passage of this bill is most earnestly sought.


PRECIOUS HIPOLITO CASTELO
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¹ Section 2 of Consumer Act of the Philippines (Republic Act No. 7494).

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AN ACT
REGULATING THE FEES AND CHARGES IMPOSED BY BANKS AND FINANCIAL
INSTITUTIONS FOR AUTOMATED TELLER MACHINE (ATM) TRANSACTIONS

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

SECTION 1. *Short Title.* This Act shall be known as the "ATM Fees Standardization Act."

SEC 2. *Declaration of Policy.* It is the policy of the State to protect the interests of the consumer, promote his general welfare, and to establish standards of conduct for business and industry.

SEC. 3. *Standard Transaction Fees.* All banks and financial institutions shall charge a standard fee of not more than P10.00 for all interbank transactions. All intrabank transactions shall continue to be free of charge. Balance inquiry (intrabank and interbank) shall also be free of charge.

SEC. 4. To fully implement the provisions of this Act, the Bangko Sentral ng Pilipinas shall issue rules, regulations, guidelines necessary to operationalize the intent and purpose of this Act.

SEC 5. This Act shall take effect thirty (30) days upon publication in the Official Gazette and in at least two (2) newspapers of general circulation.

Approved,