



Senate
Office of the Secretary

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

*13 OCT -2 AM 11:41

SENATE
S. No. **1768**

RECEIVED BY: *ji*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

In response to numerous complaints about additional surcharges in transactions involving Credit/ATM/Debit Cards, the Department of Trade and Industry issued Department Administrative Order No. 10. Its main purpose is to make retail stores use only one price tag for every product they sell and the stated price on the tag should be the same for all customers, whether paying cash, or by credit card, debit card, or ATM card.

This Act is a reiteration of the policy behind the issuance of DAO 10. By protecting the consumers, especially those who use credit cards, debit cards, and ATM cards, against additional surcharges, we encourage more transactions. More transactions mean more business for retail establishments, and this is a big help in a troubled worldwide economy.

DAO 10 would be given a more "permanent" status as a legislative act than as an administrative order. This would ensure stability in its enforcement. This Act also increases the penalties provided in the order and it also enumerates some of the more "popular" ways by which the DAO 10 was circumvented by some scheming retailers.*

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO
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* This bill was originally filed in the 14th Congress.

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1 AN ACT

2 PROHIBITING THE IMPOSITION OF A SURCHARGE, EXTRA CHARGE OR
3 ADDITIONAL CHARGE IN THE USE OF CREDIT CARDS, DEBIT CARDS, AND
4 AUTOMATED TELLER MACHINE (ATM) CARDS, FOR PAYMENT OF PURCHASES OF
5 CONSUMER PRODUCTS OR SERVICES

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

6 SECTION 1. *Declaration of Policy.* - It is the policy of the State to protect the interests
7 of the consumer, promote his general welfare and to establish standards of conduct for business
8 and industry.

9 SECTION 2. *Prohibition Against Surcharging by Retailers.* - All retailers who honor
10 or accept credit/ATM/debit cards for payment shall not require the cardholders to pay a
11 surcharge, extra charge, or additional charge over and above the price tag on the consumer goods
12 and services. The prohibition under this section shall include, but not limited to, the following
13 instances:

14 (A) Having a different price tag for cash and Credit/Debit/ATM card transactions on
15 the same product or service; or

16 (B) Imposing additional charges for Credit/Debit/ATM card transactions which are not
17 reflected in the price tag; or

18 (C) Not giving the same discount/sale price on the same product/service for
19 Credit/Debit/ATM Card transaction as opposed to cash transaction.

20 SECTION 3. *Penalty.* - Upon conviction of a violation of this Act, a fine of One
21 Hundred Thousand Pesos (P100,000.00) shall be imposed. A second conviction shall carry with

1 it the penalty a fine of Three Hundred Thousand Pesos (P300,000.00) and of revocation of
2 business permit/license.

3 SECTION 4. *Separability Clause.* - If any provision or part hereof is held invalid or
4 unconstitutional, the remainder of the law of the provision not otherwise affected shall remain
5 valid and subsisting.

6 SECTION 5. *Repealing Clause.* - All laws, decrees, orders, rules and regulations or
7 parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or
8 modified accordingly.

9 SECTION 6. *Effectivity Clause.* - This Act shall take effect after fifteen (15) days
10 following its publication in at least two (2) newspapers of general circulation.

Approved,