


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

SENATE
OFFICE OF THE SECRETARY

10 JUL 20 AM 10:09

SENATE
S. No. **1643**

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Through the technology of Automated Teller Machines (ATM's), bank customers can easily access their bank accounts in order to make cash withdrawals, cash deposits, and balance inquiries.

Some ATM operators however, charge their clients for a balance inquiry transaction without notifying customers that such transaction has a corresponding charge. The innocent customer will only then learn that he was charged with the balance inquiry transaction upon receipt of his periodical bank statement. By then, it will have been too late for him to take steps to avoid the charge.

ATM operators who set up their system to unknowingly charge consumers for simply requesting a balance inquiry are doing nothing more than taking advantage of their customers. This Bill seeks to require ATM operators to provide a notice disclosing to the consumer that a fee will be imposed for providing the balance inquiry and shall require that the same be displayed on the ATM screen during the transaction. The notice required in this Bill shall also demand that ATM operators disclose the amount of the balance inquiry transaction and provide their consumers an opportunity to cancel the inquiry without paying a corresponding fee.¹


MIRIAM DEFENSOR SANTIAGO

¹ This bill was originally filed in the Fourteenth Congress, Second Regular Session

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1 AN ACT
2 REQUIRING ALL AUTOMATED TELLER MACHINES TO DISCLOSE THE CHARGES
3 FOR A BALANCE INQUIRY TRANSACTION
4

5 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
6 *Congress assembled:*
7

8 SECTION 1. *Short Title.*

9 This Act may be known as the "*Balance Inquiry Fee Notice Act*".

10 SECTION 2. *Definitions.*

11 For purposes of this Act, the following definitions shall apply:

12 a) ACCOUNT - means a demand, time, or savings deposit, or other consumer asset
13 account, other than an occasional or incidental credit balance, held either directly or
14 indirectly by a financial institution and established for personal, family or household
15 purposes.

16 b) AUTOMATED TELLER MACHINE - means an electronic information
17 processing device which accepts or dispenses cash in connection with a credit or deposit
18 account. The term does not include tellers' stations staffed by a person or other staffed
19 facilities.

20 c) OPERATOR - means any chartered bank, savings bank, savings and loan
21 association, credit union or other entity which operates an automated teller machine.

22
23 SECTION 3. *Prohibition.* - An operator shall not charge a fee to a consumer for the
24 consumer's use of an automated teller machine to inquire as to the balance in the consumer's
25 account unless both of the following conditions are met:
26

27 a. A notice is prominently displayed on the automated teller machine screen,
28 disclosing to the consumer before the consumer is committed to completing the inquiry
29 and paying the fee;

30 (1) that a fee will be imposed for providing the balance inquiry service;

31 (2) the amount of the fee; and

32 (3) that the consumer has a right to cancel the inquiry without paying the fee; and
33

34 b. The consumer elects to continue the inquiry after the notice is displayed.
35

36 SECTION. 4. *Penalties.* - Any director, officer or agent of an operator who shall
37 authorize, order or perform any of the acts or practices constituting in whole or in part a violation
38 of Section 3 of this Act, shall upon conviction, be subject to a fine of not less than Ten thousand
39 pesos (P10,000.00) but not more than Fifty thousand pesos (P50,000.00) or imprisonment of not
40 less than two (2) months but not more than one (1) year, or both upon the discretion of the court.
41

42 SECTION 5. *Separability Clause.* - If any provision or part thereof, is held invalid or
43 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
44 valid and subsisting.
45

46 SECTION 6. *Repealing Clause.* - Any law, presidential decree or issuance, executive
47 order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent
48 with the provisions of this Act is hereby repealed, modified or amended accordingly.
49

50 SECTION 7. *Effectivity Clause:* - This Act shall take effect fifteen (15) days after its
51 publication in at least two (2) newspapers of general circulation.
52

53 Approved.