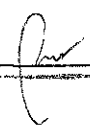


FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
OFFICE OF THE SECRETARY

10 JUL 21 10:35

SENATE
S. No. 1704

RECEIVED BY 

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Automated Teller Machines (ATMs) benefit the public by providing them with convenient access to cash wherever and whenever the need arises. With the advancement in technology, some banks, through arrangements with other banks or ATM affiliates, now allow their clients access to their accounts through other banks' ATMs. In addition, other transactions such as deposits, fund transfers, and bill payments which have traditionally been done in banks can now be done through the use of ATMs.

All this convenience, however, comes with a price. Some financial institutions charge their client for ATM transactions without the latter even being aware of the amount of the charge, much less the fact of the charge, until he receives his periodical bank statement. By then, it will have been too late for him to take steps to avoid the charge.

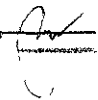
This bill seeks to protect ATM users from hidden charges by requiring financial institutions to inform their clients, either by prior written notice or on the screen of the ATM prior to the completion of the transaction, of the fee that they may incur should they chose to undertake a particular ATM transaction. It also seeks to restrict the possible transaction fees that such financial institutions may charge for certain ATM transactions.¹


MIRIAM DEFENSOR SANTIAGO

¹ This bill was originally filed during the Thirteenth Congress, Second Regular Session.

10 JUL 21 AIO:35

SENATE
S.No. 1704

RECEIVED BY: 

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1 AN ACT
2 REQUIRING CERTAIN FINANCIAL INSTITUTIONS TO POST TRANSACTION FEES
3 FOR EACH AUTOMATED TELLER MACHINE TRANSACTION; AND RESTRICTING
4 TRANSACTION FEES FOR AUTOMATED TELLER MACHINES.

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

7 SECTION 1. *Short Title.* - This Act shall be known as the "ATM Fee Regulatory Act."

8 SECTION 2. *Declaration of policy.* - It is the policy of the State to promote the general
9 welfare of the people. Pursuant to this policy, this Act seeks to uphold the people's right to be
10 informed of hidden ATM fees before they are unceremoniously charged with the same.

11 SECTION 3. *Definition of Terms.* -For purposes of this Act, the term:

12 (A) "ATM" means an automated teller machine.

13 (B) "Financial institution" means a national bank, savings bank, savings and loan
14 association, federally chartered credit union, credit union and any entity that owns or operates an
15 automated teller machine.

16 SECTION 4. *Fee Disclosure Required.* - A financial institution shall disclose the total
17 transaction fee or surcharge to be imposed for each transaction on the screen of the ATM prior to
18 the completion of the transaction. The customer shall have the right to cancel the transaction
19 after the fee or surcharge is disclosed.

20 A financial institution shall provide written notice to its account holders that a fee may be
21 imposed when the account holder uses ATMs owned or operated by another financial institution
22 or any national, regional or local ATM network whenever a card, code or other means of ATM
23 access is issued by the financial institution for the purpose of initiating ATM transactions.

24 SECTION 5. *Fee Restrictions.* - The following fee restrictions shall apply to all ATMs
25 and ATM transactions under this Act:

1 (A) *Screen Display us Prerequisite for Fee.* - No customer shall be liable to pay any fee or
2 surcharge to a financial institution for an ATM transaction at an ATM screen unless
3 the fee or surcharge is displayed on the ATM screen prior to the transaction.

4 (B) *Telephone Transactions.* -No customer shall be liable to pay any fee or surcharge to
5 any financial institution for any ATM transaction initiated via telephone.

6 (C) *Single Fee per Transaction.* - No customer shall be billed for more than one fee per
7 ATM transaction regardless of the number of financial institutions involved in the
8 transaction.

9 (D) *Cash-Dispensing Requirement.* - No customer shall be liable to pay an ATM fee or
10 surcharge to a financial institution that does not dispense cash at all of the
11 institution's branch locations.
12

13 SECTION 6. *Separability Clause.* - If any provision or part hereof, is held invalid or
14 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
15 valid and subsisting.

16 SECTION 7. *Repealing Clause.* - Any law, presidential decree or issuance, executive
17 order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent
18 with the provisions of this act is hereby repealed, modified or amended accordingly.

19 SECTION 8. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its
20 publication in at least two (2) newspapers of general circulation.

Approved,