

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



Senate  
Office of the Secretary

'13 JUL 18 P4:08

SENATE  
S. No. 933

RECEIVED BY: *ji*

---

Introduced by Senator Miriam Defensor Santiago

---

#### EXPLANATORY NOTE

Automated Teller Machines (ATMs) benefit the public by providing them with convenient access to cash whenever the need arises. 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 or she receives his or her periodical bank statement. By then, it will have been too late for him or her 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 choose 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.\*

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO  
*dk*

---

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



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

13 JUL 18 P4:08

SENATE  
S. No. 933

RECEIVED BY: ju

Introduced by Senator Miriam Defensor Santiago

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

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

5 SECTION 1. *Short Title.* – This Act shall be known as the “ATM Fee Regulatory Act.”

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

9 SECTION 3. *Definition of Terms.* – For purposes of this Act, the term:

10 (A) “ATM” means an automated teller machine.

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

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

18 A financial institution shall provide written notice to its account holders that a fee may be  
19 imposed when the account holder uses ATMs owned or operated by another financial institution

1 or any national, regional or local ATM network whenever a card, code or other means of ATM  
2 access is issued by the financial institution for the purpose of initiating ATM transactions.

3 SECTION 5. *Fee Restrictions.* – The following fee restrictions shall apply to all ATMs  
4 and ATM transactions under this Act:

5 (A) *Screen Display as Prerequisite for Fee.* – No customer shall be liable to pay any fee  
6 or surcharge to a financial institution for an ATM transaction at an ATM screen unless the fee or  
7 surcharge is displayed on the ATM screen prior to the transaction.

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

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

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

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

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

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

Approved,