Introduced by Senator Miriam Defensor Santiago

AN ACT
REQUIRING CERTAIN FINANCIAL INSTITUTIONS TO POST TRANSACTION
FEES FOR EACH AUTOMATED TELLER MACHINE TRANSACTION AND
RESTRICTING TRANSACTION FEES FOR AUTOMATED TELLER MACHINES

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 would be 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 choose to undertake a particular ATM transaction.

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It also seeks to restrict the possible transaction fees that such financial institutions may charge for certain ATM transactions.[1]
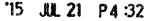
MIRIAM DEFENSOR SANTIAGO

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

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

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

2   Act."

3   SECTION 2. *Declaration of policy.* – It is the policy of the State to promote the

4   general welfare of the people. Pursuant to this policy, this Act seeks to uphold the

5   people's right to be informed of hidden ATM fees before they are unceremoniously

6   charged with the same.

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

8   (A) "ATM" means an automated teller machine; and

9   (B) "Financial institution" means a national bank, savings bank, savings and loan

10   association, federally chartered credit union, credit union and any entity that owns or

11   operates an automated teller machine.

12   SECTION 4. *Fee Disclosure Required.* – A financial institution shall disclose the

13   total transaction fee or surcharge to be imposed for each transaction on the screen of the

14   ATM prior to the completion of the transaction. The customer shall have the right to

15   cancel the transaction after the fee or surcharge is disclosed.

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1   A financial institution shall provide written notice to its account holders that a fee

2   may be imposed when the account holder uses ATMs owned or operated by another

3   financial institution or any national, regional or local ATM network whenever a card,

4   code or other means of ATM access is issued by the financial institution for the purpose

5   of initiating ATM transactions.

6   SECTION 5. *Fee Restrictions.* – The following fee restrictions shall apply to all

7   ATMs and ATM transactions under this Act:

8   (A)*Screen Display and Printed Receipt as Prerequisites for Fee.* - No customer

9   shall be liable to pay any fee or surcharge to a financial institution for an ATM

10   transaction at an ATM screen unless the fee or surcharge is displayed on the

11   ATM screen prior to the transaction and the fee or surcharge is indicated in the

12   printed receipt after the transaction.

13   (B) *Telephone Transactions.* -No customer shall be liable to pay any fee or

14   surcharge to any financial institution for any ATM transaction initiated via

15   telephone.

16   (C) *Single Fee per Transaction.* - No customer shall be billed for more than one

17   fee per ATM transaction regardless of the number of financial institutions

18   involved in the transaction.

19   (D) *Cash-Dispensing Requirement.* - No customer shall be liable to pay an ATM

20   fee or surcharge to a financial institution that does not dispense cash at all of

21   the institution's branch locations.

22

23   SECTION 6. *Separability Clause.* – If any provision of this Act is held invalid or

24   unconstitutional, the same shall not affect the validity and effectivity of the other

25   provisions hereof.

1   SECTION 7. *Repealing Clause.* – All laws, decrees, orders, and issuances, or

2   portions thereof, which are inconsistent with the provisions of this Act, are hereby

3   repealed, amended or modified accordingly.

4   SECTION 8. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after

5   its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,

/dpm16july2015