

'19 AUG 14 P4:55

**SENATE**  
**P.S. Res. No. 96**

RECEIVED BY: 

Introduced by Senator Grace Poe

**RESOLUTION**  
**DIRECTING THE SENATE COMMITTEE ON BANKS, FINANCIAL INSTITUTIONS, AND CURRENCIES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE LOOMING INCREASE IN AUTOMATED TELLER MACHINE (ATM) FEES IN LIGHT OF THE BANGKO SENTRAL NG PILIPINAS (BSP) ORDER LIFTING MORATORIUM ON ATM FEE INCREASES**

1 WHEREAS, Article 2 of Republic Act No. 7349, otherwise known as the  
2 Consumer Act of the Philippines, states that: "*It is the policy of the State to protect*  
3 *the interests of the consumer, promote his general welfare and to establish*  
4 *standards of conduct for business and industry*";

5 WHEREAS, in the third quarter of 2013, Philippine banks announced their  
6 plans to raise ATM fees from 36.3% to 50% for interbank withdrawals to pay for the  
7 operating costs of the machines<sup>1</sup>;

8 WHEREAS, on 27 September 2013, in view of the industry-wide increase in  
9 withdrawal fees, Bangko Sentral Ng Pilipinas (BSP) issued Memorandum No. M-2013-  
10 044<sup>2</sup> instructing all banks to maintain status quo in service fees and connectivity  
11 arrangements with respect to their ATM network until completion of their review of  
12 the disclosure practices and inter-operability arrangements among banks' ATM  
13 Networks;

14 WHEREAS, on 19 July 2019, as a result of the review on ATM networks, BSP  
15 issued Memorandum No. M-2019-020<sup>3</sup> approving the lifting of the moratorium on  
16 ATM fees;

<sup>1</sup> GMA News. *PHL banks to raise interbank ATM withdrawal fees by 36% to 50% in Q4*. Retrieved from <https://www.gmanetwork.com/news/money/content/328246/phl-banks-to-raise-interbank-atm-withdrawal-fees-by-36-to-50-in-q4/story/?related>

<sup>2</sup> <http://www.bsp.gov.ph/regulations/regulations.asp?type=3&id=3185>

<sup>3</sup> <http://www.bsp.gov.ph/regulations/regulations.asp?type=3&id=4167>

1           WHEREAS, Annex A of Memorandum No. M-2019-020 explains that under  
2 current practice, the ATM fee is set and charged by the issuing bank and remains the  
3 same regardless of the acquiring bank. The issuing bank is obligated to pay an  
4 interchange fee or a fee paid between banks for accepting card-based transactions.  
5 The difference between the ATM fee and the interchange fee is considered revenue  
6 to the issuing bank<sup>4</sup>;

7           WHEREAS, it further stated that banks shall now adopt an acquirer-based  
8 charging method where ATM fees are set by the ATM acquiring bank. Thus, the  
9 amount to be charged varies depending on the ATM terminal being used<sup>5</sup>;

10           WHEREAS, the memorandum clarified that: "*While the BSP does not directly*  
11 *intervene in the prices of [BSP supervised financial institution] BSFIs' products and*  
12 *services as a matter of policy, the BSFIs are reminded that it is their responsibility to*  
13 *ensure adherence to the principles of reasonable and market-based pricing provided*  
14 *under BSP Circular No. 980 dated 06 November 2017*<sup>6</sup>";

15           WHEREAS, currently, bank charges range from ₱10 to ₱15 for interbank  
16 withdrawals and ₱2 for interbank balance inquiry<sup>7</sup>;

17           WHEREAS, according to Makati 2<sup>nd</sup> District Representative Luis Campos Jr. in  
18 his House Resolution No. 210, the charges might increase from ₱15 to ₱30 or even  
19 higher with the removal of the moratorium<sup>8</sup>;

20           WHEREAS, despite the existence of BSP Circular No. 980 dated 06 November  
21 2017 to provide safeguard to any increase in ATM fees, the lifting of the moratorium  
22 would still potentially and possibly lead to a surge in prices;

23           WHEREAS even a top bank fears that the change in the manner of ATM  
24 charging from issuer-based to acquirer-based may lead to higher fees as the  
25 acquirer will not be able to subsidize or absorb the costs for a non-client in the new  
26 system thus leading to an increase in fees;<sup>9</sup>

---

<sup>4</sup> <http://www.bsp.gov.ph/regulations/regulations.asp?type=3&id=4167>

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> GMA News. *Solon wants probe into 'looming increases' in ATM fees*. Retrieved from <https://www.gmanetwork.com/news/money/companies/704263/solon-wants-probe-into-looming-increases-in-atm-fees/story/>

<sup>8</sup> Ibid.

<sup>9</sup> <https://business.mb.com.ph/2019/08/13/banks-will-not-raise-atm-fees-automatically/>



1 WHEREAS, an increase in bank charge, regardless of the amount, is  
2 disadvantageous to an estimate of 4.1 million minimum wage earners who would  
3 need to carry the burden of these fees as many of them receive their salaries  
4 through ATM cards and withdraw from these machines at least twice a month<sup>10</sup>;

5 WHEREAS, according the Partido Manggagawa Chairperson Rene Magtubo:  
6 "The P15 (withdrawal fee) is almost 3 percent of the daily minimum wage in Metro  
7 Manila. Worse, it is around 4 percent of the minimum wage in the Cavite economic  
8 zone"<sup>11</sup>;

9 WHEREAS, Chairperson Magtubo called this a 'highway robbery' explaining  
10 that doubling the ATM fees would mean taking away around 6% to 8% of their  
11 salary<sup>12</sup>;

12 WHEREAS, some workers are forced to use ATMs of other banks because of  
13 limited presence of machines, long queues, or when their banks are offline or  
14 inaccessible especially during payday<sup>13</sup>;

15 WHEREAS, the practice of imposing hefty bank fees including ATM charges is  
16 financially disadvantageous to our country's more than 58 million ATM cardholders;

17 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, as it is hereby  
18 resolved, to direct the Senate Committee on Banks, Financial Institutions, and  
19 Currencies to conduct an inquiry, in aid of legislation, on the looming increase in  
20 Automated Teller Machine (ATM) fees in light of the Bangko Sentral Ng Pilipinas  
21 (BSP) order lifting moratorium on ATM fee increases.

22  
23 *Adopted.*  
24  
25  
26

  
**GRACE POE**

---

<sup>10</sup> Yee, J. *Workers slam plan to hike ATM fees*. Retrieved from <https://newsinfo.inquirer.net/1153566/workers-slam-plan-to-hike-atm-fees>

<sup>11</sup> Yee, J. *Workers slam plan to hike ATM fees*. Retrieved from <https://newsinfo.inquirer.net/1153566/workers-slam-plan-to-hike-atm-fees>

<sup>12</sup> *Ibid.*

<sup>13</sup> *Ibid.*