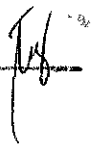


FOURTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

7 JUL -2 P1 70

SENATE

RECEIVED BY: 

Senate Bill No. 412

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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### EXPLANATORY NOTE

The number of financial institutions offering international money transfer services has recently doubled in view of intensified international business transactions of late and increased remittances sent by Filipinos working abroad.

Given these developments, however, many financial institutions take advantage of their clients by not disclosing certain crucial information to consumers before the transaction consummation; hence, denying certain benefits which should accrue them.

There is a need to set in place appropriate disclosure mechanism. Any financial institution or money transmitting business which initiates an international money transfer on behalf of a consumer (whether or not the consumer maintains an account at such institution or business) should therefore be required to make a good faith effort to provide the following disclosures to the consumer before the consummation of the transaction:

- (a) any fees to be charged to the recipient, including exchange rate or currency conversion fees;
- (b) a final itemization of all costs to the consumer, which would include all fees charged, for the remittance; and
- (c) the exact amount of foreign currency to be received by the recipient in the foreign country.

This proposed measure seeks to institutionalize disclosure practice in the international money transfer to facilitate transparent and cost-effective transaction.

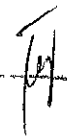
Immediate approval of this bill is earnestly sought.

  
JINGGOY EJERCITO ESTRADA  
Senator

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

7 JUL -2 P1:40

SENATE

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Senate Bill No. 412

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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**AN ACT  
TO REQUIRE CERTAIN DISCLOSURES IN CONNECTION WITH ANY  
INTERNATIONAL MONEY TRANSFER AND FOR OTHER PURPOSES**

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

**SECTION 1. *Short Title.*** – This Act shall be known as the “***International Money Transfer Disclosure Act***”.

**SEC 2. *Disclosures Required.*** –

- (1) **General Regulations** – Subject to paragraph (2), any financial institution or money transmitting business which initiates an international money transfer on behalf of a consumer (whether or not the consumer maintains an account at such institution or business) shall make a good faith effort to provide the following disclosures to the consumer before the consummation of the transaction:
  - a. Any fees to be charges to the recipient, including any exchange rate or currency conversion fees;
  - b. A final itemization of all costs to the consumer, which would include all fees charged, for the remittance;
  - c. The exact amount of foreign currency to be received by the recipient in the foreign country.
- (2) **Good Faith Effort** – For purposes of paragraph (1), good faith effort requires honesty in fact and all commercially reasonable efforts to provide the disclosures based on the most accurate information reasonable available to the financial institution or money transmitting business at the time of the international money transfer.
- (3) **Language Requirement** – The disclosures required under subsection (a) shall be in English and in the same language, if other than English, as the language principally used by the financial institution or money transmitting business, or any of its agents, to advertise, solicit, or negotiate, either orally or in writing, at the office of the institution or business at which the international money transfer is initiated.

SEC 3. *Definition.* – For purposes of this Section, the following definitions shall apply -

1. International Money Transfer – The term ‘international money transfer’ means any money transmitting service originating in the Philippines and involving an international transaction which is provided by a financial institution or a money transmitting business.
2. Money Transmitting Business – The term ‘money transmitting business’ means any business which:
  - a. provides check cashing, currency exchange, or money transmitting or remittance services, or issues or redeems money orders, travelers’ checks, and other similar instruments; and,
  - b. is not a depository institution as defined by appropriate laws

SEC 4. *Penalty.* – Any financial institution that violates the disclosure requirements set forth in this Act shall be made to pay a fine not less than P50,000.00 plus suspension of operations for a period of not exceeding a period of six (6) months. Second violation may cause revocation of necessary licenses, depending on the gravity of the offense as determined by court acquiring jurisdiction over the same.

SEC 5. *Separability Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

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

SEC 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

*Approved,*