



Republic of the Philippines
QUEZON CITY COUNCIL
Quezon City
22nd City Council

PO22CC-119

28th Regular Session

ORDINANCE NO. SP-3208, S-2023

AN ORDINANCE ENJOINING ALL BUSINESS ESTABLISHMENTS AND TRICYCLE OPERATORS AND DRIVERS' ASSOCIATION (TODA) IN QUEZON CITY TO ADOPT DIGITAL PAYMENTS AND OTHER ALTERNATIVE MODE OF PAYMENTS IN LINE WITH THE PALENG-QR PH PROGRAM

Introduced by Councilors EMMANUEL BANJO A. PILAR, VICTOR "Vic" BERNARDO, ALFREDO "Freddy" ROXAS, and VITO SOTTO GENEROSO

Co-Introduced by Councilors Bernard R. Herrera, Tany Joe "TJ" L. Calalay, Dorothy A. Delarmente, M.D., Joseph P. Juico, Nikki V. Crisologo, Charm M. Ferrer, Fernando Miguel "Mikey" F. Belmonte, Candy A. Medina, Aly Medalla, Dave C. Valmocina, Tatay Rannie Z. Ludovica, Godofredo T. Liban II, Kate Galang-Coseteng, Geleen "Dok G" G. Lumbad, Albert Alvin "Chuckie" L. Antonio III, Don S. De Leon, Wencerom Benedict C. Lagumbay, Atty. Anton L. Reyes, Edgar "Egay" G. Yap, Imee A. Rillo, Raquel S. Malañgen, Irene R. Belmonte, Nanette Castelo-Daza, Marra C. Suntay, Joseph Joe Visaya, Alfred Vargas, MPA, Ram V. Medalla, Shaira "Shay" L. Liban, Aiko S. Melendez, Mutya Castelo, Maria Eleanor "Doc Ellie" R. Juan, O.D., Kristine Alexia R. Matias, Eric Z. Medina, and Julian Marcus D. Trono

WHEREAS, Section 10, Article XIV of the 1987 Philippine Constitution recognizes that Science and Technology are essential for national development and progress;

WHEREAS, Section 24, Article II of the 1987 Philippine Constitution provides that the State shall recognize the vital role of communication and information in nation-building;

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WHEREAS, Republic Act No. 7160, otherwise known as the Local Government Code of 1991, provides that local government units shall exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare. Within their respective territorial jurisdiction, local government units shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among their residents, maintain peace and order, and preserve the comfort and convenience of their inhabitants;

WHEREAS, Section 2, Part 1 of Republic Act No. 8792, otherwise known as the "Electronic Commerce Act of 2020", emphasizes the need to create an information-friendly environment which supports and ensures the availability, diversity and affordability of Information Communication Technology (ICT) products and services;

WHEREAS, it is the policy of the Bangko Sentral ng Pilipinas (BSP) to foster the development of efficient and convenient retail payment and fund transfer mechanism in the Philippines, pursuant to Circular No. 649, Series of 2009 issued by the Office of the Governor of Bangko Sentral ng Pilipinas;

WHEREAS, Land Transportation Franchising Regulatory Board (LTFRB) Memorandum Circular No. 2020-018 dated May 14, 2020 mandates the collection of fares "strictly through cashless payment or through online payment facility" in all taxis and Transport Network Service Vehicles (TNSV's);

WHEREAS, as demonstrated during the COVID-19 pandemic, the digitalization of payments proved to be effective in facilitating the continuation of business and government transactions;

WHEREAS, in November 2019, QR PH is launched. It is the national QR code standard which serves as an instrument for cost-efficient digital payments, whether for person-to-person (P2P) or person-to-merchant (P2M) transactions. Even prior to its launch, digital payment is prominent and being adopted as a mode of payment for various transactions. With this mode of payment, small entrepreneurs need not invest in costly equipment, such as Point of Sale (POS) terminals, to accept digital payments from their customers. Instead, merchants only need to print and display the QR code tied to their transaction account, which their customers can scan to pay digitally;

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WHEREAS, on 28 January 2022, the Financial Inclusion Steering Committee (FISC) launched the National Strategy for Financial Inclusion (NSFI) 2022-2028 as six (6)-year blueprint to achieve the vision of driving financial inclusion toward broad-based growth and financial resilience. The NSFI aims to harness a coordinated whole-of-government approach to accelerate financial inclusion in support of the country's broader inclusive and sustainable development agenda. The FISC, chaired by the BSP and with twenty (20) agencies as members, including the Department of the Interior and Local Government (DILG), oversees and drives the implementation of the NSFI;

WHEREAS, one of the priority initiatives of the NSFI is the promotion of digital payments in the markets and local transport by utilizing QR PH. The DILG and BSP jointly developed the Paleng-QR PH Program to promote digital payment in public markets and local transportation in support of the NSFI;

WHEREAS, on 22 June 2022, the DILG and the BSP released a Joint Memorandum Circular (JMC) No. 01 Series of 2022 on the Paleng-QR PH Program, which established guidelines enjoining Local Government Units (LGUs') participation in the Paleng-QR PH Program. The JMC provided guidelines for the country-wide adoption and implementation of the Paleng-QR PH Program by the LGUs to promote digital payments among market vendors, sari-sari store owners, tricycle drivers, consumers and commuters;






WHEREAS, it is in the best interest of the public to adopt the Cashless Payment System as an alternative means for payment within Quezon City, and in line with the objectives of the Paleng-QR PH Program.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY IN REGULAR SESSION ASSEMBLED:

SECTION 1. TITLE. - This Ordinance shall be known as the "Paleng-QR PH Program in Quezon City".

SECTION 2. DEFINITION OF TERMS. -

- a) Digital Payment - refers to a monetary payment transaction between two (2) parties through a digital payment instrument in which both the payer and the payee use an electronic channel.
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- b) *Electronic Fund Transfer (EFT) - refers to transfer of funds between 2 transaction accounts in the same or in different financial institutions supervised by the BSP, which are initiated and received using electronic devices and channels to transmit payment transactions.*
- c) *InstaPay - an electronic fund transfer facility offered by a participating bank or Electronic Money Institution (EMI) to its clients to allow them to instantly transfer funds from their account to another held in other participating banks or EMI in the Philippines. The list of institutions participating in InstaPay can be found on the BSP website: <https://bit.ly/InstapayQRPH>.*
- d) *Public Markets - include City market, private market, talipapa and bagsakan, as defined under the Quezon City Market Code.*
- e) *Public Utility Vehicle - a motorized vehicle which was granted franchise to operate and transport passengers within Quezon City. For purposes of this Ordinance, Public Utility Vehicles refer to Tricycle Operators and Drivers Association operating within and granted franchise by the Quezon City government.*
- f) *QR Code - a short term for "Quick Response Code" which is a two-dimensional image-based bar code capable of holding large amounts of information. QR codes store information using patterns of black dots and white spaces, arranged in a square grid. It can be read by a smartphone camera that is equipped with a bar-code reader. When personal and financial information are stored in it, a QR code can be used to send and receive money such as payment transactions. A recipient of the funds shows his/her QR code to the payer or sender who will scan the code to initiate the payment transaction.*
- g) *QR PH - refers to the national QR Code standard that allows a quick, low-cost, and safe method to pay, transfer and receive funds from other banks and e-money accounts in the Philippines. This is aligned with the Europay, Mastercard and Visa (EMVCo) standard, the global standard to secure payments, which unifies the various domestic cashless payment schemes that make use of the QR code as a form factor. The list of institutions participating in QR PH can be found on the BSP website: <https://bit.ly/QRPhFAQs>.*

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- h) *Rental - means the value of the consideration, whether in money or otherwise, given for the enjoyment or use of a thing.*
- i) *Seller - shall refer to a person who sells goods, commodities, or foodstuffs other than inside a public market.*
- j) *Buyer - shall refer to a person who purchases goods, commodities, or foodstuffs to a vendor or seller.*
- k) *Vendor - shall mean a person who sells goods, commodities, or foodstuffs, within the public market.*
- l) *Ambulant Vendor - also known as "Mobile Trader" or "Peddler" is a person, who either for himself or commission, travels from place to place and sells his goods or sells and offers to deliver the same, using a vehicle.*
- m) *Hawkers - refers to ambulant vendors who set their wares on daily basis.*
- n) *Transaction Account - refers to a bank or e-money account held with a BSP-regulated financial service provider that can be used to store, send, and receive funds. Examples of transaction accounts are as follows:*
 - 1. *Basic Deposit Account (BDA) - refers to interest or non-interest bearing bank account with an initial minimum deposit of not more than one hundred pesos (Php100.00), no minimum maintaining balance, no dormancy charges, maximum balance of fifty thousand pesos (Php50,000.00) and with simplified know-your-customer or KYC requirements. The list of banks authorized by the BSP to offer BDA can be found on the BSP website: <https://bit.ly/BankswithBDAs>.*
 - 2. *Electronic Money (E-money) - a monetary value as represented by a claim on its issuer, that is a) electronically stored in an instrument or device, b) issued against receipt of funds of an amount not lesser than the monetary value issued; c) accepted as a means of payment by persons or entities other than the issuer; d) withdrawable in cash or cash equivalent; e) issued in accordance with Section 702 of the BSP's Manual of Regulations for Banks.*

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The list of e-money issuers (EMI) or entities authorized by the BSP to offer e-money account can be found on the BSP website <https://bit.ly/BSPSupervisedEMIs>.

SECTION 3. SCOPE OF APPLICATION. - *The Ordinance shall cover the following:*

- a. All public market vendors;*
- b. All Tricycle Operators and Drivers' Association (TODA) operating within and granted franchise by the Quezon City government;*
- c. All stores and business establishments including but not limited to sari-sari stores, establishments offering goods and services to public located and operating within Quezon City.*

SECTION 4. AVAILABILITY OF ALTERNATIVE MODE OF PAYMENTS. - *All persons and/or entities mentioned under Section 3, except ambulant vendors and hawkers, are hereby mandated to maintain and make available to the patrons, consumers, buyers, passengers or clients the option of paying through at least one of the different alternative modes of payment where exchange of money will be minimized.*

Business establishments, at their own discretion, may select as their alternative mode of payment from any of the following: cellphone applications, digital and mobile wallet services or other alternative modes of payment which includes, but not limited to the following to wit: PayMaya, GCash, AUB Paymate, Coins.Ph, Dragon Pay, 7-Connect/Cliqq, GrabPay, Paypal Debit, AliPay and/or Online Bank Transactions.

Provided however, that nothing in this Ordinance shall prohibit payment in cash when, otherwise chosen by any patron, consumer, buyer, passenger or client.

SECTION 5. IMPLEMENTATION ASSISTANCE PROGRAMS AND COMPLIANCE MONITORING. - *The Business Permit and Licensing Department, Market Development Administration Department and Traffic and Transport Management Department are hereby tasked to provide implementation assistance programs and monitor compliance of this Ordinance.*

SECTION 6. IMPLEMENTING RULES AND REGULATIONS. - *Within ninety (90) days from the promulgation of this Ordinance, the necessary rules and regulations for the proper implementation of its provisions shall be formulated by the BPLD, MDAD, and TTMD in coordination with all stakeholders and covered establishments and institutions.*

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SECTION 7. SEPARABILITY CLAUSE. - All ordinances, orders, rules, and regulations contrary to or inconsistent with this Ordinance, if any, are hereby repealed, modified or amended accordingly.

SECTION 8. EFFECTIVITY CLAUSE. - This Ordinance shall take effect fifteen (15) days following its publication in a newspaper of general circulation.

ENACTED: March 27, 2023.


GIAN G. SOTTO
City Vice Mayor
Presiding Officer

ATTESTED:


ATTY. JOHN THOMAS S. ALFEROS, III
City Government Department Head III
(City Council Secretary)

APPROVED: SEP 25 2023


MA. JOSEFINA G. BELMONTE
City Mayor

CERTIFICATION

This is to certify that this Ordinance was APPROVED by the City Council on Second Reading on March 27, 2023 and was PASSED on Third/Final Reading on April 3, 2023.


ATTY. JOHN THOMAS S. ALFEROS, III
City Government Department Head III
(City Council Secretary)