

**REPUBLIKA NG PILIPINAS  
TANGGAPAN NG SANGGUNIANG PANLUNGSOD  
LUNGSOD NG BAKOLOD  
-oOo-**

**CITY ORDINANCE NO. 1019  
February 1, 2023**

**AN ORDINANCE ENJOINING ALL BUSINESS ESTABLISHMENTS AND LOCAL  
TRANSPORTATION IN THE CITY OF BACOLOD TO ADOPT QR PH DIGITAL PAYMENTS IN  
LINE WITH THE PALENG-QR PH PROGRAM.**

**WHEREAS**, financial inclusion is defined as having effective access to a wide range of financial products and services by all Filipinos. Financial services, such as savings account, payment, credit, and remittances are tools that can help Filipinos improve their welfare and achieve their goals for their household and enterprises.

**WHEREAS**, over the years, the Bangko Sentral ng Pilipinas (BSP) has established the regulatory foundation to promote account ownership and digital payments in the country. This includes the introduction of the basic deposit account (BDA) and e-money as a no-frills and affordable account designed for the low-income unbanked clients; the cash agent regulation which allows banks to tap third-party retail outlets such as pawnshops and convenience stores to serve as cash-in and cash-out (CICO) points for bank clients; the launch of InstaPay to facilitate real-time electronic fund transfers between accounts held in different participating financial institutions; and the launch of QR Ph to promote use of quick response (QR) technology as an expedient and cost-efficient means for digital payment.

**WHEREAS**, launched in November 2019, QR Ph 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. With QR Ph, 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.

**WHEREAS**, on 28 January 2022, the Financial Inclusion Steering Committee (FISC) launched the National Strategy for Financial Inclusion (NSFI) 2022-2028 as a six-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 20 agencies as members including the Department of Interior and Local Government (DILG), oversees and drives the implementation of the NSFI.

**WHEREAS**, one of the priority initiatives in the NSFI is the promotion of digital payments in markets and local transport by utilizing QR Ph. Payment for local transportation and purchases from the public market are part of the daily payment pattern of a typical Filipino. By being able to pay market purchases and local transport fares digitally through their accounts, the public will realize the convenience and benefits of using a transaction account and other digital financial services (DFS). Promoting digital payments among market vendors and tricycle drivers is thereby crucial in expanding the country's digital payments ecosystem toward greater financial inclusion.



**WHEREAS**, in view of the above, 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**, The Paleng-QR Ph Program builds on the QR Ph initiative by promoting financial inclusion and cashless transactions at public markets, community stores, and local transportation hubs around the country. It aspires to build a digital ecosystem based on basic payment behaviors among Filipinos, raise the utility of transaction accounts, and aid in the promotion and adoption of these accounts.

**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 the guidelines for the country-wide adoption and implementation of 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 interests if the public will adopt to Paleng-QR Ph Program within the City of Bacolod.

**NOW THEREFORE, BE IT ENACTED BY THE SANGGUNIANG PANLUNGSOD OF BACOLOD, BY VIRTUE OF THE POWERS BY IN ITS LAW, IN SESSION ASSEMBLED, THAT:**

**Section 1. TITLE.** This Ordinance shall be known as the "**PALENG-QR PH PROGRAM IN THE CITY OF BACOLOD**".

**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.
- b) **Electronic fund transfer (EFT)** – refers to transfer of funds between two (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 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.
- d) **Public Utility Vehicles** – a motorized vehicle granted a franchise by the Public Transport Regulatory Board (PTRB) to operate and transport passenger within Bacolod City.



- e) **QR code** – short for “Quick Response code,” a QR code 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.
- f) **QR Ph** – QR Ph is the national QR Code standard that allows a quick, low-cost, and safe method to pay, transfer to and receive funds from other bank and e-money accounts in the Philippines. This is aligned with the Europay-Mastercard VISA Co (EMVCo) standard, the global standard for secure payments, which unifies the various domestic cashless payment schemes that make use of the QR code as a form factor.
- g) **Rental** – means the value of the consideration, whether in money or otherwise, given for the enjoyment or use of a thing
- h) **Seller/ Vendor** – shall refer to a person who sells goods, commodities, or foodstuffs within and outside the public market
- i) **Buyer** – shall refer to a person who purchases goods. Commodities or foodstuffs to a vendor or seller.
- j) **Ambulant Vendors** – also known as “*Mobile Trader*” or “*Peddlers*” 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.
- k) **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 no more than one hundred pesos (Php 100.00), no minimum maintaining balance, no dormancy charges, maximum balance of fifty thousand pesos (Php 50,000.00) 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 in value 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.



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:

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

- a. All public market vendors;
- b. All public transportation in the City of Bacolod;
- c. All stores and business establishments including but not limited to, sari-sari stores and ambulant vendors

**Section 4. QR PH ENABLED PAYMENTS.** All public market vendors, sari-sari store owners, Tricycle Operators and Driver Associations (TODAs)/local transportation and other local merchants in the City of Bacolod are hereby directed to make QR Ph payments available for their customers, in line with the Paleng-QR Ph program.

Public transportation, public market and business establishments, at their own discretion, may select as their alternative mode of payment from any QR Ph-ready financial service providers (FSP) participating in the Paleng-QR Ph program of the City.

Provided, however, that nothing in this Ordinance shall prohibit payment in cash when, otherwise chosen by the patrons, consumers, buyers, passenger, or clients.

**Section 5. ROLES AND RESPONSIBILITIES**

a) **City of Bacolod shall:**

1. Authorize the City Mayor to enter into and sign a Memorandum of Agreement (MOA), on behalf of the City Government of Bacolod with the chosen qualified FSPs for the Program implementation if warranted.
2. Coordinate with key local stakeholders such as the vendor associations, TODA, and the market superintendents, to ensure effective implementation of the Program;
3. Invite FSPs to participate in the program and negotiate for deals/special offers to encourage target participants to open a transaction account and use QR code digital payment. The LGU can partner with as many participating FSPs as deemed appropriate;
4. Assist target participants (e.g., vendors and tricycle operators) in the opening of accounts by, among others, providing additional relevant documents such as LGU certification to support the know-your-customer (KYC) requirements of the FSP;



5. Organize a special "account opening day(s)," in coordination with participating FSPs, to ensure ease and convenience of account opening by covered users and their clients, including the provision of QR code printouts that can be readily displayed in their stores, terminals, and vehicles;
6. Facilitate provision of free Wi-Fi connectivity in public and community markets, and TODA terminals;
7. Coordinate with the Department of Information and Communications Technology (DICT) in line with the latter's programs such as the Free Wi-Fi for All (FW4A);
8. Provide banners, standees and other Paleng-QR Ph markers in public markets, TODA terminals, and tricycles using the template provided (Annex "B"); incorporate the standard branding of the Paleng-QR Ph (Annex "C") in the promotional and information materials used for the program's IECC;
9. The LGUs shall develop its information, education and communication campaign (IECC) to promote and sustain the objective of the Paleng-QR Ph program. This will cover, among others, a financial literacy program using appropriate channels on key topics such as effective use of digital payments in business; financial services for micro and small enterprises; and financial consumer protection.
10. Disseminate through appropriate channels/methods (e.g., LGU's official social media pages) Paleng-QR Ph, financial inclusion and financial literacy materials developed by the BSP and other stakeholders.
11. Maintain a record on participating merchants under the Paleng-QR Ph program.

**b) Financial Service Providers (FSPs)**

Participating FSPs shall:

1. Provide personnel, customer assistance booths, and other appropriate resources, including QR code printouts, deemed reasonable to ensure successful conduct of LGUs of Paleng-QR Ph program "account opening day(s)";
2. Provide target users with appropriate materials on opening a transaction account, using QR Code payments and other digital financial services;
3. Provide resource speakers and contents, as requested, for the LGU's financial literacy program;
4. Assign competent contact person(s) to the LGUs for efficient and timely coordination on the program implementation; and



5. Provide special offers for accounts opened under the Paleng-QR Ph program such as free microinsurance coverage for a certain period (e.g., three months); t-shirts and other wearables; and special user rebates for a limited period.
6. Participation of FSPs in the program shall be non-exclusive

**c) Covered merchants and local transportation**

Covered merchants and local transportation shall:

1. Open and maintain a QR Ph-ready transaction account. In the event the covered entity does not have an account, entity commits to have an account six months after effectivity of the ordinance;
2. Explicitly display their QR Ph code in their store or vehicle where it is visible to customers and passengers;
3. Make QR PH payments available as a method of payment;
4. Participate in the information campaign, financial literacy program and other relevant activities that will be facilitated by the LGU and FSPs.

**Section 6. INCENTIVE CLAUSE.** All business owners and tricycle operators who shall provide QR PH as an alternative mode of payment shall be granted the following incentives:

A one percent (1%) discount shall be granted on all fees, licenses, permit and or taxes in connection with the establishment, operation, and maintenance of the market stall or tricycle operation, subject to the rules and regulations set forth by the Sangguniang Panlungsod for the first 1 year(s) of the implementation of the Paleng-QR Ph program.

- a) Grant of one percent (1%) discount on stall rental/rights on the first year of adoption,

The LGU may recall such incentives and covered merchants will be asked to return the equivalent amount discounted once adoption of the program is discontinued.

**Section 7. COMPLIANCE MONITORING.** The Business Permit and Licensing Office with the assistance of the Market Administration Office and the Tricycle Regulatory Unit with the assistance of the Land Transportation Franchising and Regulatory Board and the Philippine National Police are hereby asked to monitor compliance of this Ordinance.

**Section 8. SEPARABILITY CLAUSE.** All Ordinances, Rules, Orders and Regulations contrary to or inconsistent with this Ordinance if any, are hereby repealed, modified or amended accordingly.

**Section 9. EFFECTIVITY.** This Ordinance shall take effect fifteen (15) days following the publication in a newspaper of general circulation.

f

CARRIED BY THE VOTE OF:

Affirmative:

Councilors : Jude Thaddeus A. Sayson, Em L. Ang, Al Victor A. Espino, Jason Isidro S. Villarosa, Claudio Jesus Raymundo A. Puentevella, Simplicia Z. Distrito, Celia Matea R. Flor, Lady Gles Gonzales-Pallen, Ayesha Joy Y. Villaflor.

Negative : None.

Official Leave : Councilor Cindy T. Rojas.


Absent : None.

Author : Councilor Celia Matea R. Flor.

Passed : February 1, 2023 (31<sup>st</sup> Regular Session of the 11<sup>th</sup> Council).

Comments : Passed.

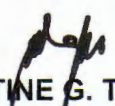
Councilors Israel P. Salanga, Vladimir S. Gonzalez, Renecito S. Novero and Psyche Marie E. Sy were not around when this ordinance was passed.

-----  
  
EL CID M. FAMILIARAN  
Vice Mayor  
Presiding Officer

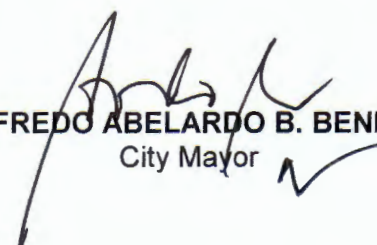
ATTESTED:

ATTY. VICENTE C. PETIERRE III  
Secretary to the Sanggunian

By:

  
CHRISTINE G. TEMPLA  
Board Secretary IV

APPROVED: February 17, 2023.

  
ALFREDO ABELARDO B. BENITEZ  
City Mayor

CGT/OEM/jbz

SP LEGISLATIVE  
SERVICES SECTION

DATE: Feb. 20, 2023 TIME: 9 AM

E.V: 