

Office of the Sangguniang Bayan

ORDINANCE NO. 2024-016

AN ORDINANCE ENJOINING ALL BUSINESS ESTABLISHMENTS AND LOCAL TRANSPORTATION IN SAN JOSE, CAMARINES SUR TO ADOPT QR PH DIGITAL PAYMENTS IN LINE WITH THE PALENG-QR PH PROGRAM

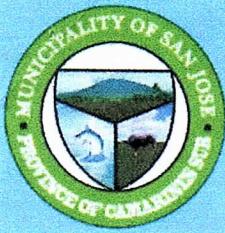
*Authors: Hon. Audie P. Concina, Hon. Domingo A. Tam Jr. and
Hon. Bobby H. Clutario*

BE IT ENACTED BY THE 15TH SANGGUNIANG BAYAN OF SAN JOSE, IN SESSION ASSEMBLED, THAT:

SECTION 1. TITLE. This Ordinance shall be known as the "PALENG-QR PH PROGRAM IN SAN JOSE, CAMARINES SUR".

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. The list of institutions participating in InstaPay can be found on the BSP website: <https://bit.ly/InstapayQRPH>.
- d. Public Utility Vehicles – a motorized vehicle granted a franchise by the Public Transport Regulatory Board (PTRB) to operate and transport passenger within the Municipality of San Jose, Camarines Sur.
- 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 barcode 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



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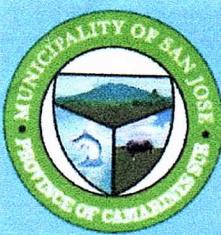
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VISA Co (EMVCo) standard, the global standard for secure payments, which unifies the various domestic cashless payment schemes that make use of the QR code as a form factor. The list of institutions participating in QR Ph can be found on the BSP website: <https://bit.ly/QRPhFAQs>.

- g. Rental – means the value of the consideration, whether in money or otherwise, given for the enjoyment or use of a thing.
 - h. Seller – shall refer to a person who sells goods, commodities, or foodstuffs other than inside a public market.
 - i. Buyer – shall refer to a person who purchases goods. Commodities or foodstuffs to a vendor or seller.
 - j. Vendor – shall mean a person who sells goods, commodities, or foodstuffs, within the public market.
 - k. 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.
 - l. Hawkers – refers to ambulant vendors who set their wares on daily basis.
 - m. 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: <https://bit.ly/BSPSupervisedEMIs>.

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

- a. All public market vendors;



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- b. All public transportation in the Municipality of San Jose;
- c. All stores and business establishments including but not limited to, sari-sari stores, ambulant vendors and hawkers

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 Municipality of San Jose 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 municipality. The list of institutions participating in QR Ph is attached as Annex "A" and updated list can be found on the BSP website:

https://www.bsp.gov.ph/Media_and_Research/Primers%20Faqs/QR_Ph_P2M_FAQs.pdf.

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) LGU shall:
 1. Authorize the Municipal Mayor to enter into and sign a Memorandum of Agreement (MOA), on behalf of the Municipality of San Jose 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;



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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 Palenq-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:



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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 effectiveness 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. 30 % 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 year of the implementation of the Paleng-QR Ph program;
- b. Grant of 20 % 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.

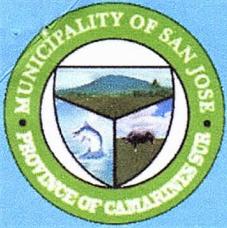
Office shall accrue to the general fund of the Local Government Unit of San Jose, Camarines Sur.

SECTION 8. SEPARABILITY CLAUSE.

If for any reason, any section of this ordinance shall be held unconstitutional or invalid, other sections which are not affected thereby shall continue to be full force and effect.

SECTION 9. REPEALING CLAUSE.

All laws, decrees, executive orders, administrative orders or part thereof inconsistent with the provisions of this ordinance are hereby amended or modified accordingly.



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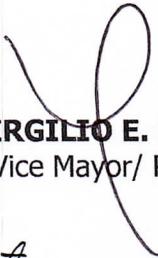
SECTION 10. EFFECTIVITY. This ordinance shall take effect immediately upon its approval.

ENACTED: August 9, 2024

CERTIFIED CORRECT:


MARY GRACE TOTANES- PANUELLOS
Secretary to the Sanggunian

ATTESTED:


VIRGILIO E. PANUELLOS

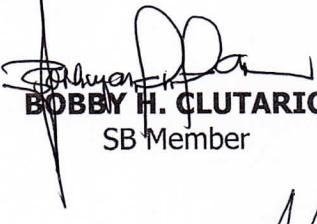
Mun. Vice Mayor/ Presiding Officer


MARSAN B. DURANTE
SB Member

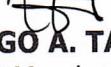

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CHARM NINA C. VALENCIA
SK Representative

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Municipal Mayor