

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 2224



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Introduced by Representative Ma. Rene Ann Lourdes G. Matibag

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**AN ACT PROMOTING THE ADOPTION OF ELECTRONIC MONEY AS A MEDIUM  
OF EXCHANGE FOR FINANCIAL TRANSACTIONS OF THE GOVERNMENT AND  
ALL MERCHANTS AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

In 2018, the Bangko Sentral ng Pilipinas (BSP) reported that cash still accounted for 99% of local transactions. From January to September 2019, digital payments surged by 33 percent. While still far from the target of 20 percent electronic payments by 2020, the significant increase in volume of electronic money transactions holds promise. One of the perceived hindrances, however, is the shortage of facilities and resources that can acknowledge cashless payments.

As part of our move to transition into the “new normal” in the midst of the current global pandemic, electronic payments of essential goods and services is a crucial element in flattening the COVID-19 curve since handling of cash itself is a potential transmitter of the virus. Furthermore, electronic money transactions will no longer require the ordinary Filipino, especially the elderly who are classified as high-risk, to leave the safety of their homes to buy goods, pay utility bills, remit money, or address other household needs, which may all be done online. Similarly, the Philippine government may use electronic payment channels to transfer cash subsidies to the targeted beneficiaries of its social amelioration program, minimizing mass gatherings and long lines at disbursement centers.

This bill seeks to provide an enabling environment to accelerate the adoption of electronic money as one of the mediums of exchanges across the country. Switching to digital and cashless payments helps in flattening the COVID-19 curve, as well as brings convenience, ensures transparency and safety, saves time, and offers speedy value transfers. The use of electronic money also affords more efficient service delivery and at the same time entails lower operating costs. It likewise increases financial inclusion to support broad-based economic development that can contribute to inclusive growth in the country.

  
MA. RENE ANN LOURDES G. MATIBAG

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

**SECTION 1. *Short Title.*** – This Act shall be known and cited as the “*Use of Electronic Money Act of 2022.*”

**SEC. 2. *Declaration of Policy*** – The State recognizes the vital role of information and communications technology in nation-building. The State also recognizes the need of promoting ease of doing business and efficient delivery of goods and services to the general public. Towards this end, the State shall promote the use of electronic money or e-money as a medium of exchange to optimize the use of technology and innovative payment system for financial transactions and to strengthen financial inclusion.

**SEC. 3. *Objective.*** – This Act aims to facilitate transactions, arrangements, or exchanges or goods and services by promoting the universal use of e-money as a medium of exchange in financial transactions of the government and the general public.

**SEC. 4. *Definition of Terms.*** – As used in this Act, the following terms shall mean:

(a) “Access device” refers to any card, plate, code, account number, electronic serial number, personal identification number, or other telecommunications service, equipment or instrumental identifier, or other means of account access that can be used to obtain money, goods, services, or any other thing of value or to initiate a transfer of funds (other than a transfer originated solely by paper instrument);

(b) “Electronic money” or “e-money” shall refer to monetary value as represented by a claim on its issuer, that is (1) electronically stored in an instrument or devise; (2) issued against receipt of funds of an amount not lesser in value than the monetary value issued; (3) accepted as a means of payment by persons or entities other than the issuer; (4)

withdrawable in case or cash equivalent; and (5) issued in accordance with relevant Bangko Sentral ng Pilipinas (BSP) regulations;

(c) "Electronic money issuer" or "EMI" refers to any entity authorized by the BSP under Subsection X780.2 of MORB which provides money transfer or remittance services using electronic stored money value system and similar digital financial services;

(d) "Merchant" refers to a person or entity engaged in buying and selling merchandise at a fixed place of business; and

(e) "Payment system" refers to the set of payment instruments, processes, procedures and participants that ensures the circulation of money or movement of funds.

**SEC. 5. Use of E-Money.** – All national government agencies (NGAs), government-owned and controlled corporations (GOCCs), and local government units (LGUs) are hereby mandated to utilize e-money among the medium of exchanges in the collection of taxes, fees, tolls, imposts and other revenues and in the payment of goods, services and other disbursements. For this purpose, they are hereby authorized to partner with any duly authorized e-money issuer (EMI) to enable them to process e-money transactions.

To ensure seamless and continued service of the e-money payment system, NGAs, GOCCs, and LGUs may create their respective e-money technical support and maintenance service. The support service shall be responsible for troubleshooting and in maintaining coordination with the EMI partner for technical and other concerns within the agency. The creation of the technical support and maintenance service shall be without prejudice to any technical support arrangement between the agency and the EMI partner pursuant to a contract or agreement.

The selection of an EMI partner shall not be subject to the rules of procurement prescribed under Republic Act No. 9184: Provided, That only EMIs duly authorized by the BSP and accredited by the Department of Budget and Management (DBM), Department of Information and Communications Technology (DICT) and Department of the Interior and Local Government (DILG) may be engaged by agencies to service their e-money transactions.

The DBM, DICT, and DILG shall jointly accredit EMIs based on technical capability, financial resources, network coverage, adequacy of merchant partners, and such other factors as they may deem appropriate and decisive in determining the overall capability of EMIs to provide the service. Recognizing that the adequacy, sufficiency, and quality of information technology infrastructure vary in different localities, the accreditation of EMIs may be grouped by region or such other geographical consideration as the DBM, DICT, and DILG consider appropriate and convenient. The DBM, DICT, and DILG shall promulgate the list of accredited EMIs simultaneous with the promulgation of the rules and regulations implementing the provisions of this Act. The list of accredited EMIs may be revised, supplemented, or reduced as the DBM, DICT, and DILG deem necessary.

**SEC. 6. E-Money Capability of Merchants.** - To accelerate the adoption of e-money as a medium of exchange, LGUs shall, by ordinance, require merchants within their localities to

obtain and maintain e-money payment system capability in carrying on their businesses as a pre-requisite for the approval or renewal of their business permits. No new or renewal of business permit shall be approved unless the merchant concerned show to the satisfaction of the LGU that a functional e-money payment system accessible by mobile phone or other access devices is installed or provided by a duly registered EMI in the merchant partner's place of business.

The LGUs shall extend assistance to the merchants to facilitate their adoption of e-money transaction capability.

**SEC. 7. *Promotion of E-Money Transactions.*** – Utilizing e-money in financial transactions provides clients with convenient, transparent, safe, expeditious, and efficient mode of transacting business. To optimize the benefits of this technological innovation, scale up financial inclusion, and promote sustainability, NGAs, GOCCs, and LGUs shall prioritize the use of e-money as the medium of exchange in their financial transactions.

NGAs, GOCCs, and LGUs shall also explore the feasibility of prescribing discounted rates for selected financial transactions to encourage the availment of e-money payments. LGUs may, likewise, impose reduced fees or grant other incentives for merchants providing efficient e-money payment system.

**SEC. 8. *Appropriation.*** – The amount necessary for the implementation of the provisions of this Act shall be taken from the current year's budgets of the NGAs, GOCCs, and LGUs. Thereafter, such sums as may be necessary for the continued implementation of the Act shall be incorporated in the annual General Appropriations Act, corporate operating budget, or appropriation ordinance, as the case may be.

**SEC. 9. *Implementing Rules and Regulations.*** – The DBM, DICT, and DILG shall promulgate the rules and regulations implementing the provisions of this Act within ninety (90) days from its effectivity.

**SEC. 10. *Separability Clause.*** – If for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

**SEC. 11. *Repealing Clause.*** – All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**SEC. 12. *Effectivity*** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of national circulation.

Approved,