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Republic of the Philippines
Province of Cagayan
TUGUEGARAO CITY

TENTH CITY COUNCIL

COMMITTEE REPORT NO. 22-10-2025
August 5, 2025

Submitted by:

Joint Committee on Innovation, Technology and Process Development
Committee on Public Information

PRESENT:

HON. ANTHONY C. TUDDAO -----Chairperson, Committee on Innovation, Digital
Technology & Process Development

HON. MARK ANGELO B. DAYAG ----- Vice Chair, Committee on Innovation, Digital
Technology & Process Development

HON. LOPE B. APOSTOL JR. ----- Member, Committee on Innovation, Digital
Technology & Process Development
----- Member, Committee on Public Information

HON. CERENE PEARL T. QUILANG -----Vice Chairperson, Committee on Public Information
----- Member, Committee on Innovation, Digital
Technology & Process Development

HON. MYRNA G. TE ----- Member, Committee on Public Information

GUESTS/ RESOURCE PERSON:

JOEL C. BARIUAN ----- Business Permits & Licensing Office

DR. PASTOR C. TUMALIUAN ----- Market Administrator

RONNEL A. HISTORIA ----- FETODA President

ARNOLD GALANO ----- FETODA Auditor

REPRESENTATIVE OF GROCERIES & SUPERMARKETS
(see attached attendance sheet)

FOR THE PRESIDING OFFICER:

The Committee on Innovation, Digital Technology & Process Development and the Committee on Public Information initially met on August 5, 2025 at 3:00 o'clock in the afternoon at Sangguniang Panlungsod Session Hall to discuss the referral and upon thorough deliberation and extensive discussion of the matter, the committees would like to inform the August Body of its findings and recommendations.

COMMITTEE REPORT NO. 22-10-2025

SUBJECT:

Draft Ordinance Amending City Ordinance No. 70-08-2020, Otherwise known as the Ordinance Mandating the Use of Contactless/Cashless Payment Options in Tuguegarao City, Incorporating the PALENG-QR PH and Providing Funds Thereof

FINDINGS:

1. It encourage the use of contactless/cashless payment options but does not replace cash payment.
2. There shall be safety nets to avoid scam issues to enjoy the convenience of cashless payment, thus, making it follow and go with the digital age.
3. The PALENG-QR PH has already been launched and implemented by other municipalities in the province.
4. Republic Act 8792, otherwise known as “ Electronic Commerce Act of 2000” provides for the recognition and use of electronic commercial and non-commercial transactions and documents, penalties for unlawful use.
5. 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.
6. The Paleng-QR Ph program builds on 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.

RECOMMENDATIONS:

After perusal of the provisions of Ordinance No.70-08-2020 otherwise known as an Ordinance Mandating the Use of Contactless/Cashless Payment Options in Tuguegarao City, Incorporating the PALENG-QR PH and Providing Funds Thereof , the committees recommend the following:

- 1.) The passage of a new ordinance since Ordinance No. 70-08-2020 is purposely for the pandemic time only.
2. To institutionalize the use of contactless/cashless payment options in Tuguegarao city.
3. Massive information dissemination and the conduct of orientation and seminars on the Use of the QR code.
7. There shall be a gradual implementation of the ordinance which shall be done by phase.
8. Approval and passage of the new ordinance.
9. The members of the Committee on Innovation, Digital Technology and Process Development and the Committee on Public Information be included as principal sponsors.

Respectfully submitted:



HON. ANTHONY C. TUDDAO

Chairperson, Committee on Innovation, Digital Technology & Process Development



HON. MARK ANGELO B. DAYAG

Vice Chair, Committee on Innovation, Digital Technology & Process Development



HON. LOPE B. APOSTIL JR.

Member, Committee on Innovation, Digital Technology & Process Development
Member, Committee on Public Information



HON. CERENE PEARL T. QUILANG

Vice Chair, Committee on Public Information
Member, Committee on Innovation, Digital Technology & Process Development



HON. MYRNA G. TE

Member, Committee on Public Information

ORDINANCE AMENDING CITY ORDINANCE NO. 70-08-2020, OTHERWISE
KNOWN AS THE ORDINANCE MANDATING THE USE OF
CONTACTLESS/CASHLESS PAYMENT OPTIONS IN TUGUEGARAO CITY,
INCORPORATING THE PALENG-QR PH AND PROVIDING FUNDS THEREOF

Sponsor:

HON. CERENE PEARL T. QUILANG
HON. MARC ALDOUS C. BACCAY
HON. TIRSO V. MANGADA
HON. MARK ANGELO B. DAYAG
HON. RONALD S. ORTIZ
HON. JUDE T. BAYONA
HON. MARIA ROSARIO B. SORIANO
HON. KARINA S. GAUANI-VIERNES

WHEREAS, Republic Act No. 8792, otherwise known as “Electronic Commerce Act of 2000” provides for the recognition and use of electronic commercial and non-commercial transactions and documents, penalties for unlawful use thereof and for other purposes;

WHEREAS, QR Ph is the national QR code standard which serves as an instrument for the cost-efficient digital payments, whether for person-to-person (P2P) or person-to-merchant (P2M) transactions. With QR Ph, small entrepreneurs need not to 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 county’s broader inclusive and sustainable development agenda. The FISC, chaired by the BSP and with 20 agencies as members including the Department of the Interior and Local Government (DILG), oversees and drives the implementation of the NSFI;

WHEREAS, one 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

WHEREAS, Tuguegarao City was proclaimed as one of the Digital Cities 2025 by the Department of Information and Communications Technology, IBPAP Philippines and Leechiu Property Consultants on June 30, 2020;

SECTION 1. SHORT TITLE. This ordinance shall be known as the “An Ordinance Adopting the Paleng-QR Ph Program for the Use of Contactless/Cashless Payment Schemes in Tuguegarao City ”

SECTION 2. SCOPE AND COVERAGE. This ordinance shall cover the following:

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

SECTION 3. 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 accounts to another held in other participating banks or EMI in the Philippines. The list institutions participating in InstaPay can be found in the BSP website: <https://bit.ly/InstapayQRPH>.
- d) **Public Utility Vehicles** – a motorized vehicle granted a franchise by the Public Transport Regulatory Board (PRTRB) to operate and transport passenger within Tuguegarao City.
- e) **QR code** – short for “Quick Response Code”, a QR code is a two-dimensional image-based bar code capable of holding large amount 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 is stored in it, a QR 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 to quick, low-cost, and safe method to pay, transfer to and receive funds from other bank and e-money accounts in the Philippines.
- 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) **Hawker-** refers to ambulant vendors who set their wares on a daily basis.

SECTION 4. QR PH ENABLED PAYMENTS. — All public market vendors, public transport groups, sari-sari store owners, other local merchants in the City of Tuguegarao 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. The City Government of Tuguegarao shall:
 - 1. Authorize the City Mayor to enter into and sign a Memorandum of Agreement (MOA), on behalf of the City Government of Tuguegarao, with the chosen qualified FSPs for the Program implementation if warranted;
 - 2. Coordinate with key local stakeholders such as the vendor associations, transport groups, 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. It shall partner with as many participating FSPs as deemed appropriate;
 - 4. Assist target participants (e.g. vendors and other retail merchants, transport groups) 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 local public transport 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);

SECTION 6. CREATION OF TASK FORCE FOR COMPLIANCE MONITORING. — To ensure the effective implementation of the said ordinance, a task force for compliance monitoring is hereby created.

SECTION 7. COMPOSITION OF THE TASK FORCE. — The council shall be composed of the following:

CHAIRPERSON:

City Mayor

CO- CHAIRPERSON:

City Market Administrator

MEMBERS:

Business Permits and Licensing Officer

City Treasurer

Tricycle Regulation Unit Head

Committee on Trade, Commerce and Industry Committee Chair (SP)

Department of Trade and Industry

Bangko Sentral ng Pilipinas

Representative of the Philippine National Police

SECTION 8. FUCTIONS AND ROLES OF THE TASK FORCE. — The task force shall be responsible for information dissemination, orientation, training, public hearings and crafting an Internal Rules and Regulations (IRR) related to the implementation of this ordinance.

SECTION 9. IMPLEMENTATION. — This ordinance shall be implemented in phases:

PHASE 1- This ordinance shall be implemented in the City Government of Tuguegarao along with all the concerned departments/offices and registered business establishments.

PHASE 2 — This ordinance shall be implemented among the transportation sector of Tuguegarao City.

PHASE 3 — This ordinance shall be implemented among the MSMEs within Tuguegarao City.

SECTION 10. SEPARABILITY CLAUSE. — If any provision or section of this Ordinance, or the application thereof to any person or circumstance is held invalid, the other provisions or sections of this Ordinance and the application of such circumstance shall not be affected thereby.

SECTION 11. REPEALING CLAUSE. — All prior Ordinances, Executive Orders, Administrative Orders, Rules and Regulations, or parts thereof that are inconsistent with the provisions of this Ordinance are hereby repealed or modified accordingly.

SECTION 12. EFFECTIVITY CLAUSE. — This Ordinance shall take effect in accordance with the provisions of Republic Act No. 7160, also known as the Local Government Code of 1991, as amended.