



BAGONG PILIPINAS

new

Republic of the Philippines  
Province of Cagayan  
**TUGUEGARAO CITY**  
**NINTH CITY COUNCIL**  
**OFFICE OF HON. CERENE PEARL QUILANG**



**DRAFT ORDINANCE ENJOINING ALL BUSINESS ESTABLISHMENTS AND LOCAL  
TRANSPORTATION IN TUGUEGARAO CITY TO ADOPT QR PH DIGITAL  
PAYMANETS IN LINE WITH THE PALENG-QR PH PROGRAM**

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**Explanatory Note**

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 enterprise.

Account ownership is considered the gateway to financial inclusion. Through a formal account, one can not only safely save money but also conveniently send and receive money to and from anyone for the transactions such as receiving salary and cash assistance, collecting payment from customers, and paying taxes, purchases and bills.

Payments are basic financial transactions. As demonstrated during the COVID-19 pandemic, the digitalization of payments proved to be effective in facilitating the continuation of business and government transactions amid mobility restrictions. This has enabled the government and private institutions to provide lifelines of support for the vulnerable sectors. To be able to transact digital payments, one needs to have an account.

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 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 transfer between accounts held in different participating financial institutions; and the launch of QR Ph promote use of quick response (QR) technology as an expedient and cost-efficient means for digital payment.

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 QR code tied to their transactio account, which their customers can scan to pay digitally.

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



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- 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.
- m)

### **CHAPTER III** **PALENG-QR Ph**

**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.





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11. 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; and
12. 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 the 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 LGUs financial literacy program;
4. Assign competent contact person(s) to the LGUs for efficient and timely coordination on the program implementation;
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; and
6. Participation of FSPs in the program shall be non-exclusive.

**c. Covered merchants Covered merchants 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; and
4. Participate in the information campaign, financial literacy program and other relevant activities that will be facilitated by the LGU and FSPs.

**SECTION 6. COMPLIANCE MONITORING.** — The Business Permits and Licensing Office with the assistance of the Market Administration Office and the Tricycle Regulatory Unit with the assistance of the Philippine National Police are hereby asked to monitor the compliance of this ordinance.