



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



**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. BIENVENIDO C. DE GUZMAN II  
HON. TIRSO V. MANGADA  
HON. MARY MARJORIE P. MARTIN-CHAN  
HON. MARK ANGELO B. DAYAG  
HON. GRACE B. ARAGO  
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;



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**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**, 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.



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- 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



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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);
  8. Provide banners, standees and other Paleng-QR Ph markers in public markets 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. It shall develop its information, education and communication campaign (IECC) to promote and sustain the objective of the Paleng-QR Ph program.
  10. 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; and
  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;



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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. 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:**

BPLO 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

PNP

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



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**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.