



EXCERPT FROM THE MINUTES OF THE 81ST REGULAR SESSION OF THE 5TH SANGGUNIANG PANLUNGSOD (SP) HELD AT THE SP SESSION HALL, LEGISLATIVE BUILDING, EAST POBLACION, CITY OF NAGA, CEBU ON FEBRUARY 28, 2024.

PRESENT:

- | | |
|------------------------------|------------------------------------------------------------------|
| HON. VIRGILIO M. CHIONG | - Vice Mayor /Presiding Officer |
| HON. CLINT ISIDRO A. CHIONG | - Presiding Officer Pro Tempore |
| HON. CARMELINO N. CRUZ, JR. | - Majority Floor Leader |
| HON. SCOTT JUVENAL A. CHIONG | - Assistant Majority Floor Leader/Liga ng mga Barangay President |
| HON. ALEXANDER R. LARA | - Sangguniang Panlungsod Member |
| HON. AURELIO B. ALINSONORIN | - Sangguniang Panlungsod Member |
| HON. CHARMAINE R. NAVARRO | - Sangguniang Panlungsod Member |
| HON. RAY A. MANABAT | - Sangguniang Panlungsod Member |
| HON. JUSTINO L. DAKAY | - Sangguniang Panlungsod Member |
| HON. DOMINADOR A. LIBOR | - Sangguniang Panlungsod Member |
| HON. LETECIA F. ABANGAN | - Sangguniang Panlungsod Member |
| HON. ELMER JOHN R. LAPITAN | - Sangguniang Panlungsod Member |
| HON. FAITH JAMES B. SERVANO | - SK Federation President |



ORDINANCE NO. 2024-35

Principal Author:

HON. LETECIA F. ABANGAN

Chairperson, Committee on Finance, Budget and Ways and Means

Co-Authors:

HON. RAY A. MANABAT

Chairperson, Committee on Consumer and Public Utilities

HON. AURELIO B. ALINSONORIN

Chairperson, Committee on City Government Properties and Public Markets

ADOPTING AND IMPLEMENTING THE PALENG-QR PH PROGRAM IN THE CITY OF NAGA, CEBU, AND FOR OTHER PURPOSES THEREOF

EXPLANATORY NOTE

Section 9, Article II of the 1987 Constitution explicitly provides that "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."

Section 16 of Republic Act (RA) 7160, otherwise known as the Local Government Code of 1991, empowers every local government unit (LGU) to promote the general welfare within its territorial jurisdiction including the promotion of health and safety of its constituents.

At the height of the restrictions due to the COVID-19 pandemic, the National Government recognized the need to come up with a safe, effective and digital financial transactions to make purchases of essential goods.

The Bangko Sentral ng Pilipinas (BSP) and the Department of Interior and Local Government (DILG) jointly developed the Paleng-QR PH Program (Paleng-QR), which aims to build the digital payments ecosystem in the country by promoting cashless payments in public markets and local transportation, particularly tricycles.

In view of the above, the BSP-DILG issued Joint Memorandum Circular No. 1, series of 2022 which institutionalizes and promotes the implementation of the Paleng-QR by LGUs across the country.

This Sanggunian considers the best interest of the public in the enactment of this Ordinance which aims towards greater financial inclusions using transaction accounts and other digital financial services.

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NOW THEREFORE, be it **ENACTED** by the Sangguniang Panlungsod of the City of Naga, Cebu, by virtue of the powers vested in it by law, in session assembled, that

SECTION 1. SHORT TITLE. This Ordinance shall be known as the **"PALENG-QR PH PROGRAM IN THE CITY OF NAGA, CEBU."**

SECTION 2. DECLARATION OF POLICY. The National Strategy for Financial Inclusion 2022-2028 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, and one of its priority initiatives is the promotion of digital payments in markets and local transport by utilizing QR PH.

SECTION 3. DEFINITION OF TERMS.

- a) Client or user – refers to a person who availed of the QR PH-ready Transaction Account.
- b) Customer – refers to a person who buys products, commodities, good or foodstuffs in public markets or rides in a tricycle or motorcycle-for-hire (*habal-habal*).
- c) Digital payment – refers to a monetary transaction between two (2) parties through a digital payment instrument in which both the payer and payee use an electronic channel.
- d) Quick Response Code or QR Code – is a two-dimensional image-based bar code which stores information using patterns of black dots and white spaces arranged in a square grid that can be read by smartphones camera equipped with a scanner or barcode reader.
- e) 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, e-money accounts in the Philippines.
- f) 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 (Php100.00), no minimum maintaining balance, no dormancy charges, maximum balance of Fifty Thousand Pesos (Php50,000.00) and with simplified know-your-customer or KYC requirements.
- g) 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. withdrawal in cash or cash equivalent; and
 - e. issued in accordance with Section 702 of the BSP's Manual for Registrations for Banks.

SECTION 4. PURPOSE. This ordinance implements the Paleng-QR in the City of Naga, Cebu. The implementation of the program is for the mainstreaming and acceptance of digital payments among market vendors, community shopkeepers, and tricycle operators and drivers in this City.

SECTION 5. SCOPE OF APPLICATION. The ordinance shall cover the following:

- A. All public market vendors;
- B. Tricycles operators and driver associations in the City of Naga, Cebu;
- C. All stores and business establishments including but not limited to sari-sari stores, ambulant vendors and hawkers.

SECTION 6. DIGITAL OR ALTERNATIVE MODES OF PAYMENT. Business establishments including market vendors, community shopkeepers, and tricycles are mandated to maintain and make available to their patrons, customers, buyer, passengers and clients the option of paying thru a digital or alternative mode of payment.

The business establishments and the public utility vehicles and operators shall have the discretion in choosing the Financial Service Providers (FSP) they will utilize for the implementation of this program.

Nothing in this ordinance shall prohibit payment in cash when chosen by the patron, customers, buyer, passengers, and clients.

SECTION 7. IMPLEMENTATION. The Business Permit and Licensing Office (BPLO), the City Treasurer's Office (CTO), the City Market Administrator and the Community Information and Community Relations Department (CICRD) shall implement this Ordinance in accordance with the requirements of BSP-DILG Joint Memorandum Circular No. 1, s. 2022.

SECTION 8. The City Government of Naga, Cebu, through the BPLO, CTO and CICRD, and in coordination with the FSP, shall provide necessary assistance to vendors, sari-sari store owners, tricycle, *habal-habal* and tricycle operators and drivers, other local merchants and their clients in opening a QR PH-ready Transaction Account.

SECTION 9. REPEALING CLAUSE. All ordinances, resolutions, executive issuances, or rules and regulations, or parts thereof, whose provisions are inconsistent with or contrary to the provisions of this Ordinance, are hereby deemed repealed, amended, or modified accordingly.

SECTION 10. APPLICABILITY CLAUSE. The provisions of existing ordinances, resolutions, executive orders which are not contradictory with this Ordinance are hereby adopted as an integral part of this Ordinance.

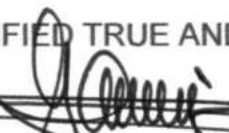
SECTION 11. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this ordinance is declared unconstitutional or invalid by proper authorities, such judgment or action shall not affect or impair the other sections or provisions hereof.

SECTION 12. EFFECTIVITY. This Ordinance shall take effect immediately upon its approval.

ENACTED BY THE SANGGUNIANG PANLUNGSOD, CITY OF NAGA, CEBU, on motion of Hon. Letecia F. Abangan, seconded by Hon. Aurelio B. Alinsonorin, in its regular session held on the 28th day of February 2024.

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CERTIFIED TRUE AND CORRECT:


GARRY A. CABOTAJE
Secretary to the Sanggunian

ATTESTED BY:


VIRGILIO M. CHIONG
City Vice Mayor/Presiding Officer

APPROVED BY:


VALDEMAR M. CHIONG
City Mayor

3/1/2024









