



Republic of the Philippines  
PROVINCE OF PANGASINAN  
MUNICIPALITY OF BAYAMBANG  
**OFFICE OF THE SANGGUNIANG BAYAN**

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MUNICIPAL ORDINANCE NO. 02, SERIES OF 2021

**AN ORDINANCE INSTITUTIONALIZING THE USE OF ACCESS DEVICES FOR PAYMENT OF FEES, CHARGES, ASSESSMENTS AND OTHER REVENUES DUE TO THE MUNICIPALITY OF BAYAMBANG THROUGH THE ELECTRONIC PAYMENT AND COLLECTION SYSTEM (EPCS)**

**EXPLANATORY NOTE:**

Section 12 of the 1987 Philippine Constitution provides that "The state shall regulate the transfer and promote the adaptation of technology from all sources or the national benefit. It shall encourage the widest participation of private groups, local government units, and community-based organizations in the generation and utilization of science and technology.

In accordance to the foregoing Constitution, **Republic Act No. 8792**, otherwise known as "Electronic Commerce Act 2000" was enacted for the government to recognize the use of electronic data messages or electronic documents in facilitating and effecting its commercial and non-commercial transactions. Furthermore, pursuant to Section 27 of the said **Act** **DTI and DOF** through **Joint Department Administrative Order No. 10-01 Series of 2010** set guidelines on the use of the Electronic Payment and Collection System (EPCS) in government and authorizing the same to bring about more efficient and effective payment and collection service for government transactions and to provide the transacting clients additional payment options of transactions with government. In line with this, the **Bangko Sentral ng Pilipinas (BSP) Monetary Board Resolution No. 324 dated 26 February 2009** approved the guidelines governing the issuance of electronic money (e-money) and the operations of electronic money issuers (EMI) in the Philippines through **BSP Circular No. 649 Series of 2009** stating in its declared policy that the BSP fosters the development of efficient and convenient retail payment and fund transfer mechanism.

Pursuant to the **Anti-Red Tape Act of 2007**, and for Other Purposes, it is hereby declared the policy of the State to promote integrity, accountability, proper management of public affairs and public property as well as to establish effective practices aimed at the prevention of graft and corruption in government. Towards this end, the State shall maintain honesty and responsibility among its public officials and employees, and shall take appropriate measures to promote transparency in each agency regarding the manner of transacting with the public, which shall encompass a program for the adoption of simplified procedures that will reduce red tape and expedite transactions in government;

Furthermore, **Republic Act No. 11032** otherwise known as "**Ease of Doing Business and Efficient Government Service Delivery Act of 2018**" was enacted to provide program for the adoption of simplified requirements and procedures that will reduce red tape and expedite business and non-business related transaction in government. One of the provisions of the said Act is to enjoin all local government units to adopt the "zero-contact policy" wherein applications, requests and/or payments are preferred to effect its implementation.

Section 7, Chapter II of **Republic Act 8792**, otherwise known as the "**Electronic Commerce Act of 2000**", states that electronic form of evidence of receipt of collection is acceptable;

**Joint Department Administrative Order No. 02, Series of 2006** dated **October 25, 2006**, issued by the **Department of Trade and Industry** and the **Department of Finance**, provides the guidelines implementing the "**Electronic Commerce Act of 2000**" on **Electronic Payment and Collection System (EPCS) in Government**;

The Monetary Board in its **Resolution No. 324 dated February 26, 2009**, approved the guidelines governing the issuance of electronic money (e-money) and the operations of electronic money issuer (EMI) in the Philippines;



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Pursuant to **Bangko Sentral ng Pilipinas (BSP) Circular No. 649, Series of 2009** dated **March 9, 2009**, it is the declared policy of the BSP to foster the development of efficient and convenient retail payment and fund transfer mechanisms in the Philippines. The availability and acceptance of e-money as a retail payment medium will be promoted by providing the necessary safeguards and controls to mitigate the risks associated in an e-money business;

Pursuant to **Joint Department Administrative Order No. 10-01, Series of 2010**, dated **March 24, 2021**, issued by the **Department of Trade and Industry** and the **Department of Finance**, the use of access devices such as, but not limited to, credit cards, debit cards, cash cards, and mobile phones, for payment of fees, charges, assessments, and other revenues due to the government through the Government Entity's Electronic Payment and Collection System (EPCS) is hereby authorized to bring about a more efficient and effective payment and collection service for government transactions and to provide the transacting clients additional payment options for transactions with government;

Commission on Audit Circular No. 2013-007, dated September 18, 2013 provides for the guidelines in the use of Electronic Official Receipts (eORs) to acknowledge collection of income and other receipts of government;

The Local Government Code of 1991 (RA 7160) under the General Welfare clause, mandated all LGUs that within their respective jurisdiction they "shall encourage and support the development of appropriate and self-reliant scientific and technological capabilities."

In furtherance of the Municipality's vision and mission, the Municipal Government of Bayambang aims to devise an effective, efficient, and expeditious system of accepting payments from the taxpaying public and adopt measures to utilize the use of facilities of competent authorized government banks for the benefit of the general public. Hence, the Office of the Municipal Mayor forwarded proposed ordinance authorizing the agency through the Municipal Treasurer to accept payments through internet banking, automated teller machines, and/or over the counter payment.

In view of the foregoing rationales and on the realization of the current global situation brought by the declared pandemic, the Municipal Mayor proposed for the institutionalization on the use of Electronic Payment and Collection System and approved for the authorization of the Agency through the Municipal Mayor to accept payments through internet banking and other authorized payment system.

**NOW THEREFORE**, on motion of **SB Member Levinson Nessus M. Uy**, duly seconded;

*Be it enacted by the Sangguniang Bayan in session assembled that:*

**SECTION 1. TITLE.** This Ordinance shall be known as "**Electronic Payment and Collection System Ordinance of the Municipality of Bayambang**".

**SECTION 2.** The findings and laws above are hereby incorporated and made integral part of this Ordinance.

**SECTION 3.** For purposes of this Ordinance, the following terms shall be defined as follows:

- a) **Access Device** – as defined under **Republic Act No. 8484**, means any card, plate, code, account number, Electronic Serial Number, Personal Identification Number, or other telecommunication 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 instruments);



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- b) **Acquiring Bank** – is a bank that has a relationship with the credit card company or electronic payment service provider and the Government Entity's Authorized Government Depository Bank (AGDB) where it has an account. It is sometimes referred to as the clearing bank where e-payment transactions are cleared through. In such case, the Acquiring Bank shall authorize by the Bangko Sentral ng Pilipinas (BSP) and the Department of Finance (DOF) as an Authorized Agent Bank (AAB);
- c) **Automated Machines** – is an electronic device which allows bank's customers to make cash withdrawals and check their account balances at any time without the need of human teller. Many ATMs also allow people deposit cash or cheques, transfer money from their accounts to merchants account and even buy postage stamps.
- d) **Cash Card** – refers to a plastic card that provides an alternative payment method to cash. Funds for payment are deducted from the remaining balance/stored value on the card of the holder;
- e) **Credit Card** - is plastic card that provides an alternative payment method to cash. Funds for payment are deducted from the remaining balanced/stored value on the card of the holder;
- f) **Debit card** – is a plastic card issued by banks that provides an alternative payment method to cash. Funds for payment are withdrawn directly from the bank account of the holder;
- g) **Electronic Governance (e-governance)** – is the application of information and communication technology (ICT) for delivering government services, exchange of information, communication transactions, integration of various stand-alone system between government to citizen (G2C), government-to-business (G2B), government-to-government (G2G);
- h) **Electronic Payment Service Provider** – offers merchants, including government entities, online services for accepting electronic payments by a variety of payment methods. This term, as defined in DTI-DOF JDAO No. 10-01, shall be used in this Ordinance as a general term to include Acquiring Banks, Issuing Banks, Electronic Money Issuers, and other Electronic Payment Service Providers;
- i) **E-money (electronic money)** – as defined under Bangko Sentral ng Pilipinas circular No. 649, series of 2009 shall mean monetary value as represented by a claim on its issuer, that is:
- i. Electronically stored in an instrument or device;
  - ii. Issued against receipt of funds of an amount not lesser in value than the monetary value issued;
  - iii. Accepted as a means of payments by persons or entities other than the issuer;
  - iv. Withdrawable in cash or cash equivalent; and
  - v. Issued in accordance with the aforesaid circular.
- j) **Internet Banking** – is a device that addresses the client institution that aims for an efficient collection, fund transfer, and on line inquiry through the internet. The service involves immediate credit to the client's institution depository account without the need to open accounts in various branches;



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- k) **Over the Counter Payment** - is a service that addresses the client-institution's need for efficient collection through a bank's network. The service involves immediate credit institution's depository account without need to open accounts in various branches. Automated data capture of collection or deposits details are provided for faster account reconciliation;
- l) **E-Payment**- flow of funds from one financial account to another using electronic payment instruments via electronic channels (e.g. Internet, point of sale (POS) devices, and ATMs);
- m) **Electronic Payment Instruments** – non-cash tools such as but not limited to credit cards, automated teller machines (ATM)/debit cards, prepaid cards issued by banks, credit transfers, direct debits ad mobile money/electronic money account which are used by end users to transfer funds between accounts at banks or other financial institutions;
- n) **Electronic Channels** – any type of communication using technology such as but not limited to computers, mobile phones, landlines, or fax machines;
- o) **Electronic Collection System** – is an online facility provided by electronic service provider and municipal government of Bayambang that allows debtors, creditors, and other clients to pay government dues and charges through computers or telephones. It is a system for receiving, sending, storing, generating, or otherwise processing electronic data messages or electronic documents pertaining to receipts and deposit of government collections.

**SECTION 4. DECLARATION OF POLICY.** The Municipality recognizes the move for e-governance through the adoption of the electronic payment and collection system for the public's best interest given the technological advancements readily available and accessible to the general public.

**SECTION 5. SCOPE AND COVERAGE.** This Ordinance shall apply to all transactions of the Municipal Government of the Municipality of Bayambang such as but not limited to the following:

- a) Payment of business taxes
- b) Payment of license fees and permits
- c) Payment of real property taxes
- d) Payment of fines for violation of municipal ordinances
- e) Payment of regulatory and other fees
- f) Disbursement of payroll
- g) Payment of government subsidies
- h) Payment to suppliers
- i) Such other transactions involving the transfer of money to/from the Municipality of Bayambang to another private and public entity.

**SECTION 6. AUTHORITY TO SECURE ELECTRONIC PAYMENT SERVICE PROVIDERS.** The Municipal Mayor is hereby authorized to secure the services of Electronic Payment Service Providers and enter into a Memorandum or Contract of Agreement subject to accounting rules and regulations for purpose of the immediate and effective implementation of this Ordinance.



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**SECTION 7. NON-MANDATORY CHARACTER.** The availment of electronic payment services is not mandatory for people dealing with the Municipal Government of Bayambang. Payments of the fees and charges mentioned in the preceding section may still be done manually and over the counter at the option of the taxpayer.

Prompt taxpayers using any of the alternative modes of payment, as provided for in this Ordinance, shall be entitled the same privileges enjoyed by taxpayer paying in cash pursuant to the Tax Ordinance No. 2, Series of 2017 or the Revenue Code of the Municipality of Bayambang.

**SECTION 8. IMPLEMENTING GUIDELINES.** The Local Chief Executive with the assistance of the Municipal Treasurer shall promulgate necessary implementing guidelines through Executive Order and recommendation for the enforcement of the provisions of this Ordinance.

**SECTION 9. SEPARABILITY CLAUSE-** If for reason or reasons, any part or provision of this ordinance shall be held to be unconstitutional or invalid, the other parts or provisions hereof which are not affected shall continue to be in full force or effect.


**SECTION 10. EFFECTIVITY -** This Ordinance shall take effect upon approval and compliance with the posting and publication requirements.

**ENACTED** this 1<sup>st</sup> of February 2021.

*Certified to be duly adopted and approved:*

**JOEL V. CAMACHO**  
Secretary to the Sanggunian

**ATTESTED:**

  
**HON. RAUL R. SABANGAN**  
Municipal Vice Mayor &  
Presiding Officer



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 FEES, CHARGES, ASSESSMENTS AND  
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 THROUGH THE ELECTRONIC  
 PAYMENT AND COLLECTION  
 SYSTEM (EPCS)

WE CONCUR:  
 SANGGUNIANG BAYAN MEMBERS

HON. MYLVIN T. JUNIO

HON. PHILIP R. DUMALANTA

HON. JOSEPH VINCENT E. RAMOS

HON. BENJAMIN FRANCISCO S. DE VERA

HON. GERARDO DC. FLORES

HON. MARTIN E. TERRADO II

HON. AMORY M. JUNIO

HON. LEVINSON NESSUS M. UY

HON. RODELITO F. BAUTISTA  
 Pangulo, Liga ng mga Barangay

HON. GABRIEL TRISTAN P. FERNANDEZ  
 President, SK Federation

ABSENT

APPROVED:

HON. CEZAR T. QUIAMBAO  
 Municipal Mayor

