



HOUSE OF REPRESENTATIVES

H. No. 4655

BY REPRESENTATIVES ROMULO, APOSTOL, CORTUNA AND LAPUS, PER
COMMITTEE REPORT NO. 912

**AN ACT STRENGTHENING THE TRANSPARENCY AND DISCLOSURE
REQUIREMENTS IN THE USE OF CREDIT CARD FACILITIES,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8484,
OTHERWISE KNOWN AS THE "ACCESS DEVICES
REGULATION ACT OF 1998"**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 SECTION 1. Section 5 of Republic Act No. 8484, otherwise known as
2 the "Access Devices Regulation Act of 1998", is hereby amended to read as
3 follows:

4 "SEC. 5. *Computations.* – In addition to the foregoing, a
5 credit card issuer must, to the extent practicable, provide a
6 detailed explanation and a clear illustration of the manner by
7 which all charges and fees are computed.

8 "UPON ACCEPTANCE AND ACTIVATION OF THE CREDIT
9 CARD, EVERY BILLING STATEMENT AND ITS EQUIVALENT
10 DOCUMENT SHALL CONTAIN CLEAR AND CONCISE REPAYMENT
11 INFORMATION THAT WOULD APPLY TO THE OUTSTANDING
12 BALANCE OF THE CONSUMER PLACED IN A CONSPICUOUS
13 PLACE AND PROMINENT LOCATION ON THE BILLING

1 STATEMENT OR ITS EQUIVALENT DOCUMENT. THE
2 REPAYMENT INFORMATION SHALL ALSO INCLUDE THE
3 FOLLOWING:

4 "(A) THE NUMBER OF MONTHS (ROUNDED TO THE
5 NEAREST MONTH) THAT IT WOULD TAKE TO PAY THE ENTIRE
6 AMOUNT OF THAT BALANCE, IF THE CONSUMER PAYS ONLY
7 THE REQUIRED MINIMUM MONTHLY PAYMENTS AND IF NO
8 FURTHER ADVANCES ARE MADE;

9 "(B) THE TOTAL COST TO THE CONSUMER, INCLUDING
10 INTEREST AND PRINCIPAL PAYMENTS, OF PAYING THAT
11 BALANCE IN FULL, IF THE CONSUMER PAYS ONLY THE
12 REQUIRED MINIMUM MONTHLY PAYMENTS AND IF NO
13 FURTHER ADVANCES ARE MADE;

14 "(C) THE MONTHLY PAYMENT AMOUNT THAT WOULD
15 BE REQUIRED FOR THE CONSUMER TO ELIMINATE THE
16 OUTSTANDING BALANCE IN THIRTY-SIX (36) MONTHS, IF NO
17 FURTHER ADVANCES ARE MADE; AND

18 "(D) THE TOTAL COST TO THE CONSUMER, INCLUDING
19 INTEREST AND PRINCIPAL PAYMENTS, OF PAYING THAT
20 BALANCE IN FULL IF THE CONSUMER PAYS THE BALANCE OVER
21 THIRTY-SIX (36) MONTHS.

22 "FURTHERMORE, A WRITTEN STATEMENT IN THE
23 FOLLOWING FORM MUST BE PRINTED IN THE BILLING
24 STATEMENT OR ITS EQUIVALENT DOCUMENT: "WARNING:
25 MAKING THE MINIMUM PAYMENT ONLY OR ANY AMOUNT LESS
26 THAN THE TOTAL AMOUNT DUE FOR THE BILLING
27 CYCLE/PERIOD WILL INCREASE THE AMOUNT OF INTEREST
28 AND OTHER CHARGES YOU PAY AND THE TIME IT TAKES TO
29 REPAY YOUR BALANCE."

1 **“CREDIT CARD COMPANIES ARE GIVEN A PERIOD OF**
2 **ONE HUNDRED TWENTY (120) DAYS FROM THE DATE OF THE**
3 **EFFECTIVITY OF THIS ACT TO IMPLEMENT THE REQUIRED**
4 **DISCLOSURE REQUIREMENT UNDER THIS SECTION.”**

5 SEC. 2. Section 8 of Republic Act No. 8484 is hereby amended to read
6 as follows:

7 **“SEC. 8. *Failure to Disclose.* – Credit card companies**
8 **which shall fail to disclose the information required under**
9 **Sections 4, 5 and 7 of this Act, after due notice and hearing, shall**
10 **be subject to suspension or cancellation of their authority to issue**
11 **credit cards by the Bangko Sentral ng Pilipinas, Securities and**
12 **Exchange Commission and such other government agencies.**

13 **“FURTHERMORE, ANY CREDIT CARD COMPANY WHICH**
14 **SHALL FAIL TO DISCLOSE THE INFORMATION REQUIRED**
15 **UNDER SECTION 5 OF THIS ACT IN THE BILLING STATEMENT**
16 **OF A CONSUMER SHALL ONLY BE ALLOWED TO IMPOSE A**
17 **MAXIMUM INTEREST OF ONE PERCENT (1%) PER MONTH OR**
18 **TWELVE PERCENT (12%) *PER ANNUM*, OR THE ACTUAL**
19 **PREVAILING MARKET INTEREST RATE, WHICHEVER IS LOWER,**
20 **AND ONE PERCENT (1%) PER MONTH OR TWELVE PERCENT**
21 **(12%) *PER ANNUM* FOR PENALTY CHARGES, WITHOUT**
22 **COMPOUNDING, REGARDLESS OF THE INTEREST RATES AND**
23 **PENALTY CHARGES AGREED UPON IN THE CONTRACT**
24 **BETWEEN THE PARTICULAR CONSUMER WHOSE BILLING**
25 **STATEMENT DID NOT CONTAIN THE APPROPRIATE**
26 **DISCLOSURES AND THE CREDIT CARD COMPANY.**

27 **“FINALLY, ANY CREDIT CARD COMPANY WHICH SHALL**
28 **FAIL TO DISCLOSE THE INFORMATION REQUIRED UNDER**
29 **SECTION 5 OF THIS ACT SHALL ALSO BE SUBJECT TO THE**

1 PENALTIES IMPOSED BY THE CONCERNED REGULATORY
2 AGENCIES PURSUANT TO THEIR RESPECTIVE CHARTERS OR
3 MANDATE.”

4 SEC. 3. A new Section 15-A is hereby added to Republic Act No. 8484
5 to read as follows:

6 “SEC. 15-A. *AUTHORITY OVER ACCESS DEVICE*
7 *ISSUERS.* – THE BANGKO SENTRAL NG PILIPINAS SHALL
8 EXERCISE REGULATORY AND SUPERVISORY POWERS OVER
9 CREDIT CARD COMPANIES AND ELECTRONIC MONEY ISSUERS.
10 PURSUANT THERETO, THE BANGKO SENTRAL NG PILIPINAS IS
11 HEREBY AUTHORIZED TO:

12 “(A) REGULATE AND SUPERVISE THE OPERATIONS AND
13 ACTIVITIES OF CREDIT CARD COMPANIES;

14 “(B) ISSUE RULES AND REGULATIONS TO IMPLEMENT
15 THE PROVISIONS CONTAINED HEREIN CONCERNING CREDIT
16 CARD COMPANIES;

17 “(C) REQUIRE FROM CREDIT CARD COMPANIES
18 REPORTS OF CONDITION AND SUCH OTHER REPORTS
19 NECESSARY TO DETERMINE COMPLIANCE WITH THE
20 PROVISIONS OF THIS ACT AS WELL AS THE IMPLEMENTING
21 REGULATIONS THAT MAY BE ISSUED PURSUANT THERETO;

22 “(D) EXAMINE CREDIT CARD COMPANIES WITHIN SUCH
23 PERIOD AS MAY BE DEEMED NECESSARY BY THE MONETARY
24 BOARD; AND

25 “(E) IMPOSE SUCH ADMINISTRATIVE SANCTIONS AS
26 PROVIDED IN SECTION 37 OF REPUBLIC ACT NO. 7653 OR THE
27 NEW CENTRAL BANK ACT FOR VIOLATIONS OF THIS ACT AND
28 REGULATIONS ISSUED IN PURSUANCE THERETO.

1 **“OTHER COMPANIES ISSUING ACCESS DEVICES SHALL**
2 **CONTINUE TO BE REGULATED AND SUPERVISED BY THE**
3 **SECURITIES AND EXCHANGE COMMISSION.”**

4 SEC. 4. Section 16 of Republic Act No. 8484 is hereby amended to
5 read as follows:

6 **“SEC. 16. *Reporting Requirements.*** – All companies
7 engaged in the business of issuing access devices, including
8 banks, financing companies and other financial institutions
9 issuing access devices, shall furnish annually, on or before the
10 31st of March of the succeeding year, a report to the Credit Card
11 *Association of the Philippines* regarding access device frauds
12 committed against the holders of such entities in the preceding
13 calendar year, for consolidation and submission to the National
14 Bureau of Investigation. [Notwithstanding this requirement,
15 banks, financing companies and other financial institutions,
16 including their subsidiaries and affiliates, issuing access devices
17 shall continue to be regulated and supervised by the Bangko
18 Sentral ng Pilipinas while other companies issuing access
19 devices shall continue to be regulated and supervised by the
20 Securities and Exchange Commission.]”

21 SEC. 5. *Implementing Rules and Regulations.* – Within ninety (90)
22 days from the effectivity of this Act, the Bangko Sentral ng Pilipinas, in
23 coordination with the Securities and Exchange Commission and such other
24 government agencies, shall promulgate the rules and regulations and prescribe
25 the form and manner of disclosure of repayment information to effectively
26 implement the provisions of this Act.

1 SEC. 6. *Separability Clause.* – If any provision of this Act is held
2 invalid, the other provisions of this Act shall not be affected thereby and shall
3 continue in operation.

4 SEC. 7. *Repealing Clause.* – All other laws, decrees, executive
5 orders, proclamations and administrative regulations or parts thereof
6 inconsistent herewith are hereby repealed or modified accordingly.

7 SEC. 8. *Effectivity Clause.* – This Act shall take effect fifteen (15)
8 days after its publication in at least two (2) newspapers of general circulation.

Approved,

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