



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF TRADE AND INDUSTRY  
DEPARTMENT OF FINANCE



JOINT DEPARTMENT ADMINISTRATIVE ORDER NO. 10-01  
Series of 2010

**SUBJECT: GUIDELINES ON THE USE OF ACCESS DEVICES FOR PAYMENT OF FEES, CHARGES, ASSESSMENTS AND OTHER REVENUES DUE TO THE GOVERNMENT THROUGH THE ELECTRONIC PAYMENT AND COLLECTION SYSTEM (EPCS) OF A GOVERNMENT ENTITY**

Pursuant to the provisions of Section 27 of Republic Act No. 8792, otherwise known as the "Electronic Commerce Act of 2000," and Section 37 of its Implementing Rules and Regulations, and pursuant to the provisions of DTI-DOF Joint Department Administrative Order (JDAO) No. 2, Series of 2006, prescribing the "Guidelines Implementing RA 8792 on Electronic Payment and Collection System (EPCS) in Government," the following guidelines on 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, are hereby prescribed.

**I. OBJECTIVE**

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 revenues due to the government through the Government Entity's 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.

**II. SCOPE**

This JDAO shall apply to all Government Entities that intend to use or which have existing EPCS for the collection of fees, charges, assessments and revenues, and which are required by law to remit their collections to the Treasurer of the Philippines (TOP). This shall be in accordance with the provision under the Government Auditing Code of the Philippines that "*Public officers authorized to receive and collect moneys arising from taxes, revenues, or receipts of any kind shall remit or deposit intact the full amount so received and collected by them to the treasury of the agency concerned*

and credited to the particular accounts to which the said moneys belong" (Sec. 69, PD 1445). Acquiring Banks, Issuing Banks, Electronic Money Issuers, and other Electronic Payment Service Providers are covered by the provisions of this JDAO.

Further, this JDAO covers only transactions made over the internet or other forms of transaction that do not require face-to-face with any government personnel or over the counter transactions. All face-to-face/over the counter transactions will be covered by a separate JDAO.

### III. DEFINITION OF TERMS

The terms defined in DTI-DOF JDAO No. 2, Series of 2006, are hereby adopted and incorporated herein.

For purposes of this JDAO, the following terms are defined as follows:

**ACCESS DEVICE**, as defined under Republic Act No. 8484, means any card, plate, code, account number, electronic serial number, personal identification number, or other telecommunications 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 instrument).

**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 be authorized by the Bangko Sentral ng Pilipinas (BSP) and the Department of Finance (DOF) as an Authorized Agent Bank (AAB).

**APPLICATION PROGRAMMING INTERFACE (API)** is an interface implemented by a software program to enable interaction with another software.

**CASH CARD** is 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.

**CONVENIENCE FEE** is the additional amount charged for the bona fide convenience of using an access device, such as, but not limited to, a credit card, debit card or cash card, in the form of an alternative payment channel outside the Government Entity's customary payment channel which is the face-to-face/over the counter transaction within the premises of the Government Entity. The convenience fee is collected in addition to the actual amount of fees, charges, assessments or revenues due to a Government Entity which is made through the Government Entity's Electronic Payment and Collection System (EPCS) which can be accessed by the client anytime and anywhere. However, the convenience fee will not be part of the collection of

the Government Entity but will go to the account of the Electronic Payment Service Provider. The imposition of the convenience fee shall be subject to the conditions specified in this JDAO.

**CREDIT CARD** is part of a system of payments named after the small plastic card issued to users of the system. It is a card entitling its holder to purchase goods and services on credit based on the holder's promise to pay the value therefore with the issuer of the card. The same issuer of the card grants a credit line to the user from which the user can borrow money for payment to a merchant, in this case a Government Entity.

**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.

**E-MONEY**, as defined under Bangko Sentral ng Pilipinas (BSP) Circular No. 649, Series of 2009, shall mean 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) withdrawable in cash or cash equivalent; and (e) issued in accordance with this Circular.

**ELECTRONIC MONEY ISSUER** shall be classified as (a) Banks; (b) Non-bank Financial Institutions supervised by the BSP; and (c) Non-bank Institutions registered with the BSP as a money transfer agent under Section 4511N of the Manual of Regulations for Non-Bank Financial Institutions.

**ELECTRONIC PAYMENT SERVICE PROVIDER** offers merchants, including government entities, online services for accepting electronic payments by a variety of payment methods. This term shall be used in this JDAO as a general term to include Acquiring Banks, Issuing Banks, Electronic Money Issuers, and other Electronic Payment Service Providers.

**ISSUING BANK** is the bank that issues the credit card, debit card or cash card directly to the consumers. It assumes primary liability for the consumer's capacity to pay for expenses incurred with their card.

#### **IV. CHARGING OF CONVENIENCE FEES FOR GOVERNMENT COLLECTIONS**

Government Entities are authorized to secure the services of Electronic Payment Service Providers for the payment module of their online system. It is understood that the Government Entity will be responsible for the development of its own online system and any system enhancement that will be required to set up the payment module. It is common practice that the Electronic Payment Service assumes the development of the Application Programming Interface (API) and enhancement of its own system to enable it to interact with the Government Entity's online system. In such case, the

Electronic Payment Service Provider may charge the client of the Government Entity a convenience fee for providing an alternative payment channel through the use of an access device. This will enable the Electronic Payment Service Provider to recover its investment and sustain the operation of the electronic payment facility for the Government Entity.

The following conditions shall apply on the charging of convenience fee:

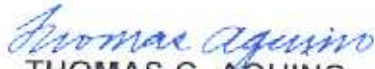
1. The convenience fee shall be imposed on a per transaction basis and shall be agreed upon by the Government Entity and the Electronic Payment Service Provider. The amount of the convenience fee shall be specified in the service agreement/contract between the Government Entity and the Electronic Payment Service Provider.
2. Transacting clients shall be duly informed of the convenience and other fees by the Government Entity before payment commences and shall be given the opportunity to opt out.
3. Further, the Government Entity shall, through various means, inform its clients on the imposition of convenience fees for transactions using access devices in accordance with the provisions of this JDAO.
4. The convenience fee shall be processed as a separate and unique transaction and shall not be included in the total amount collected by the government entity.
5. A confirmation of payment or proof of payment shall be generated and shall indicate the breakdown of amounts paid for the transaction. The convenience fee shall be reflected separately for transparency and proper accounting. The Electronic Official Receipt (EOR) for government collections shall be covered by the guidelines to be issued by the Commission on Audit (COA).
6. The Acquiring Bank, Issuing Bank, Electronic Money Issuer, or other Electronic Payment Service Provider shall credit all government collections to the Clearing Account of the Government Entity/Treasurer of the Philippines (TOP). All collections deposited at the Clearing Account shall be credited to the liability account due the TOP with the designated AGDB in accordance with the period acceptable to the Bureau of the Treasury (BTr). The AGDB, Acquiring Bank, Issuing Bank, Electronic Money Issuer, or other Electronic Payment Service Providers shall comply with the relevant requirements specified in DTI-DOF JDAO No. 2, Series of 2006, DOF Department Order 27-05, and other related rules and regulations.

**V. EFFECTIVITY**

This Order shall take effect fifteen (15) days after publication of its full text in the Official Gazette or one (1) newspaper of general circulation.

Done this 24th day of March 2010 in Metro Manila, Republic of the Philippines.

**Recommending Approval:**

  
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