



Republic of the Philippines
 Province of Cagayan
 Municipality of Lasam



OFFICE OF THE SANGGUNIAN

1st Regular Session
 October 9, 2025

EXCERPTS FROM THE MINUTES OF THE 1ST REGULAR SESSION OF THE SANGGUNIANG BAYAN OF LASAM, CAGAYAN HELD ON OCTOBER 9, 2025, 9:00 A.M., MONDAY, AT THE SANGGUNIANG BAYAN SESSION HALL.

Present :

- Hon. Dannah Paula T. Agatep, Municipal Vice Mayor, Presiding Officer
- Hon. Renato R. Paat Jr., SB Member
- Hon. Randy C. Cambe, SB Member
- Hon. Reynaldo A. Viernes, SB Member
- Hon. Wilson F. Constantino, SB Member
- Hon. Felix V. Gerardo Jr., SB Member
- Hon. Lilibeth Barut-del Rosario, SB Member
- Hon. Emmanuel F. Agatep, SB Member
- Hon. Joann Kasten V. Asuten, SB Member
- Hon. Dominador T. Cortez Jr., LnB Federation President
- Hon. Jilton B. Pascual, SK Federation President

Absent :

N O N E

ORDINANCE NO. 2025-015

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AN ORDINANCE INSTITUTING THE PALENG-QR PROGRAM AS AN ALTERNATIVE PAYMENT METHOD OF ALL MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs), TOURISM SERVICE PROVIDERS, AND OTHER COMMERCIAL AND NON-COMMERCIAL ESTABLISHMENTS IN THE MUNICIPALITY OF LASAM, CAGAYAN

WHEREAS, Section 16 of the Local Government Code of 1991, otherwise known as the General Welfare Clause, mandates every local government unit to exercise powers necessary, appropriate, or incidental for the promotion of the general welfare, which includes fostering economic prosperity and improving public convenience;

WHEREAS, Section 22(c) of the same Code authorizes local government units to enter into contracts and implement programs, projects, and services that are beneficial to their constituents, including those that advance financial inclusion and digital innovation;

WHEREAS, the Bangko Sentral ng Pilipinas (BSP) and the Department of the Interior and Local Government (DILG), through Joint Memorandum Circular (JMC) No. 1, series of 2022, enjoin all local government units to adopt and institutionalize the Paleng-QR Ph Program, which aims to promote cashless transactions in public markets, transportation, and among micro, small, and medium enterprises (MSMEs);

WHEREAS, the Paleng-QR Ph Program is anchored on BSP's National Strategy for Financial Inclusion (NSFI) and the Digital Payments Transformation Roadmap (DPTR) 2020–2023, which seek to accelerate the adoption of digital payments nationwide and build a robust digital finance ecosystem;

WHEREAS, the Municipality of Lasam recognizes the significant role of digital financial services in enhancing economic activities, strengthening transparency in transactions, reducing risks associated with cash handling, and ensuring more efficient financial flows within the community;

WHEREAS, the institutionalization of the Paleng-QR Program will support local MSMEs, tourism service providers, transport groups, and other commercial and non-commercial establishments by providing them with a convenient, safe, and inclusive alternative payment platform;

WHEREAS, the Municipality deems it essential to adopt innovative and technology-driven solutions that align with national policies and programs toward financial inclusion and economic development, thereby promoting the welfare of its people.

BE IT ENACTED by the Sangguniang Bayan of Municipality of Lasam, Cagayan, in session duly assembled, that:

SECTION 01. SHORT TITLE. This Ordinance shall be known as the "**Paleng-QR Ordinance 2025 of the Municipality of Lasam, Cagayan.**"

SECTION 02. DECLARATION OF POLICY. It is the policy of this municipality to facilitate an alternative way of transaction through the mandate of establishing mechanisms to promote ease of doing business in the municipality.

SECTION 03. PURPOSE. This Ordinance aims to promote business-friendly market innovation and to establish easy payment method thru contactless transactions, improve the collection system and to motivate all MSMEs including transport groups to become competitive with the economic development in the municipality.

SECTION 04. 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 account to another held in other participating banks or EMI in the Philippines. The list of institutions participating in InstaPay can be found on the BSP website: <https://bit.ly/InstapayQRPH>

- d. **Public Utility Vehicles-** motorized vehicles granted a franchise by the Lasam Tricycle Franchising and Regulatory Board to operate and transport passenger within the Municipality of Lasam.
- e. **QR Code Short for "Quick Response Code"-** a two-dimensional image-based bar code capable of holding large amounts 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 barcode reader. When personal and financial information are stored in it, a QR code 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.
- f. **QR Ph.-** the national QR Code standard that allows a quick, low-cost and safe method to pay, transfer to and receive funds from other bank and e-money accounts in the Philippines. This is aligned with the Europay-MasterCard VISA Co (EMVCo) standard, the global standard for secure payments which unifies the various domestic cashless payment schemes that make use of the QR code as a form factor. The list of institutions participating in QR Ph. Can be found on the BSP website: <https://sit.ly/QRPhFAOS>
- g. **Rental-** means the value of the consideration, whether in money or otherwise given for the enjoyment or use of a thing.
- h. **Seller-** refers to a person who sells goods, commodities or foodstuffs other than inside a public market.
- i. **Buyer-** refers to a person who sells goods, commodities or foodstuffs from a vendor or seller.
- j. **Vendor-** means a person who sells goods, commodities or foodstuffs within the public market.
- k. **Ambulant Vendors-** also known as mobile traders or peddlers, 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. **Hawkers-** refers to ambulant vendors who sell their wares on daily basis and advertising them by shouting.
- m. **Financial Service Providers (FSP)-** shall mean financial institutions offering the maintenance electronic services to clients/consumers capable of performing digital payment and/or electronic fund transfer. (e.g., Gcash, PayMaya and the like)

n. **Transaction Account**- refers to a bank or e-money account held with a BSP regulated financial service provider that can be used to store, send, and receive funds. Examples of transaction accounts are as follows:

- **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 (₱100.00), no minimum maintaining balance, no dormancy charges, maximum balance of Fifty Thousand Pesos (₱50,000.00) and with simplified know-your-customer or KYC requirements. The list of banks authorized by the BSP to offer BDA can be found on the BSP website: <https://bit.ly/BankswithBDAs>
- **Electronic Money (e-money)**- a monetary values 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;
 - e. Issued in accordance with Section 702 of the BSP's Annual of Regulations for Banks. The list of e-money issuers (EMI) or entities authorized by the BSP to offer e-money account can be found on the BSP Website: <https://bit.ly/BSPSupervisedEMIs>

SECTION 05. APPLICATION AND COVERAGE. This ordinance shall cover the following:

- a. All tenants of stalls at the public market;
- b. All Local Transportation Providers (LATODA, LAVODA, & LAJODA) in the municipality;
- c. All stores and business establishments including but not limited to sari-sari stores, ambulant vendors and hawkers.

SECTION 06. QR PH ENABLED PAYMENTS. All tenants of stalls at the public market, all public transport vehicles in the municipality, sari-sari store owners, and other local merchants in the municipality are hereby encouraged to adopt QR Ph payments as an alternative mode of payment in line with the Paleng-QR Ph Program and may select as their alternative mode of payment from any of the QR Ph-ready Financial Service Providers participating in the Paleng-QR Ph program in the municipality.

Provided, however, that nothing in this ordinance shall prohibit payment in cash when otherwise chosen by the patrons, consumers, buyers, passengers or clients.

SECTION 07. ROLES AND RESPONSIBILITIES.

- a. For the Local Government Unit (LGU). The LGU shall:
 1. Authorize the Municipal Mayor to enter and sign a Memorandum of Agreement (MOA), on behalf of the Local Government of Lasam with the chosen qualified FSPs for the program implementation, if warranted.
 2. Coordinate with key local stakeholders such as the Lasam Public Market Vendors Association and the Local Transportation Providers 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 code digital payment. The LGU can partner with as many participating FSPs as deemed appropriate.
 4. Assist target participants (e.g. stall tenants at the public market and public transport vehicle operators and other interested business establishments) in the opening of accounts by, among others, providing additional relevant documents such as LGU certification to support the know-your-client (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. Coordinate with the Department of Information and Communications Technology (DICT) in line with the Free Wi-fi for All (FVW4A) Program.
 7. Provide banners, standees and other Paleng-QR Ph markers in public places and promotional and information materials used for the program's information, education and communication campaign.
 8. Develop its information, education and communication campaign to promote and sustain the objective of the Paleng-QR Ph program. 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.
 9. Disseminate through appropriate channels/methods (e.g. The Official Facebook Page of the Local Government Unit of Lasam), Paleng-QR Ph financial inclusion and financial literacy materials developed by the BSP and stakeholders.
 10. Maintain a record on participating merchants under the Paleng-QR Ph program.
- b. Financial Service Providers (FSPs). The participating FSPs shall:
 1. Provide personnel, customer assistance booths and other appropriate resources including QR code printouts, deemed

reasonable to ensure successful conduct of LGU's 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 LGU's financial literacy program.
4. Assign competent contact person(s) to the LGU 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 micro insurance coverage for a certain period (e.g. three months); t-shirts and other wearables and special user rebates for a limited period.
6. Participations of FSPs in the program shall be non-exclusive.

c. Covered Merchants and Local Transportation Providers. The covered merchants and local transportation providers 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 (6) months after the effectivity of this 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.
4. Participate in the information campaign, financial literacy program and other relevant activities that will be facilitated by the LGU and FSPs.

SECTION 08. COMPLIANCE MONITORING. The Business Permit and Licensing Office with the assistance of the Department of Trade and Industry (DTI) Municipal Focal Person are hereby tasked to monitor the compliance of this ordinance.

SECTION 09. SEPARABILITY CLAUSE. Any provisions held to be invalid or declared unconstitutional, all other provisions hereof which are not affected thereby shall continue to be in full force and in effect.

SECTION 10. REPEALING CLAUSE. All ordinances, orders, rules and regulations or parts thereof inconsistent with or with the provisions of this ordinance are hereby repealed or modified accordingly.

SECTION 11. EFFECTIVITY. This ordinance shall take effect upon its approval.

Carried.

I HEREBY CERTIFY to the correctness of the above-quoted Ordinance.

FRANKLIN R. CALSO
Secretary to the Sanggunian

CONCURRED:

HON. RENATO R. PAAT JR.
Sangguniang Bayan Member

HON. RANDY CACHOLA CAMBE
Sangguniang Bayan Member

HON. REYNALDO A. VIERNES
Sangguniang Bayan Member

HON. WILSON F. CONSTANTINO
Sangguniang Bayan Member

HON. FELIX V. GERARDO JR.
Sangguniang Bayan Member

HON. LILIBETH BARUT-DEL ROSARIO
Sangguniang Bayan Member

HON. EMMANUEL F. AGATEP
Sangguniang Bayan Member

HON. JOANN KASTEN V. ASUTEN
Sangguniang Bayan Member

HON. DOMINADOR T. CORTEZ, JR.
LnB Federation President

HON. JILTON B. PASCUAL
SK Federation President

ATTESTED:

HON. DANNAN PAULA T. AGATEP
Municipal Vice Mayor / Presiding Officer

APPROVED:

HON. DANTE DEXTER A. AGATEP JR.
Municipal Mayor