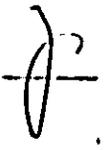


SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Third Regular Session )

16 FEB -1 P6 05

SENATE  
S.B. No. 3207

RECEIVED BY: 

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

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**AN ACT  
PROVIDING FOR THE REGULATION AND SUPERVISION OF PAYMENT SYSTEMS**

Explanatory Note

We operate in a world of trade and transactions. Today, thanks to innovations in science and technology, the interchange of resources can be completed quicker and more efficiently through online payments.

But while many countries have embraced these advancements, 99% of payments in the Philippines remain cash-based while only 1% is paid through electronic systems.

According to a study done by Better Than Cash Alliance, the Philippine e-commerce industry makes up less than 1% of total commerce in the country. This is relatively low compared to our ASEAN neighbors who generate 4-5% in e-commerce transactions.

The potential for growth and development of industry as well as the opportunity to improve and bolster of our financial systems must not be put to waste. To drive the economy forward, it is imperative that we empower the market with updated and streamlined payment systems.

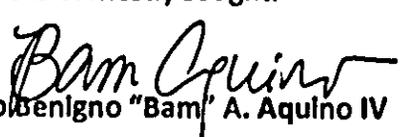
Thus, the National Payment Systems Act seeks to organize, manage, and regulate all matters affecting payment instructions in the country under the Bangko Sentral ng Pilipinas to promote effective interoperability among payment systems, incorporating digital transactions.

In order to ensure the security and efficiency of payments for the benefit of all stakeholders – consumers, businesses, and financial institutions alike, we must upgrade the management and regulation of our payment industry.

Now, more than ever, we are compelled to advance our systems along with our ASEAN neighbors.

Through this measure, we have the opportunity to protect retailers, enhance buyer experience, boost the confidence in our financial sector, and keep pace with the ever-improving technology for cashless payment.

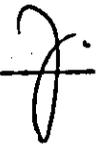
In view of the foregoing, the passage of this measure is earnestly sought.

  
Senator Paolo Benigno "Bam" A. Aquino IV



16 FEB -1 P6 05

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**AN ACT**  
**PROVIDING FOR THE REGULATION AND SUPERVISION OF PAYMENT SYSTEMS**

*Be It enacted by the Senate and House of Representatives of the Philippines In Congress assembled:*

1     **SECTION 1. Title.** - The short title of this Act shall be the "The National Payment Systems  
2 Act of 2016".

3     **SEC. 2. Declaration of Policy.** - The State recognizes that payment systems are crucial parts  
4 of the financial infrastructure of the country and it is essential that they function safely and  
5 efficiently for the stability and effectiveness of the monetary and financial system.

6     **SEC. 3. Objectives.** - The State shall promote, through the *Bangko Sentral*, the safe, efficient  
7 and reliable operation of payment systems in order to control systemic risk and provide an  
8 environment conducive to the sustainable growth of the economy.

9     **SEC. 4. Definition of Terms.** - For the purpose of this Act, the following terms shall refer to:

10    a. *Bangko Sentral* - the *Bangko Sentral ng Pilipinas* established under Republic Act No.  
11     7653.

12    b. *Clearing* - the process of transmitting, reconciling, and in some cases, confirming  
13     payment orders prior to settlement, and the establishment of final obligations for  
14     settlement.

15    c. *Designated payment system* - the payment system that has been designated as such by  
16     the *Bangko Sentral* pursuant to this Act and its implementing rules and regulations.

17    d. *Director* - any member of the board of directors of a participant to the payment  
18     system, or a person considered as such under *Bangko Sentral* regulations.

19    e. *End-user* - any person who originally initiates the instruction to pay or the ultimate  
20     receiver of funds in a payment system.

21    f. *Fund* - any unit of value that forms the consideration or object of transactions.

22    g. *Issuer* - any person who provides the means or the instrument to hold or transfer  
23     funds.

24    h. *Manager* - any person of recognized competence in payment system designated by the  
25     *Bangko Sentral* to manage the operations of the operator of a designated payment

1 system as provided under Section 18 hereof. For this purpose, personnel of the *Bangko*  
2 *Sentral* may be designated as manager.

3 i. *Monetary Board* - the Monetary Board of the *Bangko Sentral*.

4 j. *Netting* - an agreed offsetting of obligations by participants of payment systems.

5 k. *Officer* - any person who is an employee holding a management position in any of the  
6 participants to the payment system, or a person considered as such under *Bangko*  
7 *Sentral* regulations.

8 l. *Operator* - any person who provides clearing or settlement services in a payment  
9 system, or defines, prescribes, designs, controls or maintains the operational  
10 framework for the system.

11 m. *Participant* - the operator, issuer, service provider, or any person involved in the  
12 payment system other than the end-user.

13 n. *Payment Instrument* - any instrument, whether tangible or intangible, that enables a  
14 person to transfer funds.

15 o. *Payment order* - an order or message requesting the transfer of funds to the order of  
16 the payee.

17 p. *Payment system* - the set of payment instruments, processes, procedures and  
18 participants that ensures the circulation of money or movement of funds.

19 q. *Payment System Management Body* - the entity organized by participants of the  
20 designated payment system for the purpose of self-regulation.

21 r. *Service provider* - an entity that provides process arrangements, technology or  
22 infrastructure to operators of a payment system.

23 s. *Settlement* - an act that discharges obligations in respect of fund transfers between  
24 two or more parties.

25 t. *Systemic risk* - the risk that the failure of one participant in a payment system, or in  
26 financial markets generally, to meet its required obligations will cause other  
27 participants or financial institutions to be unable to meet their obligations, including  
28 settlement obligations in a payment system, when due: *Provided, That, such failure*  
29 *could threaten the stability of the system or financial markets.*

30 **SEC. 5. Authority of the Bangko Sentral.** - The *Bangko Sentral* shall oversee the payment  
31 systems in the Philippines and exercise supervisory and regulatory powers for the purpose of  
32 ensuring the stability and effectiveness of the monetary and financial system.

33 **SEC. 6. Powers of the Bangko Sentral.** - In the performance of its mandate under this Act,  
34 the *Bangko Sentral* shall have, in addition to its powers under existing laws, the following  
35 powers:  
36

37 a. Designate a payment system if it determines the payment system as posing or having  
38 the potential to pose a systemic risk or the designation is necessary to protect the  
39 public interest.

- 1           1. Any such determination by the *Bangko Sentral* shall be conclusive. The  
2           designation of a payment system by the *Bangko Sentral* shall be effective until  
3           revoked. The *Bangko Sentral* may revoke such designation if it finds that the  
4           designated payment system no longer poses any systemic risk or it is no longer in  
5           the public interest that the system be designated.  
6           2. Should the *Bangko Sentral* designate a payment system, it shall require the  
7           participants of the designated payment system to comply, within a reasonable  
8           period, with the provisions of this Act and its implementing rules and  
9           regulations. The *Bangko Sentral* shall give due consideration to the orderly  
10          transition of the operations of the newly designated payment system to ensure  
11          that it operates in a safe, efficient and reliable manner.
- 12          b. Require operators of the designated payment system to secure prior authority from  
13          the *Bangko Sentral*.
- 14               1. In granting the authority, the *Bangko Sentral* shall take into consideration the  
15               capability of an operator in terms of its financial resources, technical expertise,  
16               and reputation. The licensing process shall include but not be limited to an  
17               assessment of the ownership structure, governance, key personnel, business  
18               model, risk management and financial resources.  
19               2. No person or entity shall be allowed to act as an operator of a designated  
20               payment system without prior authority from the *Bangko Sentral*. The  
21               determination of whether a person or entity is acting as an operator of a  
22               designated payment system without *Bangko Sentral* authority shall be made by  
23               the Monetary Board. To resolve such issue, the Monetary Board may, through  
24               the appropriate department of the *Bangko Sentral*, examine, inspect or  
25               investigate the books and records of such person or entity.
- 26          c. Accredit or require, when deemed necessary, a payment system management body  
27          organized by participants of the designated payment system for the purpose of self-  
28          regulation.
- 29               1. The accredited payment system management body may issue and enforce its  
30               rules and regulations and impose appropriate sanctions among participants of  
31               the designated payment system; *Provided, That*, such rules and regulations shall  
32               be with prior *Bangko Sentral* approval and subject to its review.
- 33          d. Issue, through the Monetary Board, rules and regulations governing the following:
- 34               1. The standard of operation of payment systems and the conduct of examination  
35               of the participants of the designated payment systems, in such frequency as may  
36               be prescribed by the Monetary Board, to determine compliance with laws and  
37               regulations;  
38               2. The adequacy of resources of operators of the designated payment systems to  
39               ensure that the designated payment systems have a high degree of security and  
40               operational reliability and have contingency requirements for timely completion  
41               of daily processing commitments;  
42               3. The qualifications and disqualifications of individuals elected or appointed as  
43               directors or officers of operators of the designated payment systems with  
44               particular regard to their integrity, experience, education, training and  
45               competence. The Monetary Board may suspend, disqualify or remove any  
46               director or officer found unfit for the position;  
47               4. The appropriate measures to ensure the confidentiality of payment information  
48               which, under the provisions of this Act and other existing laws, is considered

1 confidential;

2 5. The necessary measures to ensure the compliance of designated payment  
3 systems with Republic Act No. 9160, as amended, otherwise known as the Anti-  
4 Money Laundering Act of 2001, and other related laws;

5 6. The mechanism for the protection of the rights of the end-users and participants  
6 to the designated payment systems;

7 7. Principles on setting prices or pricing mechanisms in payment systems; and

8 8. Guidelines applicable to payment system management bodies, including the  
9 grant and revocation of accreditation; and

10 9. Other pertinent matters as may be determined by the Monetary Board.

11 e. Issue, through the Monetary Board, directives and orders to any participant of a  
12 payment system whenever the Monetary Board has determined that it is necessary to  
13 ensure the safety, efficiency or reliability of a payment system or it is in the interest of  
14 the public to do so.

15 f. Require participants of payment systems to submit reports on their operations and  
16 provide information for statistical, policy development, supervisory and regulatory  
17 purposes.

18 g. Assess and collect from the participants of the designated payment systems an annual  
19 fee in such amount, as may be necessary to cover expenses related to or incidental to  
20 the conduct of supervisory functions over such entities, subject to the rules prescribed  
21 by the Monetary Board.

22 h. Such other powers as may be reasonably necessary to meet the objectives of this Act.

23 **SEC. 7. Adoption of International Standards and Practices.** - In the exercise of its authority  
24 under this Act, the *Bangko Sentral* shall be guided by internationally accepted standards and  
25 practices.

26 **SEC. 8. Protection of Confidential Information.** - Information obtained by the *Bangko*  
27 *Sentral* in the course of its oversight of payment systems and supervision and regulation of  
28 participants thereof are considered confidential, and such confidential information may only be  
29 disclosed upon prior authorization from the Monetary Board or the Governor as may be  
30 necessary in the course of its coordination with other Philippine and foreign regulators as  
31 provided under Section 10 of this Act or when ordered by the courts. *Provided, however, That,*  
32 the collective data may be released to interested persons or entities.

33 **SEC. 9. Bangko Sentral Authority to Own and Operate a Payment System.** - The *Bangko*  
34 *Sentral* shall have the authority to own and operate payment systems as may be deemed  
35 necessary by the Monetary Board. The *Bangko Sentral* shall have the authority to determine  
36 who shall be allowed to participate in payment systems owned and operated by it and who  
37 shall be allowed to open an account with the *Bangko Sentral* for settlement purposes. The  
38 *Bangko Sentral* shall adopt internal safeguards to ensure appropriate independent oversight of  
39 its operator functions.

40 **SEC. 10. Coordination with Other Government Agencies and Foreign Regulators.** - The  
41 *Bangko Sentral* shall coordinate with other regulators and other concerned government  
42 agencies to avoid gaps, inefficiencies, duplications and inconsistencies in the regulation of other  
43 systems which are related to or interconnected with payment systems. The grant, suspension  
44 or revocation of any government license necessary for the conduct of business of a payment  
45 system operator must be done only with prior consultation with the *Bangko Sentral*.

1 The *Bangko Sentral* shall endeavor to coordinate with the regulators or overseers of payment  
2 systems of other countries to facilitate safe, efficient and reliable cross-border payment  
3 transactions.

4 **SEC. 11. *Registration of Payment System Operators.*** – Within six (6) months from the  
5 effectivity of this Act, all operators of payment systems as defined under Section 4 of this Act  
6 shall register with the *Bangko Sentral*. Operators of payment systems, which shall commence  
7 business or operations subsequent to the effectivity of this Act, shall register with the *Bangko*  
8 *Sentral* in such manner and within such reasonable period as may be prescribed by the  
9 Monetary Board.

10 **SEC. 12. *Organization of Operators of Designated Payment Systems.*** – Operators of the  
11 designated payment system, except payment systems operated by the *Bangko Sentral*, shall be  
12 required to incorporate as stock corporations for the purpose of operating a payment system,  
13 and shall meet the minimum requirements as may be prescribed by the Monetary Board.  
14 Operators of designated payment systems, so long as they continue to be authorized by *Bangko*  
15 *Sentral* to operate as such, shall not be included in the definition of a debtor under Republic Act  
16 No. 10142, otherwise known as the Financial Rehabilitation and Insolvency Act of 2010.

17 **SEC. 13. *Certificate of Authority to Register Operators of Designated Payment System.*** –  
18 The Securities and Exchange Commission shall not register the articles of incorporation of any  
19 operator of a designated payment system, or any amendment thereto, or otherwise issue a  
20 license to do business in the Philippines, unless accompanied by a certificate of authority to  
21 register issued by the Monetary Board, under its seal. The Securities and Exchange Commission  
22 shall also not register the by-laws of any operator of a designated payment system, or any  
23 amendment thereto, unless accompanied by a certificate of authority from the *Bangko Sentral*.

24 **SEC. 14. *Transfer and Acquisition of Substantial Shareholdings.*** – No person shall acquire  
25 shares in an operator of a designated payment system that will result in ownership or control,  
26 directly or indirectly, of more than ten percent (10%) of the voting stock of such operator,  
27 without obtaining the prior approval of the Monetary Board. Prior to Monetary Board approval,  
28 no such transfer or acquisition of shares shall have legal effect nor shall the same be recognized  
29 in the stock and transfer books of the operator or in the records of any government agency.

30 **SEC. 15. *Responsibilities of the Operator of the Designated Payment System.*** – The  
31 operator of the designated payment system shall be primarily responsible for the  
32 maintenance and operation of a safe, efficient and reliable payment system in accordance with  
33 rules and regulations. This includes the development of a process, which shall be subject to  
34 *Bangko Sentral* review, for the selection, monitoring and disciplining of participants to its  
35 system.

36 **SEC. 16. *Finality of Settlement.*** - Notwithstanding the provisions of existing laws to the  
37 contrary, settlement effected in accordance with the agreed procedures of a payment system  
38 shall be final and irrevocable and shall not be subject to reversal for any reason whatsoever:  
39 *Provided, That, if it is shown and established that any such fund so paid and transferred was not*  
40 *legally due, the settlement shall remain and such amount shall constitute a new monetary*  
41 *obligation owed by the payee to the person who caused the payment.*

42 **SEC. 17. *Notification in case of Insolvency of Participant in a Payment System.*** - The  
43 participant of a payment system shall notify in writing the operator of such payment system  
44 upon the issuance of a stay order or the declaration of insolvency, bankruptcy, rehabilitation or  
45 placement under receivership or liquidation of the participant on the day of the receipt of the  
46 order or resolution issued by the court or quasi-judicial agency. Upon receipt by the operator of  
47 such notice, the operator shall immediately stop the processing of any pending payment order

1 Involving said participant.

2 The operator of a payment system shall notify in writing its participants and the *Bangko Sentral*  
3 upon the issuance of a stay order or the declaration of its insolvency, bankruptcy, rehabilitation  
4 or placement under liquidation on the day of the receipt of the order or resolution issued by  
5 the court or quasi-judicial agency.

6 **SEC. 18. Designation of a Manager to Manage the Operations of the Operator of a**  
7 **Designated Payment System.** - In order to avert disruptions in payment systems which may  
8 adversely affect the country's monetary and financial stability, the *Bangko Sentral* may, upon  
9 determination of the existence of any of the circumstances enumerated below, based on the  
10 report of the head of the supervising or examining department, and with prior approval of the  
11 Monetary Board, designate without need for prior hearing a manager of recognized  
12 competence in payment systems to manage the operations of the operator of a designated  
13 payment system, as may be necessary or expedient.

14 A threat to the safety, efficiency and reliability of the designated payment system exists as a  
15 result of any of the following:

- 16 1. The violation of existing laws, rules and regulations by the operator;
- 17 2. The failure of the operator to comply with any order of the Monetary Board;
- 18 3. The assets of the operator are not sufficient to give adequate protection to its  
19 participants or users;
- 20 4. The capital of the operator has reached a level or is eroding in a manner that may  
21 detrimentally affect its participants, users or the public in general; or
- 22 5. Any other financial or business condition of the operator which may be considered  
23 by the Monetary Board to be prejudicial to the interests of its participants, users or  
24 the public in general.

25 The actions of the Monetary Board taken under this section shall be final and executory, and  
26 may not be restrained or set aside by the court except on petition for *certiorari* on the ground  
27 that the action taken was in excess of jurisdiction or with such grave abuse of discretion as to  
28 amount to lack or excess of jurisdiction. The petition for *certiorari* may only be filed by the  
29 stockholders of record representing the majority of the capital stock within ten (10) days from  
30 receipt by the board of directors of the operator of the designated payment system of the  
31 notice from the *Bangko Sentral* advising of the designation of a manager to manage the  
32 operations of such operator.

33 The designation of a manager who will manage the operations of the operator of a designated  
34 payment system shall only be for such period during which any of the foregoing mentioned  
35 circumstances exist. The Monetary Board, however, may replace the manager as it may  
36 deem necessary. The manager so designated shall immediately control, manage, and  
37 administer the operations of the operator of a designated payment system. Effective  
38 immediately upon designation, the powers, functions, and duties, as well as allowances,  
39 remunerations and perquisites of the incumbent directors shall be suspended. The suspension  
40 shall also apply to the officers of such operator of a designated payment system, unless the  
41 manager gives its approval in writing for any officer to continue acting as such under such terms  
42 and conditions as the manager may determine. The relevant provisions of the articles of  
43 incorporation and by-laws of such operator are likewise suspended.

44 The manager so designated shall determine within the period prescribed by the Monetary  
45 Board, but not to exceed one (1) year from the designation, whether any of the  
46 aforementioned circumstances still exist or whether the operator of a designated payment  
47 system may be permitted to resume management with safety to its payment system

1 participants and end-users: Provided, that any determination for the resumption of  
2 management of the operator of a designated payment system shall be subject to prior approval  
3 of the Monetary Board.

4 If the manager so designated determines that the operator of a designated payment system  
5 cannot continue its operation without causing damage to its participants, end-users or the  
6 public in general, the manager so designated shall notify the Monetary Board in writing of its  
7 findings and recommend the revocation of the certificate of authority of an operator of a  
8 designated payment system. Once the certificate of authority is revoked by the Monetary  
9 Board, the provisions of R.A. No. 10142 shall apply. For this purpose, the *Bangko Sentral* may  
10 initiate the appropriate action under the aforesaid law.

11 The costs and expenses in managing the operations of the operator of a designated payment  
12 system, including the remuneration of the designated manager, shall be paid first before other  
13 claims out of the funds and properties of the operator of a designated payment system.

14 The Monetary Board shall issue implementing guidelines to govern the management of the  
15 operations of the operator of a designated payment system by the designated manager,  
16 including but not limited to:

- 17 1. The responsibilities of the designated manager;
- 18 2. The information required to be given by the operator, its directors and officers to the  
19 designated manager to facilitate the management of the operations of the operator;
- 20 3. The circumstances, terms, and conditions when the assets of the operator may be sold  
21 or disposed of; and
- 22 4. Other matters related to the effective management of the operations of the operator  
23 and the appropriate performance of the duties of the designated manager to manage  
24 the operations of the operator.

25 **SEC. 19. Netting.** - Notwithstanding the provisions of existing laws to the contrary, when an  
26 operator receives from the participant a notice pursuant to Section 17, the operator may effect  
27 the netting of all payment orders received before such notice in accordance with the agreed  
28 procedures of the payment system. The insolvency, bankruptcy, rehabilitation, receivership or  
29 liquidation proceedings shall recognize any such netting as valid.

30 **SEC. 20. Administrative Sanctions.** -

31 a. Without prejudice to the penalties and sanctions provided in Section 21 of this Act, the  
32 Monetary Board may, at its discretion, impose upon any participant of a designated  
33 payment system, its directors and officers, including any person or entity determined by  
34 the Monetary Board to be acting as an operator without the requisite authority from  
35 the *Bangko Sentral*, for violations of this Act or rules and regulations issued by the  
36 Monetary Board or any order or instruction of the Governor of the *Bangko Sentral*, fines  
37 in amounts as may be determined by the Monetary Board to be appropriate, but not to  
38 exceed one million pesos (P1,000,000.00) for each transactional violation or one  
39 hundred thousand pesos (P100,000.00) a day for each continuing violation, depending  
40 on the nature and gravity of the violation or irregularity; *Provided, That*, in case profit is  
41 gained or loss is avoided as a result of the violation, an additional fine of no less than the  
42 profit gained or loss avoided but no more than three (3) times the profit gained or loss  
43 avoided may be imposed.

44 b. The Monetary Board may suspend, disqualify, or remove any of the directors or officers  
45 of the operator of a designated payment system, in any of the following instances:  
46

- 1 1. Willful violation of the charter or by-laws of the operator of the designated  
2 payment system;
- 3 2. Willful delay in the submission of reports of publications thereof as required by the  
4 rules and regulations to be issued by the Monetary Board pursuant to this Act;
- 5 3. Refusal to permit examination into the affairs of the operator of the designated  
6 payment system;
- 7 4. Willful making of a false or misleading statement to the Monetary Board or *Bangko*  
8 *Sentral* examiners;
- 9 5. Willful failure or refusal to comply with any provision of this Act, rule or regulation  
10 or any order instruction issued by the Monetary Board pursuant to this Act, or any  
11 order or instruction of the Governor of the *Bangko Sentral*; and
- 12 6. Willful commission of irregularities or the conduct of business that threatens the  
13 safety, efficiency or reliability of a payment system as may be determined by the  
14 Monetary Board.

15 The suspension of directors and officers of the operator of a designated payment system shall  
16 not be more than one (1) year, depending on the nature and gravity of the violation or  
17 irregularity. Resignation or termination from office shall not exempt such director or officer  
18 from administrative or criminal sanctions.

19  
20 c. Notwithstanding the institution or pendency of an administrative proceeding, if the  
21 participant of a designated payment system and its directors and its officers concerned  
22 continue with or otherwise persist in the commission of the cited practice or violation,  
23 the *Bangko Sentral* may issue an order requiring such participant and its directors and  
24 officers concerned to cease and desist from the cited practice or violation, and may  
25 further order that immediate action be taken to correct the conditions resulting from  
26 such practice or violation. The cease and desist order shall be immediately effective  
27 upon service on the respondents.

28  
29 d. The revocation of the certificate of authority of an operator of a designated payment  
30 system may be ordered by the Monetary Board on the following grounds:

- 31 1. The operator committed a violation of or has not complied with the provisions of  
32 this Act or the rules and regulations on orders and instructions issued by the  
33 Monetary Board or any order or instruction of the Governor of the *Bangko Sentral*,  
34 involving acts or violations which amount to fraud or expose its participants or the  
35 public to material loss or damage; or
- 36 2. The operator committed a violation of or has not complied with the provisions of  
37 this Act or the rules and regulations or orders and instructions issued by the  
38 Monetary Board or any order or instruction of the Governor of the *Bangko Sentral*,  
39 or failed to implement the rules of the payment system or a cease and desist order  
40 issued by the *Bangko Sentral*, and such violation or failure has been determined by  
41 the Monetary Board to be a threat to the safety, efficiency or reliability of the  
42 payment system or poses a risk to the stability of the monetary and financial  
43 system.

44  
45 e. The cancellation of the registration of any operator of a payment system may be  
46 ordered by the Monetary Board, if it finds that the payment system operates to  
47 facilitate fraud and other transactions contrary to law, good morals and public policy.

48 The Monetary Board may also order the suspension or revocation of the certificate of authority  
49 or the registration with the *Bangko Sentral* of an operator of a payment system on the basis of  
50 the suspension or revocation of its permits or licenses issued by other government agencies.

1       **SEC. 21. *Other Penalties and Sanctions.*** – Whenever any person or entity willfully violates  
2 this Act, rule or regulation, directives or orders duly promulgated by the Monetary Board  
3 pursuant hereto, the person or persons responsible for such violation shall be punished by a  
4 fine of not less than two hundred thousand pesos (P200,000.00) or more than two million  
5 pesos (P2,000,000.00) or by imprisonment of not less than two (2) years nor more than ten (10)  
6 years, or both, at the discretion of the court.

7       **SEC. 22. *Implementing Rules and Regulations.*** – The BSP, within sixty (60) days from the  
8 effectivity of this Act, shall promulgate the necessary rules and regulations for the effective  
9 implementation of this Act.

10       **SEC. 23. *Repealing Clause.*** – All acts, executive orders, administrative orders,  
11 proclamations, rules and regulations or parts thereof inconsistent with any of the provisions of  
12 this Act are hereby repealed or modified accordingly.

13       **SEC. 24. *Separability clause.*** – If any provision or section of this Act or the application  
14 thereof to any person or circumstance is held invalid, the other provisions or sections of this  
15 Act, and the application of such provisions or sections to other persons or circumstances, shall  
16 not be affected thereby.

17       **SEC. 25. *Transitory Provision.*** – Payment systems existing on the day of the effectivity of  
18 this Act shall be given sufficient time, as may be determined by the *Bangko Sentral*, to comply  
19 with the requirements of this Act.

20       **SEC. 26. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days following its  
21 publication in the Official Gazette or in two (2) newspapers of general circulation.

22       *Approved,*