



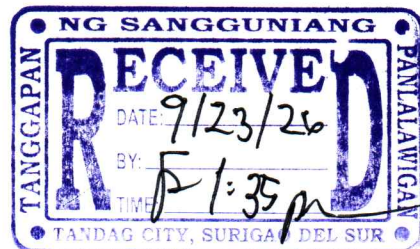
**Republic of the Philippines
MUNICIPALITY OF CAGWAIT
PROVINCE OF SURIGAO DEL SUR**

Office of the Sangguniang Bayan Secretary

September 23, 2026

**The Honorable
Sangguniang Panlalawigan Members**

**Thru: Hon. Manuel O. Alameda
Provincial Vice Governor
Tandag City**



Sir:

Pursuant to pertinent provision of the Local Government Code of 1991, I have the honor to submit the herein approved ordinance by the Sangguniang Bayan of Cagwait, for your review and approval, to wit:

ORDINANCE NO. 28-26 – An Ordinance Institutionalizing the Paleng-QR PH Program in the Municipality of Cagwait, Province of Surigao del Sur, to promote financial inclusion through Digital Payments in Public Market, Transport services and all other Business Establishments, providing Incentives thereof and for other purposes.

Hoping for your favorable consideration and appropriate action.

Attached herewith:

- Certificate of Posting and Publication;**

Very truly yours,

**ALAN A. CABRERA
Secretary to the Sanggunian**



Republic of the Philippines
MUNICIPALITY OF CAGWAIT
SURIGAO DEL SUR

Office of the Sangguniang Bayan Secretary

CERTIFICATE OF POSTING AND PUBLICATION

This is to certify that, in compliance to Section 59 of RA 7160; Article 113, IRR of R.A. No. 7160, copy of approved Ordinance titled hereunder was properly posted and published in three conspicuous places in the municipality.

ORD. NO. 28-26 – AN ORDINANCE INSTITUTIONALIZING THE PALENG-QR PH PROGRAM IN THE MUNICIPALITY OF CAGWAIT, PROVINCE OF SURIGAO DEL SUR, TO PROMOTE FINANCIAL INCLUSION THROUGH DIGITAL PAYMENTS IN PUBLIC MARKET, TRANSPORT SERVICES AND ALL OTHER BUSINESS ESTABLISHMENTS, PROVIDING INCENTIVES THEREOF AND FOR OTHER PURPOSES.

Date Enacted	:	September 1, 2026
Date Approved	:	September 23, 2026
Date Posted	:	September 23, 2026
Place Posted	:	Municipal Hall Bulletin Board; Tubo-tubo Public Terminal; and Poblacion Gymnasium Cagwait, Surigao del Sur

Certified Correct:



ALAN A. CABRERA

Secretary to the Sanggunian



Republika ng Pilipinas
LALAWIGAN NG SURIGAO DEL SUR
BAYAN NG CAGWAIT

Tanggapan ng Sangguniang Bayan

EXCERPT FROM THE MINUTES OF THE 33rd REGULAR SESSION OF THE SANGGUNIANG BAYAN OF THE MUNICIPALITY OF CAGWAIT, SURIGAO DEL SUR HELD AT THE SESSION HALL ON SEPTEMBER 1, 2026:

PRESENT:

Hon. Armando P. Reyes ----- SB Member
(Temporary Presiding Officer)

REGULAR SANGGUNIANG BAYAN MEMBERS:

Hon. Joanne Socorro L. Ubongen	Hon. Joel E. Bayogbog, CE
Hon. Amelito E. Estrada	Hon. Guardiano C. Lozada
Hon. Rogen P. Tabugoc	Hon. Angelyn P. Prado

EX-OFFICIO MEMBERS:

Hon. Bernard V. Loma ----- LnB Fed. Pres./SB Member

OFFICIAL BUSINESS:

Hon. Melchie C. Tuscano ----- Municipal Vice Mayor

OFFICIAL ON LEAVE:

Hon. Arthur M. Sanchez ----- SB Member	
Hon. Princess Chewon C. Park ----- SK Fed. Pres./SB Member	

ORDINANCE NO. 28-26

AN ORDINANCE INSTITUTIONALIZING THE PALENG-QR PH PROGRAM IN THE MUNICIPALITY OF CAGWAIT, PROVINCE OF SURIGAO DEL SUR, TO PROMOTE FINANCIAL INCLUSION THROUGH DIGITAL PAYMENTS IN PUBLIC MARKET, TRANSPORT SERVICES AND ALL OTHER BUSINESS ESTABLISHMENTS, PROVIDING INCENTIVES THEREOF AND FOR OTHER PURPOSES:

WHEREAS, Section 9 of the 1987 Philippine Constitution expressly provides that the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living and an improved quality of life for all;

WHEREAS, Section 16 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991 expressly provides that every local government unit shall exercise powers necessary, appropriate, or incidental for its efficient and effective governance and those which are essential to the promotion of the general welfare;

WHEREAS, pursuant to the Department of Interior and Local Government (DILG) and Bangko Sentral ng Pilipinas (BSP) Joint Memorandum Circular No. 2022-01 dated June 22, 2022, the DILG and BSP jointly developed the Paleng-QR Ph Program to promote digital payments in public markets and sari-sari Stores, in support of the National Strategy for Financial Inclusion (NSFI);



WHEREAS, in Joint Memorandum Circular No. 01, series of 2022 issued by the Department of Interior and Local Government (DILG) and Bangko Sentral ng Pilipinas (BSP) on June 22, 2022, the DILG and BSP jointly developed the **Paleng-QR Ph Plus Program** to promote digital payment in public markets and tricycle hubs in support of the National Strategy for Financial Inclusion (NSFI);

WHEREAS, the Paleng-QR Ph Program in the local government units (LGUs) promotes and implements the adoption and implementation of digital payments among market vendors and consumers to promote financial inclusion;

WHEREAS, the Paleng-QR Ph Program builds on QR Ph initiative and promoting financial inclusion cashless transactions at QR Ph markets by community stores around the country. It aspires to build a digital ecosystem based on basic payment behaviors among Filipinos, raise the utility of transaction accounts and aid in the promotion and adoption of these accounts;

WHEREAS, it is in the best interests of the public that the Municipal Government of Cagwait will adopt the Paleng-QR Ph Program;

WHEREAS, financial inclusion is defined as having effective access to a wide range of financial products and services by all Filipinos. Financial tool services can help Filipinos improve accounts, their welfare, achieve their household and enterprise goals;

WHEREAS, account ownership is considered the gateway to financial inclusion. Through a formal account, one cannot only safely save money but can also have safe transactions such as receiving salary and cash assistance, collecting payment from customers, and paying taxes;

WHEREAS, the Municipality of Cagwait recognizes the importance of financial inclusion, digital innovation and transparency in local transactions, and deems it proper to adopt the Paleng-QR Ph Program;

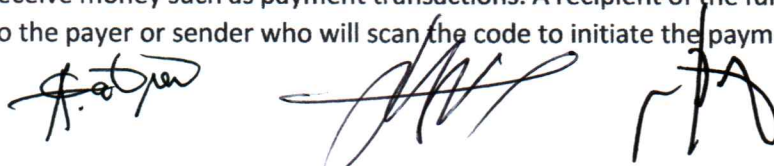
NOW THEREFORE:

BE IT ORDAINED by the Sangguniang Bayan of the Municipality of Cagwait, Province of Surigao del Sur in session assembled, that:

SECTION 1. Title. This Ordinance shall be known as the **"PALENG-QR PH ORDINANCE OF CAGWAIT"**.

Section 2. Definition of Terms. As used in this Ordinance the following terms and phrases shall mean:

- a) **Digital Payment** – refers to a monetary payment transaction between two (2) parties through an electronic channel in which both the payer and payee use electronic channels;
- b) **Electronic Fund Transfer (EFT)** – refers to transfer of funds between two (2) transaction accounts in the same or different financial institutions supervised by the BSP, which are initiated and received using electronic devices and channels to transmit payment instructions;
- c) **InstaPay or PESONet** – refers to electronic fund transfer facility offered by their clients to another held in other participating banks or EMI in the Philippines;
- d) **QR Code** – refers to "Quick Response Code", QR Code is a two-dimensional image-based bar code that stores information using patterns of large amounts of black dots and white spaces, arranged in a square grid. It can be read by a smartphone camera that is equipped for information. QR Codes store personal and financial information in a bar-code reader. When personal and financial information are stored in a QR code, it can also 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;



- e) **QR Ph** – is the national QR Code standard of all 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 other EuroPay-Mastered Visa Co (EMVCO) standards, the global standard for secure payments, which unifies the QR Code as form of cashless payment;
- f) **Seller** – shall refer to a person who sells goods, commodities, or food other than inside a public market;
- g) **Buyer** – shall refer to a person who purchases goods, commodities, or food to a vendor or seller;
- h) **Vendor** – shall mean a person who sells goods, commodities, or food within the public market, also known as “Mobile trader” or Peddler”;
- i) **Ambulant Vendors** – refers to a person who either for himself or for commission basis, a trader or peddler who place and sells his goods and offered to deliver the same, using a vehicle;
- j) **Hawkers** – refers to an ambulant vendor who set their wares on a daily basis;
- k) **Client/User** – refers to a person who avails of the QR Ph-ready Transaction Account;
- l) **Financial Service Providers (FSPs)** – refers to financial institutions that provides banking, loans, money transfers and financial options to customers.

SECTION 3. Scope of Application. This Ordinance shall; cover the following:

- a) All public market vendors;
- b) All public transport services operating in the municipality;
- c) All other business establishments, including ambulant vendors and hawkers in the municipality of Cagwait.

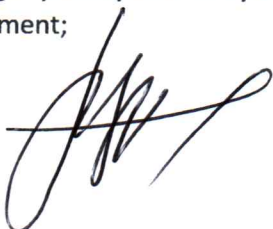
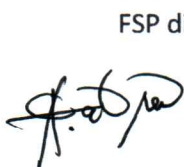
SECTION 4. QR Ph Enabled Payments. All covered entities in the Municipality of Cagwait, this Province are hereby strongly encouraged to make QR Ph payments available for their customers in line with the Paleng-QR Ph Program.

Provided, however, that nothing in this Ordinance shall prohibit payment in cash when opted by the patrons, consumers, buyers or clients.

SECTION 5. Roles and Responsibilities.

a) The Local Government Unit of Cagwait

1. Authorize the Municipal Mayor to issue a certification permitting the following Financial Service Providers (FSPs) to provide their services for the opening of QR Ph Transaction Accounts for clients, including, but not limited to:
 - GCash;
 - Palawan Pay;
 - Pay Maya; and
 - Land Bank
2. Coordinate with key local stakeholders such as the vendor associations, transport associations and the market administrator, 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 as many and use QR Code FSP digital payment;



4. Assist target participants in the opening of accounts by, among others, providing additional relevant documents such as LGU certification to support the know your-customer (KYC) requirements;
5. Organize special "account opening day" 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 and vehicles;
6. Maintain a record on participating merchants under the Paleng-QR Ph Program.

b) The participating Financial Service Providers (FSPs) shall:

1. Provide personal, customer assistance booths and other appropriate resources, including QR Code Paleng QR Ph Account on opening day to ensure successful conduct of LGU-Paleng QR Ph;
2. Provide target users with appropriate materials on opening a transaction account, using QR Code payment and other digital financial services;
3. Provide resource speakers and contents, as required, for the LGU's financial literacy program;
4. Assign competent contact person to the LGU for the efficient and timely coordination on the program implementation; and
5. Provide special offers for accounts opened under the Paleng-QR Ph program such as, but not limited to, free micro insurance coverage, t-shirts and other wearables and special rebates for users and clients.

Participation of FSPs in the program shall be non-exclusive.

c) Covered merchants are strongly encourage to:

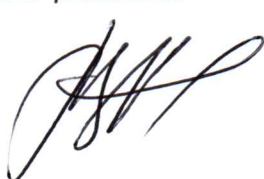
1. Open and maintain a QR-Ph Transaction Account;
2. Explicitly display their QR Ph Code in their store where it is visible to customers;
3. Make QR Ph payments available as a method of payments; and
4. Participate in the information campaign, financial literacy program and other relevant activities that will be facilitated by the LGU and FSPs.

SECTION 6. Assistance. The Local Government Unit of Cagwait, through the Business Permits and Licensing Office (BPLO) and the Local Economic Development Investment and Promotion Office/Unit (LEDIPO) in coordination with the Municipal Treasurer's Office shall provide the necessary assistance to all covered entities such as public market vendors, tricycle/tricab operators and drivers, other local merchants and all other business establishments, and clients in opening a QR Ph Ready Transaction Account.

SECTION 7. Identification of Users or Clients. Prior to the opening of QR Ph Ready Transaction Account, all target users or clients must show for the purpose of identification at least one (1) government-issued Identification (ID) Card to the FSP personnel.

SECTION 8. Information, Education and Communication (IEC) Campaign. The Municipal Government of Cagwait shall develop and sustain the IEC campaign to promote the Paleng-QR Ph Program.

The IEC campaign will cover digital payments in business, financial services for micro and small enterprise and financial consumer protection.



The IEC campaign shall target market vendors in public markets, all business establishments and tricycle/tricab operators and drivers in the municipality of Cagwait to promote the use of QR Ph codes.

SECTION 9. Free Internet Connectivity. The Municipal Government of Cagwait shall facilitate the free internet access in public places/areas, public markets and terminals to ensure ease and convenience of account opening and using QR Code digital payment by users or clients.

SECTION 10. Incentives. All covered entities in the Municipality of Cagwait who shall provide QR-Ph as an alternative mode of payment shall be granted the following incentives:

a) **Financial Incentives:**

1. For business-related entities

All duly registered business-related entities shall be entitled to a one-time discount on their business taxes, subject to the rates specified below:

<u>Gross Sales</u>	<u>Rate of Discount on Business Tax</u>
500,000.00 or less	5%
More than 500,000.00 but not more than 5,000,000.00	4%
More than 5,000,000.00 but not more than 10,000,000.00	3%
More than 10,000,000.00 but not more than 50,000,000.00	2%
More than 50,000,000.00	1%

2. For transport service entities

All transport service entities duly registered shall be entitled to a one (10 time Twenty Percent (20%) discount in their renewal fees for the renewal; period immediately following the date of application.

All duly registered business-related and transport service entities seeking to avail themselves of the discount must submit the voucher issued by the Municipal Treasurer's Office at the time of application. The voucher shall serve as an evidence that the client has been duly registered as a QR-Ph Ready Transaction Holder. This privilege shall remain effective solely for the taxable year immediately following the date of application. Failure by the duly registered entities to claim the aforementioned discount on the next taxable year shall result in the forfeiture.

b) **Non-Financial Incentives**

1. Paleng-QR Ph Day

A special day to accommodate business owners who are duly registered as QR-Ph Transaction Account Holders.

2. A special credit window, if available.

These incentives are not automatically applied and shall only be granted upon application and declaration of the Municipal Treasurer's Office and BPLO.



SECTION 11. Compliance Monitoring. The Business Permit and Licensing Office, together with the Municipal Treasurer’s Office and the Cagwait Local Enforcement Unit (CLEU) are hereby mandated to monitor the compliance of the this Ordinance.

SECTION 12. Implementing Rules and Regulations (IRR). Within ninety (90) days from the effectivity of this Ordinance, the Office of the Municipal Mayor, in coordination with the concerned offices/agencies shall formulate the rules and regulations necessary for the effective implementation of this Ordinance.

SECTION 13. Funding and Appropriation. A sufficient amount shall be appropriated in the municipality’s annual or supplemental budget for the effective implementation of this Ordinance.

SECTION 14. Separability Clause. If for any reason, any provision of this Ordinance shall be held unconstitutional or not valid by any court of competent jurisdiction, such judgement shall not affect or impair the other provisions or part thereof which shall continue to be in full force and effect.

SECTION 15. Repealing Clause. All municipal ordinances, resolutions and regulations or any part thereof which are in conflict with or inconsistent with the provisions of the Ordinance are hereby repealed and/or modified accordingly

SECTION 16. Effectivity. This Ordinance shall take effect upon its approval and posting in three (3) conspicuous public places of the municipality.

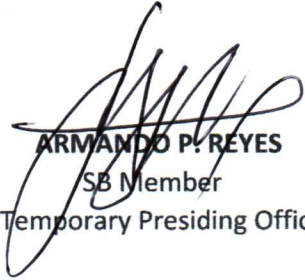
Adopted and approved this 1st day of September 2026 authored by Hon. Guardiano C. Lozada and co-authored by Hon. Rogen P. Tabugoc.

Unanimously Approved

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


ALAN A. CABRERA
Secretary to the Sanggunian

ATTESTED:


ARMANDO P. REYES
SB Member
Temporary Presiding Officer

APPROVED:


GLENN G. BATANCILA, REE
Municipal Mayor

Date of Approval: _____