

[REPUBLIC ACT NO. 8484, February 11, 1998]

**AN ACT REGULATING THE ISSUANCE AND USE OF ACCESS
DEVICES, PROHIBITING FRAUDULENT ACTS COMMITTED
RELATIVE THERETO, PROVIDING PENALTIES AND FOR OTHER
PURPOSES**

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

SECTION 1. *Short Title.* – This Act shall be known as the "Access Devices Regulation Act of 1998."

SEC. 2. *Declaration of Policy.* – The State recognizes the recent advances in technology and the widespread use of access devices in commercial transactions. Toward this end, the State shall protect the rights and define the liabilities of parties in such commercial transactions by regulating the issuance and use of access devices.

SEC. 3. *Definitions of Terms.* – For purposes of this Act, the terms:

- a. *Access Device* - 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, good, services, or any other thing of value or to initiate a transfer of funds (other than a transfer originated solely by paper instrument);
- b. *Counterfeit Access Device* - means any access device that is counterfeit, fictitious, altered, or forged, or an identifiable component of an access device or counterfeit device;
- c. *Unauthorized Access Device* - means any access device that is stolen, lost, expired, revoked, canceled, suspended, or obtained with intent to defraud;
- d. *Access Device Fraudulently Applied for* - means any access device that was applied for or issued on account of the use of falsified document, false information, fictitious identities and addresses, or any form of false pretense or misrepresentation;
- e. *Consumer* - means a natural person;
- f. *Credit Card* - means any card, plate, coupon book, or

other credit device existing for the purpose of obtaining money, goods,

property, labor or services or any thing of value on credit;

- g. *Device Making or Altering Equipment* - means any equipment, mechanism or impression designed or primarily used for making or altering or re-encoding an access device or a counterfeit access device;
- h. *Finance Charges* - represent the amount to be paid by the debtor incident to the extension of credit such as interest or discounts, collection fees, credit investigation fees, and other service charges;
- i. *Open-end-credit Plan* - means a consumer credit extended on an account pursuant to a plan under which:
 - 1. the creditor may permit the person to make purchase or obtain loans, from time to time, directly from the creditor or indirectly by use of credit card, or other service;
 - 2. the person has the privilege of paying the balance; or
 - 3. a finance charge may be computed by the creditor from time to time on an unpaid balance;
- j. *Penalty Charges* - mean such amount, in addition to interest, imposed on the credit card holder for non-payment of an account within a prescribed period;
- k. *Produce* - includes design, alter, authenticate, duplicate or assemble; and
- l. *Trafficking* - means transferring, or otherwise disposing of, to another, or obtaining control of, with intent to transfer or dispose of.

SEC. 4. *Credit Card Application and Solicitation*. – Any application to open a credit card account for any person under an open-end credit plan or a solicitation to open such an account, either by mail, telephone or other means, shall disclose in writing or orally, as the case may be, the following information:

a. Annual Percentage Rate

- 1. Each annual percentage rate of interest on the amount of credit obtained by the credit card holder under such credit plan. Where an extension of credit is subject to a variable rate, the fact that the rate is variable, and the annual percentage rate in effect at the time of the mailing.
- 2. Where more than one rate applies, the range of balances to which rate applies.

b. Annual and other Fees

- 1. Any annual fee, other periodic fee, or membership fee imposed for the issuance or availability of a credit card, including any account maintenance fee or any other charge imposed based on activity or inactivity for the account during the billing cycle.

2. Any minimum finance charge imposed for each period during which any extension of credit which is subject to finance charge is outstanding.
 3.) Any transaction charge imposed in connection with use of the card to purchase goods or services.
 4. Any fee, penalty or surcharge imposed for the delay in payment of an account.
- c. Balance Calculation Method - the name or a detailed explanation of the balance calculation method used in determining the balance upon which the finance charge is computed.
 - d. Cash Advance Fee - any fee imposed for an extension of credit in the form of cash.
 - e. Over-the-Limit-Fee - any fee imposed in connection with an extension of credit in excess of the amount of credit authorized to be extended with respect to such amount: *Provided, however,* That in case the application or solicitation to open a credit card account for any person under an open-end consumer credit plan be made through catalogs, magazines, or other publications, the following additional information shall be disclosed:
 - i. the information is accurate as of the date the application or solicitation was printed;
 - ii. the information contained in the application or solicitation is subject to change after such date;
 - iii. the applicant should contact the creditor for information on any change in the information contained in the application or solicitation since it was printed;
 - f. A statement, in a conspicuous and prominent location on the application or solicitation, that,
 - i. the information is accurate as of the date the application or solicitation was printed;
 - ii. the information contained in the application or solicitation is subject to change after such date;
 - iii. the applicant should contact the creditor for information on any change in the information contained in the application or solicitation since it was printed;
 - g. The date the application or solicitation was printed; and
 - h. In a conspicuous and prominent location on the application or solicitation, a toll free telephone number or mailing address which the applicant may contact to obtain any change in the information provided in the application or solicitation since it was printed.

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

SEC. 6. *Exceptions.* – The disclosures required under Section 4 of this Act may be omitted in any telephone solicitation or application if the credit card issuer:

1. does not impose any fee in connection with paragraph (b)(1), Section 4 of this Act;

2. does not impose any fee in connection with telephone solicitation unless the consumer signifies acceptance by using the card;
3. discloses clearly the information described in Section 4 of this Act in writing within thirty (30) days after the consumer requests the card, but in no event later than the date of delivery of the card; and
4. discloses clearly that the consumer is not obligated to accept the card or account and the consumer will not be obligated to pay any fees or charges disclosed unless the consumer elects to accept the card or account by using the card.

SEC. 7. *Disclosure Prior to Renewal.* – Except in telephone solicitations a card issuer that imposes any fee described in Section 4 shall transmit to a consumer's credit card account a clear and conspicuous disclosure of:

- a. the date by which, the month by which, or the billing period at the close of which, the account will expire if not renewed;
- b. the information described in Section 4 which shall be transmitted to a consumer at least thirty (30) days prior to the scheduled renewal date of the consumer's credit card account;
- c. the information described in Section 4 (a) (1) which shall be transmitted to a consumer's credit card account; and
- d. the method by which the consumer may terminate continued credit availability under the account: *Provided,* That the disclosures required by this section must be made prior to posting a fee described in Section 4 (b) (1) to the account, or with the periodic billing statement first disclosing that the fee has been posted to the account subject to the condition that the consumer is given thirty (30) day period to avoid payment of the fee or to have the fee re-credited to the account in any case where the consumer does not wish to continue the availability of the credit.

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

SEC. 9. *Prohibited Acts.* – The following acts shall constitute access device fraud and are hereby declared to be unlawful:

- a. producing, using, trafficking in one or more counterfeit access devices;
- b. trafficking in one or more unauthorized access devices or access devices fraudulently applied for;
- c. using, with intent to defraud, an unauthorized access device;