

263 FEES ON RETAIL BANK PRODUCTS/SERVICES¹

Pursuant to the consumer protection principle of fair treatment, a bank's board of directors shall adopt a policy on the imposition of any fee on its retail products/services. The policy shall cite the basis for the imposition of fees and rationalize the fee structure/amount.

Fees on deposit accounts

a. *Maintenance Fee.* Banks may impose maintenance fees on a deposit account, whether active or dormant, subject to the following conditions:

- (1) The required minimum monthly average daily balance (ADB), as well as the imposition and the rate/amount of maintenance fee, are properly disclosed among the terms and conditions of the deposit;
- (2) The deposit account balance has fallen below the required minimum monthly ADB for at least two (2) consecutive months; and
- (3) Banks must ensure that clients are notified of any change in the required minimum monthly ADB and amount of dormancy fee at least sixty (60) days prior to implementation.

b. *Dormancy Fee.* Banks may only impose dormancy fee on a dormant deposit account five (5) years after the last activity therein: *Provided, That:*

- (1) The balance falls below the minimum monthly ADB, if any;
- (2) The monthly dormancy fee shall not exceed thirty pesos (P30.00); and
- (3) The bank complied with the two (2) notice requirement under Items "7.b.(2)" and "7.b.(4)", *Appendix 117*, prior to the charging of dormancy fees.

Additional disclosure requirements. Banks shall post fees/charges in readable font size at the following places:

- a. Automated Teller Machine (ATM) transaction fees at the ATM's on-screen messages; and
- b. Fees and charges on all retail bank products/services such as deposit, remittance and loan, on the bank's official website and at a conspicuous place within the premises of all banking units.

Amendments to terms and conditions of retail bank products and services. Clients should be notified at least sixty (60) days prior to implementation of any amendments to the terms and conditions of retail bank products and services by public notice. Public notice may take the form of posting in public places, such as the bank's official websites and/or at a conspicuous place within the premises of all banking units.

Changes in deposit interest rate, however, may be immediately effected after the public notice.

Complementary individual notices to a client shall be sent if the amendments pertain to or will result to fees to be paid or charged on the account of the client.

Clients who do not agree with the new/revised terms and conditions have the right to exit the contract without penalty: *Provided*, That such right is exercised within thirty (30) days from receipt of individual notice or thirty (30) days from issuance of public notice.

Individual notifications. Individual notifications shall be sent to the client's last known postal address/e-mail address/contact number either through postal or registered mail, courier delivery, electronic mail, text messages, telephone calls or other alternative modes of communication, as may be elected by the client.

Non-waiver by contractual provisions. The provisions of Sec. 263 (*Amendments to terms and conditions of retail bank Products and Services*) shall apply, notwithstanding any contrary provisions in the terms and conditions.

(Circular No. 928 dated 24 October 2016)

Footnotes

1. Effective 25 April 2017