



Item No.: **25**
 Date: **03 MAR 2023**

Republic of the Philippines
PROVINCE OF LEYTE

OFFICE OF THE PROVINCIAL GOVERNOR
CARLOS JERICHO L. PETILLA

SANGGUNIANG PANLALAWIGAN
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 PROVINCE OF LEYTE

February 28, 2023

HON. LEONARDO V. JAVIER Jr.
 Vice Governor
 Province of Leyte

Attention: **FLORINDA JILL S. UYVICO**
 Provincial Board Secretary

SUBJECT: REQUEST FOR - A RESOLUTION GRANTING AUTHORITY TO THE PROVINCIAL TREASURER, RUTH Y. SURPIA, TO SIGN AS CO-SIGNATORY IN THE PAYMENT COLLECTION SERVICES AGREEMENT WITH UNION BANK OF THE PHILIPPINES.

Dear Vice-Governor Javier. Jr.,

Pursuant to Section 22 (c), Chapter II, and Section 465 (b) (1) (vi), Chapter III, Article I of the Local Government Code of 1991, this Office most respectfully requests the Honorable Sangguniang Panlalawigan for the issuance of A RESOLUTION GRANTING AUTHORITY TO THE PROVINCIAL TREASURER, RUTH Y. SURPIA TO SIGN AS CO-SIGNATORY IN THE PAYMENT COLLECTION SERVICES AGREEMENT WITH UNION BANK OF THE PHILIPPINES and such other agreements related thereto, for and in behalf of the Province of Leyte. Copy of said agreement is hereto attached for immediate reference

Your expeditious consideration of the matter is highly appreciated.

Thank you very much!

CARLOS JERICHO L. PETILLA
 Governor

By Authority of the Governor:


CORAZON M. ALVERO
 Provincial Administrator





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PAYMENT COLLECTION SERVICES AGREEMENT

This **PAYMENT COLLECTION SERVICES AGREEMENT** (the "**Agreement**") executed this _____ ("**Effective Date**") at _____ by and between:

UNION BANK OF THE PHILIPPINES, a universal banking corporation duly organized and existing under Philippine laws with principal office at the UBP Plaza, Meralco Avenue corner Onyx and Sapphire Streets, (hereinafter the "**Bank**");

- and -

← The **Provincial Government of Leyte**, a government entity of the Republic of the Philippines, with principal office address at New Provincial Government Complex, West Bypass Road, Campetic, Palo, Leyte (hereinafter the "**Client**");

(Each, a "**Party**" and collectively, the "**Parties**")

WHEREAS:

- A. The Client is a National Government Agency/Local Government Unit/Government-Owned and Controlled Corporation that receives processing fees, tax payments, and/or other fees and charges from its clients/customers/taxpayers ("**Payors**").
- B. The Client recognizes the need to give its Payors a more convenient way of paying their taxes, fees, and/or charges to the Client and/or to receive social amelioration funds or financial assistance.
- C. One way to conveniently pay to the Client is through the use of electronic payment acceptance facilities and, for this purpose, the Client has adopted a system capable of integration to such facilities.
- D. The Bank is in the business of providing banking and financial services in the Philippines and has the financial tools, technology, resources, and experience in providing its clients with customized cash management services to help them manage their financial operations more efficiently, such as but not limited to, payment collection services via electronic payment acceptance platforms or disbursement platforms or facilities and other payment channels (the "**Payment Facilities**").
- E. On the basis of the Bank's representations, the Client has decided to avail of the Payment Facilities of the Bank as further defined hereunder, subject to the terms and conditions below.

NOW, THEREFORE, for and in consideration of the foregoing premises, the Parties agree, as follows:

1. DEFINITION OF TERMS.

- A. "**Applicable Law**" refers to, collectively, (i) any local law or statute; (ii) any rule or regulation issued by a governmental authority; and (iii) any judicial, governmental, quasi-governmental, or administrative order, judgment, degree or ruling, in each case as applicable to either Party or the subject matter or transactions contemplated by this Agreement.
- B. "**Authorized Government Depository Bank (AGDB) Account**" refers to the Client's account with a government financial institution/s nominated by the Client in this Agreement to which the payment collections shall be remitted.
- C. "**Business Banking Enrollment Form**" will be the basis of the Bank for setting up the Client's use of the system. These will serve as the primary mode of instruction and will be used as the basis for setting up the Client's organization in Business Banking. The Client is responsible for reviewing the setup made and validating that it is in accordance with what was instructed. They are to inform UnionBank of any discrepancy in their setup immediately.
- D. "**Business Banking Facility**" is an electronic banking facility that allows the Client to avail of Cash Management Services and other banking services with the Bank on a per enrollment basis. The facility has two platforms: Online Website ("**Website**") and Mobile Application ("**Mobile App**").
- E. "**Cards**" refers to all products authorized and bearing the mark of VISA, or Mastercard. Additional brands may be included by mutual agreement of the parties.
- F. "**Cardholder**" refers to the person whose name is embossed or printed on the Card.

- G. **"Card Brands"** means any entity issuing a payment card to a cardholder, including without limitation, Visa, MasterCard, JCB, Discover and American Express and all other applicable credit card issuers or networks.
 - H. **"Card Brand Rules"** means all rules, regulations and by-laws of the Card Brand, including, if applicable, the Payment Card Industry Data Security Standards ("**PCI-DSS**").
 - I. **"Chargeback"** refers to the process by which the Bank will charge to the Client the amount of Card transactions which have been paid by the Bank under such circumstances as described in the provisions in this Agreement.
 - J. **"Collections Enrollment Form"** refers to the Bank's form pertaining to the enrollment of Client's assigned users to the Bank's Business Banking Facility to access the Collections Report module.
 - K. **"Collections Report"** refers to the report of the transactions made using the bank's channels for the collections of payments availed by the Client.
 - L. **"Confidential Information"** refers to any information or material classified as "Confidential", "Restricted" or with such other restrictive legend; proprietary Software including source code and documentation; or any other form of information disclosed which may be reasonably construed to be confidential which either party may disclose ("**Disclosing Party**") to the other Party ("**Receiving Party**") under this Agreement. The term Confidential Information shall also include all customer/client information of the Bank, including credit card/charge card code numbers of customers or clients, as well as all personal information of customers or clients, which Client may have access to as a consequence of implementation of this Agreement.
 - M. **"Operations Data Sheet ("ODS")"** refers to the Bank's form pertaining to the specifications, reference, validations, billing details and other pertinent information and operational instructions needed for the implementation of the service.
 - N. **"Partner Channels"** refers to the digital channels or over-the-counter ("**OTC**") facilities of third parties that the Bank had engaged for its Payment Facilities.
 - O. **"Payment Facilities"** refers to the Bank's payment channels which are either currently, or in the future may be, owned, acquired, or developed by the Bank. These payment channels can accept payments to the Client using debit or credit cards, direct fund transfers from the Payor's account or electronic wallet, or cash payments and electronic wallet funds transfers through the Bank's Partner Channels. The Payment Facilities are further described in Section 2.A. hereof.
 - P. **"Payors"** refers to any person, natural or juridical, that pays the Client through the Bank's Payment Facilities.
 - Q. **"Regulatory Authority"** shall refer to the Bangko Sentral ng Pilipinas ("**BSP**"), and any other government agency which exercises or has jurisdiction over the Client or the Bank
 - R. **"Settlement Account"** refers to the Client's UnionBank Account indicated in Section 2.C. hereof to which the payments collected shall be deposited prior to remittance to the Client's AGDB Account.
 - S. **"Software"** refers to all or any portion of the binary computer software programs (including corresponding source code embodied in) relating to the Payment Facilities whether in machine readable or printed form and includes all copies, corrections or updates made thereto.
 - T. **"System"** refers to the software, program, hardware, and other materials to access such the Payment Facilities. Unless otherwise permitted by the Bank in writing, the Client shall use the System provided by the Bank exclusively for the Payment Facilities and not for any other purposes.
 - U. **"White-Label Page"** refers to readily available payment page that will be integrated in the client's application or website to start accepting payments.
2. **NATURE OF THE SERVICE.** The Bank shall provide for payments collections services and account information management to help the Client efficiently collect payments due from its Payors using the Bank's Payment Facilities.
- A. **Payment Facilities.**
 - (i) The **Bills Payment Facility** is a payment channel of the Bank which accepts or allows the sending of payments from the Payors to the Client either currently, or in the future may be, owned, acquired or developed, by the Bank or by third parties which the Bank has partnered with or has entered into agreements with for the provision of their respective payment partners, which may include tangible or intangible assets or channels such as branch networks, or any form of software or other technology. Payment Channels under the Bills Payment Facility include OTC cash payments via the Partner Channels and the Bank's online banking platforms.
 - (ii) The **UnionBank Payments and Collections Solution ("UPAY")** is a payment collections platform owned by the Bank, which accepts or allows the sending of payments from the Payors to the Client through the Bank's Payment Facilities upon the integration of the UPAY Platform and White Label Page to the Client's own website and/or mobile application. With this service, the Client can also access the Collections Report via the Business Banking Collection Report module.

- B. The Payment Facilities can be used for any legal transaction of the Client, including the payment of assessed legal fees and other services to be rendered by the Client. The Payment Facilities can accommodate either individual or corporate Payors of the Client or any entity that seeks to transfer funds to the Client. The Client thus guarantees and warrants the validity and legality of said underlying transactions and payments, and renders the Bank, its officers, employees, contractors, agents or representatives, free and harmless from any and all liability related to or arising from the use by the Client and its Payors of the Payment Facilities.
- C. All payments collected shall be credited to the Client's account with the Bank below, which shall serve as its Settlement Account for the Payment Facilities:

Account Name	[REDACTED]
Account Number	[REDACTED]

to supply bank details

- D. The funds in the Settlement Account shall be remitted to the following AGDB account/s of the Client, as follows.

Account Name	[REDACTED]
Bank	[REDACTED]
Account Number	[REDACTED]
Purpose/Fund Type	[REDACTED]

- E. **Remittance to the AGDB Accounts.** The Bank shall remit the payment collections to the Client's AGDB Accounts in Section 2.D. above, one (1) banking day from crediting payments in the Settlement Account ("T+1"), subject to the period for crediting of payments set forth in Section 8 hereof. In the event that the Bank fails to transfer the payments received to the Client's AGDB accounts, the Client agrees to give the Bank five (5) banking days from transaction date to carry out an investigation and undertake financial adjustments.

3. REQUIREMENTS FOR THE FACILITIES.

- A. **Application Programming Interface ("API").** Client's access to and use of the Bank's API Portal and APIs which may also include object code, software libraries, software tools, sample source code, published specifications, and documentation require a unique licensed access credentials.
- B. **Equipment.** Client shall provide any and all computer and telecommunications hardware and peripherals necessary to enable itself to avail of the Facilities and shall be solely responsible for their maintenance and repair. The Bank shall not be liable for any loss or damage that may arise from the malfunction of such equipment.
- C. **Enrollment.** The Client shall accomplish and submit signed copies of the Payment Facilities Enrollment Form, Business Banking Enrollment Form, and the ODS and comply with the development required to integrate the White-Label Page into their website or app and conduct a joint testing to ensure that the System required for the Payment Facilities is working as expected.

4. COMMERCIAL TERMS.

- A. The Fees and Charges for the Payment Facilities shall be that stated in Section 6.
- B. The commercial terms of this Agreement may be reviewed by the parties yearly, reckoned from the date of execution hereof, or earlier as the need arises by request of either Party. Such review shall consider funds collected by the Bank for the Client and the number of transactions that may have been processed and may include other considerations as may be determined by the Bank and the Client.

5. SYSTEM ACCESS

- A. In the event that the Bank provides the Client with a System for the services availed of, Client shall use the System exclusively for the Facilities and not for any other purpose. The Client shall provide the entire computer and telecommunications hardware, accessories and peripherals necessary to put the System into operation and the maintenance and repair of the same shall be the sole responsibility of the Client. The Bank shall not be liable for any loss of or damage to the computer and telecommunications hardware, accessories and peripherals, and for any and all losses and damages arising from the malfunction thereof.
- B. The Client understands that the System is accessed through the Internet of which the Bank has no control over. Hence, it is the Client's duty to ensure that any computer, mobile phone, or other electronic device used to access the System is free from and adequately protected against acquiring viruses and other destructive components. The Client is solely responsible for the performance and security of any internet browser, mobile device, and operating system used in connection with the System, including the prompt adoption by the Client of all security patches and other security measures issued or recommended from time to time by the suppliers of such internet browsers, mobile devices, and operating systems.
- C. Business Banking Facility Access.
- (i) The Client guarantees and warrants that all information indicated in the Business Banking Enrollment Form is true, correct, consistent, and accurate. The Business Banking Enrollment Form will serve as the primary mode of instruction and will be used as the basis for setting up the Client's organization in the Business Banking Facility. The Client is responsible for reviewing the setup made and validating that it is

- in accordance what was instructed. They are to inform of the Bank of any discrepancy in their setup immediately.
- (ii) Access Rights define the different activities a User can view and perform in the System on behalf of the Client. Users with View Account Balances access shall be allowed to view the balances, transaction history, and transaction details of enrolled accounts. They may also download the transaction history and summary of accounts enrolled from the System.
- D. User IDs and Passwords. The Client shall inform the Bank, in writing through the Business Banking Enrollment Form, of the full name, mobile number, and email address of the persons it authorizes to access and use the System, indicating the limits of their access rights and the extent of their access. Security measures and procedure shall be established and observed by the parties to prevent unauthorized access and use of the System. The Client shall immediately notify the Bank by telephone, confirmed by a written notice to the Bank within twenty-four (24) hours from notice, as soon as the Client discovers that the user IDs and the passwords have been compromised, or should a designated user of the Client cease to be such. The Bank shall not be liable for any and all claims, losses or damages that may arise from the use of the System by any unauthorized person if the Bank had not been properly notified in accordance with this provision.
- E. An activation email will be sent to the User's nominated email address upon enrollment to the System. This will require the nomination of a password that will be used to access the System.
- F. The system makes use of Multi Factor Authentication (MFA) to authenticate users accessing the system. This is facilitated by requesting for the user's password and a validation of a user-owned device. By default, the user-owned device is validated by requesting for a One-Time Pin ("OTP") sent to his device via SMS. The user has an option to download the system's mobile app on a trusted device as an alternative way of generating the OTP.
- G. After initial login, users will have the option to turn off OTP for either login or transaction creation in the system to minimize the risk of reduced security in the System. Users will also have the ability to subsequently change the email and/or mobile number in the system. Any changes shall require MFA before proceeding. Any special requirements to disable this feature must be communicated in writing through the Business Banking Enrollment Form Special Instructions section.
- H. The User must ensure that the log-in credentials and OTP shall not, under any circumstance, be disclosed, given, or made available to any person other than the User. In the event that the information falls in the hands of unauthorized persons for any reason whatsoever, including but not limited to wiretapping of communication lines or erroneous connection by telecommunication switches, or errors in transmitted information due to faulty lines, any and all forms of technology relating to electronic surveillance or fraud without the fault or negligence of the Bank, the Client unconditionally and irrevocably agrees and undertakes to keep the Bank free and harmless at all times from any and all liability, costs, damages, losses and causes of action arising from or in any way connected with, due to such unauthorized disclosure, including, but not limited to, the effect of the provisions of Republic Act No. 1405, as amended, the provisions of the General Banking Act and pertinent laws prohibiting disclosure of information concerning the Client's transactions or deposits with banks, any and all pertinent laws or regulations related thereto or the subject matter herein.
- I. Change Requests
- (i) Client shall be responsible in updating their System set-ups, including the Business Banking Facility set-up, for any disenrollment or addition of Users, and changes in access rights, allowed transactions, approval policies, and business information succeeding the initial enrollment. Any addition or modification to the current set-up must be communicated by the Client using the Business Banking Enrollment Form and other applicable form/s of the Bank.
- (ii) For removal of Users and/or Accounts, the Client must fill out the Business Banking Enrollment Form or other applicable form/s of the Bank, list the Users for dis-enrollment and/or Accounts for removal, and/or the Accounts which said Users' access rights shall be revoked.
- (iii) Unless signed by the Client's authorized signatories, any changes, or requests to be removed from the System shall not be honored by the Bank.
- (iv) The updated information / removal from the System shall take effect on the next banking day from the Bank's receipt of the required forms, provided that the forms were submitted within banking hours. All obligations of the Client incurred prior to the effectivity of the dis-enrollment and submission of the required forms to the Bank shall remain valid and binding on the Client. In the event that the Bank fails to implement the requested changes, the Client agrees to give the Bank five banking (5) days from the requested date to carry out an investigation and undertake financial adjustments.

6. FEES AND CHARGES

- A. The following fees and charges payable by the Client's Payors shall apply for the Payment Facilities, subject to change upon the Bank's discretion but within regulatory guidelines. For any changes in the commercial terms, the Bank shall give written notice to the Client one (1) month before such change/s are made effective.
- (i) For payments using Credit Cards, the Client's Payor shall pay the Bank the amount representing all transactions validly generated using a Card at the rate indicated below, computed from the face value of the transaction, and in accordance with this Agreement:

CREDIT CARD PAYMENT GATEWAY TRANSACTION FEE RATES

Set-Up Fee	PHP 20,000.00 one time -waived
Annual MID Fee per account	PHP 25,000.00
Client Discount Rate:	
Visa	1%
MasterCard	
Transaction Handling Fee	PHP 5.00 per transaction
Withholding Tax (Quarterly release of CWT/BIR2307)	0.5%
Settlement	T+2 banking days
Client Description on Statement	Provincial of Leyte
Credit Card Brands	Visa, MasterCard
International Cards	+ 1.00%
Chargeback Fee	PHP 400.00
Main Settlement Account (UnionBank Account Number)	
Note: For Debit and Credit Card transactions (VISA / MC), the Bank shall withhold such withholding tax as may be imposed by the law and the Bureau of Internal Revenue, from the total reimbursements of the Client. A creditable withholding tax certificate will be issued by the bank to the Client on a regular basis.	

- (ii) The Bank shall not charge the Settlement Account for any fees it fails to collect from the Payors.

7. ACCEPTANCE AND PROOF OF PAYMENTS

A. The Bank shall credit Payor's payments into the Client's Settlement Account, subject to the following conditions:

- (i) The mode of payment as required by the Bank has been complied with, such as but not limited to the Payors option to make payments through the Client's website:
 - a) Client shall send the required transaction details to the Bank via API;
 - b) Payor shall accept the Terms and Conditions on the Payment Facilities;
 - c) Payor shall authorize the transfer of funds from Payor's account to the Client's Settlement Account;
 - d) Payor agrees to be responsible for settling any transaction fees levied by the Payor's bank.
- (ii) For the use of facilities which require enrollment, such as the Bank's or a Partner Channel's mobile, online or other facility, the Payor is enrolled in the said facility;
- (iii) The submission by the Payor of all required information to the Bank or the Bank's Partner Channel in the form required by the Bank or Partner-Channel/EMIs, as the case may be;
- (iv) Client shall honor without discrimination, all valid and unexpired Cards and/or accounts used by bona fide Cardholders/Accountholders for purchasing and/or services via the internet. Unless otherwise instructed by the Cardholder, there should be no minimum or maximum amount requirement for every card transaction.
- (v) All Card transactions shall require prior approval which will be electronically processed through the Payment Facilities in accordance with the Bank's standard procedures. Transaction approval by the Bank shall only refer to the verification of the validity and expiry date of the Card and availability of the credit limit at the time of the transaction. The Client acknowledges that in approving the transaction, the Bank does not warrant the legality and authenticity of the transaction nor the identity of the Cardholder.
- (vi) The Client shall not process or make or enable deposit transactions with the Bank for any other establishment who may or may not be registered with the Bank for this service. The Client shall not give cash advances by passing the same as sale transactions.

8. CREDITING OF PAYMENTS

A. The Parties agree that the following shall be the time of crediting per Payment Channel to the Client's Settlement Account, provided there is no event that prevented the Bank from timely crediting a payment:

- (i) For payments made through UnionBank channels (including UB Online and Business Banking), the payments shall be credited on real-time basis if the Settlement Account is a UnionBank Account, or remitted to the Client on T+1 Banking Day if Client's Settlement Account is an AGDB Account.
- (ii) For Over-the-Counter (OTC) payments made at the Bank's branch in the form of cash, on-us check and local/regional checks made before the designated clearing cut-off time, the payment shall be credited to the UnionBank settlement account on the banking day the payment was made or remitted to the Client's AGDB Settlement Account on T+1 Banking Day. For OTC payments made through the Bank's branch in local/regional checks made at the counter *after the designated clearing cut-off time*, the payment shall be credited T+1 Banking Day to the UnionBank Account or remitted T+2 Banking Day to the AGDB.
- (iii) For OTC cash payments made through branches of Partner Channels, the payment shall be credited to the Client on T+1 Banking Day if settlement is a UnionBank Account or on T+2 Banking Day to the AGDB, unless the Bank or the Partner Channel states otherwise to the Payor.
- (iv) For payments made through InstaPay, the funds shall be credited real-time to the UnionBank Account or T+1 Banking Day to the AGDB.

- (v) For payments made via the PCHC PayGate the funds shall be credited to the Client on T+1 Banking Day for UnionBank Accounts or T+2 Banking Day for AGDB, after the Bank's receipt of the funds and complete details of the transactions from the relevant clearing house in accordance with the declared cut-off for settlement.
 - (vi) For payments made on the Client's website using Credit Cards, the Bank shall pay the amount representing all transactions validly generated in connection with transactions made using a Card at the rate indicated in this Agreement, computed from the face value of the transaction and in accordance with this Agreement, shall be credited on the next 2 banking days after the transaction has been made (T+2 Banking Days) for a UnionBank Settlement Account or remitted on T+3 Banking Days to the AGDB.
 - (vii) For payments made through partner Electronic Money Institutions ("EMI") Channels, unless the Bank or the Partner Channel states otherwise to the Payor, the payment shall be credited on the next banking day after the transaction has been made (T+1 Banking Days) for a UnionBank Settlement Account or remitted on T+2 Banking Days to the AGDB.
- B. The Bank shall not be liable for any failure, insufficiency, or delay of the payment due to circumstances beyond the reasonable control of the Bank, errors, or non-transmission of payment instructions occurring on the part of the Partner Channels/EMIs, any of the relevant clearing house, sending banks, the Bank's sub-agent, and cable or wireless company.
- C. Requests for reversal of payments (i) that were duly received and validated by the Bank, either from the Payor directly, the Partner Channel, or the relevant clearing house; or (ii) in instances where the Bank transfers an amount to the AGDB or credits an amount as payment received for the Client which should not have been transferred or credited due to: (a) there being no actual payment made; or (b) the amount transferred or credited was in excess of the payment actually received shall be processed directly with the Client if payments have been remitted by the Bank to the Client's AGDB. For requests for reversals before remittance to the Client's AGDB of the relevant payment or reversals, the Client hereby authorizes the Bank, without any further act or instruction required from the Client, to debit from the present-day collection the amount erroneously credited and credit it back to the account from which the funds came. The Client holds the Bank free and harmless from any and all liability of third-party claim resulting from such erroneous crediting and/or the consequent debiting from the collections due to the Client.
- D. If Client wishes to dispute any reversal/s implemented by the Bank, the Client shall send an email from the Client's nominated email address found in the ODS to business@unionbankph.com. The Client has five (5) banking days to dispute, reckoned from the date the reversal was implemented, and attaching thereto any and all supporting evidence available, for investigation by the Bank.
- E. In case of closure of the Client's Settlement Account for any reason, the total payment collections shall be settled via a UnionBank Manager's Check in favor of the Client, or by any other means mutually agreed upon by the parties.

9. CREDIT CARD PAYMENTS DISPUTE AND CHARGEBACK

A. Disputed Transactions

- a. The Bank shall refer all disputed transactions to the Client. The Client undertakes to resolve the dispute with the Bank within five (5) banking days from receipt of the notice from the Bank or the Cardholder dispute or request for a chargeback, as the case may be (the "Resolution Period").
- b. Client shall furnish the Bank copies of proof of sales- transaction, any proof of fulfillment with the Cardholder, and other necessary documents within seven (7) working days from receipt of the notice from the Bank to enable the Bank to properly document its case file on the Cardholder. Client shall keep the transaction records for a period of at least one hundred eighty days (180) days from the transaction date.
- c. The Bank shall entertain disputes received from the Cardholders within a period of five (5) banking days from receipt of the notice, provided that such disputes were received within one hundred eighty (180) calendar days from the transaction date. The Bank reserves the right to change this period at its sole discretion.

B. Chargeback

- (i) The Bank has the right to Chargeback the total face amount of the Card transaction which has already been paid for by the Bank in any of the following instances:
 - a) In case of Client's failure to comply with any of its obligations, representation and warranties under this Agreement;
 - b) In case of any Cardholder dispute with respect to payments made which is not resolved within the Resolution Period;
 - c) In case the Client refuses to pay an outstanding obligation to the Bank such as, but not limited to, obligation arising from imposition of penalties; or
 - d) In case of Client's failure to submit transaction slips and/or reports when required by the Bank.
- (ii) The Bank shall issue the corresponding Chargeback advise to the Client, and the Bank shall deduct the amount from the net Settlement Amount upon written authorization from the Client.
- (iii) Upon issuance of the Chargeback advice from the Bank and upon written authorization from the Client, the Bank will deduct the Chargeback amount from the net Settlement Amount of the Client. If there is no Net Deposit due to Client, the Bank shall immediately give notice and submit supporting documents to the Client who shall then issue, after verification, a check payable to the Bank in the amount of the chargeback advise.

(iv) The provisions on Chargeback shall survive the termination of the Agreement.

10. REPORTS.

- A. The Bank shall provide the Client with the following reports upon the Client's written request as indicated in the ODS (Operations Data Sheet):
- (i) **COLLECTIONS REPORT via BUSINESS BANKING** - A web-based, downloadable report containing all the payments made to the Client using the payment channels under the UPAY Platform. Only authorized users indicated in the Business Banking Enrollment Form and/or UPAY ODS will have access to these reports. Clients must login using their credentials to access the website where the reports can be generated.
 - (ii) **REAL-TIME POSTING NOTIFICATION VIA API** - A client-hosted API may be called by the Bank at the time of the payment transaction.
- B. The Bank shall retain in its records copies of the reports sent to the Client for a maximum period of ninety (90) calendar days, beyond which the Bank shall no longer be obliged to preserve the same. If the Client does not dispute in writing the contents of the above-mentioned reports within thirty (30) banking days from receipt thereof, the information indicated therein shall be deemed valid, correct, and final.
- C. For discrepancies from UnionBank's crediting or Collection Report, the Client shall provide the Bank a list of all successfully posted transactions (payments that have been recognized, recorded, and reconciled in its system) from the previous day. If no such report is provided by the Client the next banking day, all payments are considered to have been acknowledged, recognized by, and binding on the Client. In case of conflict between the reports submitted by the Bank and those of the Client's, the Bank's records shall prevail.
- D. Each Facility shall have or be able to generate its respective proofs of payment that shall be automatically provided to the Payor when requested.

11. CLIENT WEBSITE / APPLICATION OBLIGATIONS FOR UPAY FACILITY

- A. Client shall assume sole responsibility for the development, publishing, and use of its own website. The Client's website shall be secure and must contain and clearly state, for the Payor's information, at a minimum, the following:
- (i) Complete description of services;
 - (ii) Address of Client where it is officially registered and located;
 - (iii) Comprehensive cancellation policies;
 - (iv) Comprehensive delivery policies;
 - (v) Statement on data privacy policies;
 - (vi) Description of security and data controls;
 - (vii) Such other information as may be required by the Bank.
- B. In using the Payment Facilities, the Client agrees:
- (i) Not to use the Payment Facilities in any manner, or in furtherance of any activity, which constitutes a violation of any applicable law, regulation, or which may result in fraud on any person, or which may cause the Bank to be subject to investigation, prosecution, or legal action;
 - (ii) To use information regarding a Card/Accountholder conveyed to Client only for the purpose of completing transactions for which it was instructed, and not to sell or otherwise furnish such information to others unless the Client has an independent source of such information or obtains the express consent of such Cardholder;
 - (iii) To use the Software in accordance with the terms on which the Software has been provided to the Client and not to attempt to modify, translate, disassemble, decompile, or reverse engineer the Software; and
 - (iv) That the Client's Website shall at all times comply with applicable law, rules, and regulations relevant to the use of the Service.
- C. The Client shall provide a commercially reasonable level of cardholder support to the Payors with respect to the transaction made on Client's website. Payor support shall include (i) a means of contacting the Client; and (ii) procedures for resolving disputes. If the Bank determines in good faith that Client's failure to comply with this provision is causing an unacceptable burden on Bank's cardholder support system even after a discussion with the Client to address and rectify, the Bank may either suspend or terminate the Agreement.
- D. The Client shall ensure that its website is compliant with the eCommerce authentication protocols and payment card operating procedure as mandated by the Card Brands and other payment providers. The eCommerce authentication protocols are declared SSL and integration requirements found in the Bank's API documentation as well as the compliance in sending card data to the Bank and non-storage of card data by the Client. The Client agrees to comply with Card Brands rules as well as the foregoing authentication protocols and other security and data protection rules and/or standards imposed by the Bank, the PCI-DSS, and the BSP, from time to time. In case of violation of any provision of this Section, subject to dispute raised by the Client to contest any alleged violation and submit supporting evidence to its dispute, the Client shall be liable to pay a penalty equivalent to the amount of (a) the penalty imposed by the Card Brands; and (b) the transaction involved plus actual of the amounts of the transaction in cases where there is an initial authorized transaction that has a different actual transaction amount. Said penalties uncontested by the Client may be deducted by the Bank from the payments collected upon written authorization of the Client.

- E. The Bank shall have the right to conduct random checks of the Client's website to determine compliance with this Section 11. Any breach by Client of this Section and of its website security commitments shall subject the Client to indemnification liabilities or penalties as provided for in this Agreement and shall entitle the Bank to terminate the Agreement.

12. ISSUES AND CONCERNS. The Bank's UnionBank Business Support ("UBS") shall assist in the handling and resolution of issues and complaints of the Client arising out of or in connection with this Agreement. The Client may contact UBS at business@unionbankph.com or through the contact details displayed in <https://www.unionbankph.com/corporate-directory>.

13. INTELLECTUAL PROPERTY

- A. All rights, interests and ownership over all intellectual property pertaining to any Software and Systems provided by the Bank to be used in providing the Collection Services via the Payment Facilities to the Client, shall remain vested in the Bank and/or its licensors. Client agrees that, except as expressly permitted by this Agreement or by applicable law, it will not by itself, or through any third party, do any of the following:
- (i) Reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, object code or underlying structure, ideas, know-how, or algorithms of the System or software, or any documentation, or data associated with the System, software or documentation;
 - (ii) Modify, translate, or create derivative works based on any software, documentation, Intellectual Property, or data associated with the System or software; or
 - (iii) Use the System or Software outside of the scope expressly permitted herein or sublicense, lease, sale transfer, or otherwise for the benefit of a third party.
- B. Unless otherwise expressly provided herein, no rights in and to either party's industrial or intellectual property is conveyed.
- C. In the event that either the System or Software provided by the Bank is held to be infringing, it is the Bank's obligation to do any of the following, at the option of the Bank:
- (i) Modify the System or Software to render the same non-infringing;
 - (ii) Procure for the Client, the right to continue using the System or Software;
 - (iii) Replace the System or Software or infringing part thereof with alternative, substantially equivalent, non-infringing materials.

14. REPRESENTATIONS AND WARRANTIES.

- A. Each Party represents and warrants that:
- (i) The execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate actions and government and/or regulatory approvals.
 - (ii) it shall implement a risk management infrastructure which includes internal fraud avoidance files, updated transaction controls and adaptive fraud detection tools.
 - (iii) its execution of and availment of services provided for in this Agreement will not result in any violation or breach of any law or any rule, issuance, or regulation of any governmental authority or administrative agency applicable to each Party.
- B. ~~The Bank makes no warranty of any kind, express, implied or statutory, regarding the Payment Facilities and any Software used in conjunction with the services, and all such warranties, including without limitation the implied warranties fitness for particular purpose and non-infringement are hereby expressly disclaimed by the Bank. The Client acknowledges that the Bank has not represented nor warranted that the services will be uninterrupted, error free, or without delay. The Client may not rely upon any representation or warranty regarding the services or software by any third party, not affiliated with nor engaged by the Bank to provide services under this Agreement, including, without limitation, representations or warranties by an ISP.~~

15. CONFIDENTIALITY AND DATA PRIVACY.

- A. Each Party shall protect all Confidential Information as defined and received from the other Party pursuant to and in relation to this Agreement, and shall treat the same with strict confidentiality. Neither Party shall provide, disclose, divulge, or disseminate any and all Confidential Information to third parties during and after the expiry or termination of this Agreement without the prior written consent of the Disclosing Party, except when disclosure is made to either Party's affiliates, agents, subcontractors, and professional advisers to the extent such disclosure is reasonably necessary to enable such Party to comply with its obligations under this Agreement. The responsibility of such disclosures and the liability of making such disclosures shall be exclusively on the Party making such disclosures.
- B. This confidentiality undertaking does not apply to information:
- (i) already known or independently obtained by the Receiving Party;
 - (ii) publicly known or becomes publicly known through no breach of this Agreement; or
 - (iii) required to be disclosed pursuant to a lawful order of a court or government agency, provided the Receiving Party provides the other Party with written notice of such order prior to disclosure and within such time as to allow the other Party reasonable opportunity to oppose such disclosure before a court or agency of competent jurisdiction.
- C. The Client hereby agrees to maintain the privacy of all its Payors and details of all customers in the performance of its obligations hereunder in accordance with prevailing laws.

- D. The Parties shall use or permit to use Confidential Information solely in connection with the use of the Payment Facilities and not for its own or any third-party benefit.
- E. The obligation to protect Confidential Information under this clause shall survive any expiry or termination of this Agreement.

16. LIMITATION OF LIABILITY AND INDEMNITY

- A. Neither Party shall be liable for indirect, incidental, special or consequential losses, including lost revenue, lost profit, replacement of goods, loss of technology, rights or services, loss of data, interruption or loss of use or service or system, even if advised of the possibility of said damages, resulting from the Client's availment and the Bank's provision of the Payment Facilities.
- B. The Bank shall not be liable for any and all losses, damages, injuries, or claims of whatever nature suffered by the Client or its Payors due to:
 - (i) Fortuitous events, force majeure, typhoons, floods, earthquakes, public disturbances, calamities, pandemics and other similar causes or due to any act or circumstance beyond the control of the Bank, or for which the Bank is not responsible, or not otherwise attributable to the fault or gross negligence of the Bank, such as but not limited to: (a) prolonged power outages, breakdown in computers and communication facilities, and similar cases; (b) inaccurate, incomplete or delayed transmission of information to the Client due to disruption or failure of communication devices used for Service;
 - (ii) Client's misuse of the Payment Facilities;
 - (iii) Inaccurate, incomplete, or incorrect information provided by the Client and/or its Payors to the Bank;
 - (iv) Omissions or delays of fund transfers due to circumstances beyond the reasonable control of the Bank, including errors, non-transmission or delays occurring on the part of the Partner Channels (if applicable), any of the relevant clearing house, or sending banks;
 - (v) Error, negligence, bad faith, fraud, or misrepresentation on the part of the Client, its employees, agents, or assigns and/or its Payors;
 - (vi) Use by the Payors of any mobile phone/gadget, software, or the Client's website to make payments to the Client;
 - (vii) any signal interception or electronic viruses that the Payor may encounter in the use of their mobile phone/gadgets or Client's website; and/or
 - (viii) any security breach in the Client's website.
- C. Any issue on deficiency of the payment (or any issue relating to the underlying transaction for the payment) shall be settled by the Client and the Payor. The Bank shall in no case be involved with any claim or dispute between the Client and its Payors for payment deficiencies (or any issue relating to the underlying transaction for the payment) or issues on amount received, which shall be exclusively settled between Client and the Payor. The Bank shall be rendered free and harmless and indemnified by the Client from any liability caused to the Bank relating to any dispute between the Client and the Payor.
- D. The Client shall indemnify and hold the Bank, its directors, officers, employees and agents free and harmless from and against any claim, suit, or proceeding and pay any settlement amounts or damages awarded by a court of final jurisdiction or arbitral tribunal arising out or in connection with (i) the willful acts, omissions or negligence of Client, its employees, or agents in the execution and performance of its obligations under this Agreement; (ii) infringement of a third party right in connection with the Software and/or the Payment Facilities; (iii) non-compliance with PCI-DSS and Cards Brand Rules; or (iv) any chargebacks, refunds, overpayments, or other invalidated payments caused by the Client.
- E. The Bank shall indemnify and hold the Client, its directors, officers, employees and agents free and harmless from and against any claim, suit, or proceeding and pay any settlement amounts or damages awarded by a court of final jurisdiction or arbitral tribunal arising out or in connection with (i) the willful acts, omissions or negligence of the Bank, its employees or agents in the execution and performance of its obligations under this Agreement; (ii) infringement of a third party right in connection with the Software and/or the Payment Facilities.

17. TERM AND TERMINATION

- A. Minimum Term of Service. This Agreement shall be for a minimum period of one (1) year from Effective Date and will automatically renew yearly under the same terms and conditions, unless earlier terminated in accordance with this Agreement.
- B. Notwithstanding the immediately preceding section, the Parties may terminate this Agreement upon prior written notice to the other Party and with immediate effect:
 - (i) when termination is required by law, rule, or regulation; or
 - (ii) when so ordered by a court of competent jurisdiction or other relevant regulatory agencies, such as but not limited to, the BSP.
- C. Beyond the Minimum Term of Service, either party may terminate this Agreement, with or without cause, upon service of written notice to the other Party thirty (30) days in advance of the intended termination date.

18. ANTI-GRAFT SANCTIONS AND RIGHT TO AUDIT

- A. Each Party certifies that it has not, directly or indirectly, given or promised to give, and will not give, any gift or favor to any director, officer, employee or any authorized representative of the other Party or any of its subsidiaries or affiliates in connection with the preparation, execution and implementation of this Agreement, except for ceremonial or token gifts of nominal value that are appropriate to the occasion on which they are given. Each Party acknowledges that any violation of this clause is a material breach of this Agreement that will result in the immediate termination hereof.
- B. The operations of the Client are and have been conducted at all times in compliance with applicable financial recordkeeping, reporting requirements, and money laundering statutes in the Philippines and any applicable or similar rules, regulations or guidelines, issued and administered or enforced by any government agency (collectively, "Money Laundering Laws"). No action, suit or proceeding by or before any court, governmental agency, authority, body, or any arbitrator involving the Client or any of its Affiliates with respect to Money Laundering Laws is pending and, to the best of the knowledge of the Client upon due enquiry, no such actions, suits or proceedings are threatened.
- C. Regulatory and Compliance. Each Party undertakes to comply with applicable laws, rules, and regulations and shall be jointly responsible for all regulatory requirements relating to the services availed by the Client, including approvals from relevant regulatory authorities to enable the Bank to comply with applicable laws, rules, and regulations concerning this Agreement.
- D. Each Party may request the other Party for information and records relating to financial transactions in connection with this Agreement as and when necessary to comply with applicable laws or rules and regulations of regulatory authorities and agree to cooperate with the other Party in respect of such requests.
19. **GOVERNING LAW AND DISPUTE RESOLUTION.** This Agreement, and all matters relating to it, shall be governed by, and construed in accordance with the laws of the Republic of the Philippines. Subject to the Parties' compliance with Section 20, any dispute or controversy arising out of or in connection with this Agreement not covered by arbitration or otherwise filed for interim reliefs, shall be instituted only in the proper courts of Pasig City or the City of Manila, at the option of the claiming Party, to the exclusion of all other courts.
20. **DISPUTE RESOLUTION.** Any dispute between the parties relating to this Agreement shall first be submitted in writing to a panel of four (4) consisting of two (2) senior executives each from either party, who shall promptly meet and confer in an effort to resolve such dispute. Each party shall designate such executives within five (5) business days after receipt of an appropriate notice in writing from the other party. Each party's executives shall be identified by notice to the other party and may be changed at any time thereafter also by notice to the other. The panel shall resolve the dispute not later than thirty (30) days from date of submission. If the matter is not resolved through negotiation within the specified period, the dispute, including any question relating to its existence, validity or termination thereof, shall be resolved with finality through arbitration in accordance with the rules of the Philippine Dispute Resolution Center, Inc., which rules are deemed to be incorporated by reference in this clause and which decision shall be final and binding to the Parties. The language of the arbitration shall be English.
21. **NOTICE.** All notices, including notices of address changes, required to be sent hereunder shall be in writing and shall be deemed to have been given when sent via fax, followed by ordinary post, or via ordinary mail, postage prepaid, to the addresses of the Parties stated below:

If sent to UnionBank:	If sent to Client:
UNION BANK OF THE PHILIPPINES	CLIENT NAME
Address:	Address:
Mobile No:	Mobile No:
Email:	Email:
Attention:	Attention:

to supply details

22. OTHER PROVISIONS

- A. The Bank shall be entitled, at its sole discretion but with prior consent of the Client, to assign all or part of the obligations under this Agreement to any third party.
- B. The failure of the Parties to insist upon a strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment, abandonment or waiver of any right or remedy available to such party, nor shall it be construed as a waiver, abandonment or relinquishment of any subsequent default, breach or violation of the terms, conditions and covenants herein contained, which shall be in full force and effect. No waiver by either Party shall be effective and binding unless expressed in writing and signed by the Parties.
- C. Unless otherwise provided in this Agreement, all remedies shall be cumulative and in addition to and not in lieu of any other remedies to either Party at law, in equity, or otherwise. Furthermore, there shall be no obligation upon either Party to exercise a specific remedy.
- D. If any of the provisions of this Agreement be declared invalid, unenforceable or illegal by a court of competent jurisdiction, such invalidity, unenforceability or illegality shall not affect the remaining provisions hereof or any vested right which may have already accrued in favor of either Party.
23. **ENTIRE AGREEMENT.** This Agreement constitutes the entire understanding and agreement of the Parties with regard to the subject matter hereof. It may be varied, modified, altered, or amended only by a written agreement executed by the parties after the date of execution hereof. All previous negotiations, undertakings, contracts, or

agreements between the parties on the subject matter hereof are deemed superseded, cancelled or revoked as of the date of execution hereof.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the date and place first above written.

AGREED AND ACCEPTED

UNION BANK OF THE PHILIPPINES

PROVINCIAL GOVERNMENT OF LEYTE

HON. CARLOS JERICO L. PETILLA

By Authority of the Governor:

SIGNATORY NAME
Signature Over Printed Name

CORAZON M. ALVERO

SIGNATORY NAME
Signature Over Printed Name

SIGNATORY NAME
Signature Over Printed Name

RUTH Y. SURPIA

SIGNATORY NAME
Signature Over Printed Name

SIGNED IN THE PRESENCE OF

SIGNATORY NAME
Signature Over Printed Name

SIGNATORY NAME
Signature Over Printed Name

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
 _____) S. S.

BEFORE ME, a notary public for and in the above jurisdiction, this ____ day of _____ 202_, personally appeared the following:

Name	Competent Evidence of Identity	Valid Until
Union Bank of the Philippines		

By: _____

PROVINCIAL GOVERNMENT OF LEYTE

By: **CORAZON M. ALVERO**
RUTH Y. SURPIA

all known to me to be the same persons who executed the foregoing **Agreement** consisting of _____ (____) pages on which this **Acknowledgment** is written, signed by the parties, and they acknowledged before me that the same is their own free and voluntary act and deed and that of the corporations represented herein.

WITNESS MY HAND AND NOTARIAL SEAL on the date and at the place first above written.

Doc. No. _____;
 Page No. _____;
 Book No. _____;
 Series of _____