

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement executed by and between:

LAND BANK OF THE PHILIPPINES, a government financial institution created and existing under and by virtue of the provision of Republic Act No. 3844, as amended, with principal office at LANDBANK Plaza, 1598 M. H. del Pilar corner Dr. J. Quintos Street, Malate, Manila, Philippines, represented in this Act by its President and Chief Executive Officer, **ALEX V. BUENAVENTURA** through his duly authorized representative, **MARISSA A. GARDUQUE**, Department Manager, North Avenue Branch hereinafter referred to as "**LANDBANK**",

- and -

PHILIPPINE COMPETITION COMMISSION, a government agency created and existing under and by virtue of Republic Act No. 10667, otherwise known as the Philippine Competition Act, with principal office address at 25/F Vertis North Corporate Center, Astra Corner Lux Drives, Vertis North, Mindanao Avenue, Quezon City, Philippines, represented herein by its Chairman, **ARSENIO M. BALISACAN** hereinafter referred to as "**PCC**".

WITNESSETH: that

WHEREAS, the **PCC** desires to avail of **LANDBANK**'s ATM Payroll System;

WHEREAS, **LANDBANK** is willing to extend said ATM Payroll System to the **PCC**, subject to terms and conditions as may be agreed upon;

NOW, THEREFORE, for and in consideration of the foregoing premises and of the terms and conditions hereinafter set forth, the above parties hereby mutually agree as follows:

1. The **PCC** shall cause 157 of its personnel/employees (number subject to change in the event **PCC** hires new employees) to each open at any **LANDBANK** Branch an ATM Payroll Account, subject to an average maintaining balance requirement of one hundred pesos only (P100.00) and to other existing **LANDBANK** policies and guidelines on deposit accounts and those that may be imposed in the future. ATM Payroll Accounts shall likewise be subject to service charges imposed by the BancNet, Expressnet and Megalink member banks on the usage of their ATMs or those that maybe imposed in the future.
2. Payment for the cost of initial ATM card issued to each qualified **PCC** employee shall be waived. However, cost of succeeding card replacements shall be for the account of the personnel/employees concerned.

3. Prior to the opening of the employees' individual ATM Payroll Accounts, **LANDBANK** shall conduct the proper training on the Anti-Money Laundering Act (AMLA), particularly on the Know-Your-Client (KYC) procedure, to the authorized representatives of the **PCC**.
4. The **PCC** shall conduct initial Know-Your Client (KYC) procedure on its employees prior to the opening of their individual ATM Payroll Accounts.
5. The **PCC** shall turn over to **LANDBANK** the duly accomplished Customer Information Sheet and Signature Card (CISSC) and other related documents of the employees within 30 days from the opening date of accounts. The same procedure shall be observed for any additional ATM Payroll Account to be opened.
6. The **PCC** shall advise **LANDBANK** in writing and seek approval for the addition of ATM Payroll Accounts to be opened for its personnel/employees **seven (7) banking days** before the applicable payroll credit date.
7. At least two (2) banking days prior to the applicable payroll credit date, PCC shall furnish **LANDBANK** the corresponding List of Due and Demandable Accounts Payable – Advice to Debit Account (LDDAP-ADA) and shall issue to **LANDBANK** an Authority to Debit from the Modified Disbursement System (MDS) Account the corresponding payroll amount.
8. The **PCC** shall submit within **two (2) banking days** before the applicable payroll credit date, two (2) printed copies of the Payroll Register and two (2) copies in storage media.
9. The **PCC** shall ensure that the same data contained in the Payroll Register submitted are stored in the storage media in a format conforming to **LANDBANK's** specification. It shall be labeled with the following:
 - Assigned company code;
 - Payroll credit date;
 - Number of records;
 - Payroll Amount; and
 - Filename of the PCC, which is, PN(Batch No.)PACS.
10. **LANDBANK** shall presume that the storage media and the data contained therein are correct and no further processing, adjustment, or alteration shall be made by **LANDBANK** and that the accuracy of the data submitted resides with the **PCC**.
11. **LANDBANK** shall take good care of the **PCC's** storage media to protect it from physical damage. However, **LANDBANK** shall not be held responsible for any alteration of its contents.
12. **LANDBANK** shall notify the **PCC** immediately upon knowledge/discovery that their payroll storage media is unreadable or any of the following discrepancies are noted:
 - Invalid number of record - the number of payroll accountees/employees reflected in the hard copy of the payroll register does not match with the number indicated in the storage media.

- Invalid amount - The amount to be debited from the account of the **PCC** does not tally with the authority to debit or check submitted by them with that of the hard copy of payroll register and storage media.
- Invalid hash total - Hash total in the payroll register does not tally with the hash total generated from the storage media.
- Invalid account hash - Account hash total in the payroll register does not tally with the account hash generated from the storage media.
- Omission of total/s in the payroll register - Uniform hash total/total number of records/amount/account hash is/are not indicated from the first page up to the last page of the payroll register.
- Batch number error -Error encountered during payroll file validation/forwarding by the Branch. This error happens when PCC is using older version of PACSVAL/FinDES. Message displayed during branch validation of PCC's CD or USB is "Batch Number Error".

The **PCC**, upon receipt of said notification from **LANDBANK**, or upon its own discovery that the storage media is unreadable or has discrepancies, shall immediately send its corrected payroll storage media to **LANDBANK** for timely processing in accordance herewith.

13. **LANDBANK** shall debit the MDS Account and credit the individual ATM Payroll Account on payroll date.
14. **LANDBANK** shall return the payroll storage media to the organization **five (5) days** after the payroll credit date.
15. **LANDBANK**, upon receipt of a written request from the **PCC** for specific instructions, such as but not limited to:
 - effect any adjustment/ correction to the payroll account;
 - dishonor/ disallow any withdrawal;
 - stop/ hold from making payment to any payroll account;
 - close any payroll account;

may decide to act in accordance with said request; provided that the **PCC** shall agree, as it is hereby agreed, to indemnify **LANDBANK** and/or any of its officers and employees for any and all liabilities that may arise therefrom. It is hereby understood that the employer has fully discussed the provisions of this Agreement with the "employee-depositors".

16. **LANDBANK** shall indemnify **PCC** for any loss or damage that PCC may suffer as a result of **LANDBANK**'s unjustified refusal to act in accordance with PCC's request (e.g. to disallow any withdrawal).
17. When the employment of any of the covered employee is terminated, the **PCC** shall:

- 17.1 Obtain the consent of the employee concerned either to close or to convert his ATM Payroll Account into a Regular ATM Account. In case of the latter, the account shall be subject to minimum balance requirement on Regular ATM Account in accordance with **LANDBANK's** policies and guidelines.
- 17.2 Advise **LANDBANK** in writing of such termination within **seven (7) banking days** from its effectivity, to enable **LANDBANK** to remove the employee's account from the payroll classification and transfer the same to Regular ATM Account or close the account as the case may be.
- 17.3 The **PCC** shall submit a quarterly updated list of its employees covered by this MOA, including a sub-list of names and account numbers of resigned, retired or terminated employees within the period, not later than **ten (10) banking days** after each reference quarter.
- 17.4 **LANDBANK** shall reconcile the quarterly updated list received from the **PCC** with the existing ATM Payroll Accounts enrolled to ensure that the ATM Payroll Accounts of the resigned, retired or terminated employees have been closed or reclassified to Regular ATM Account.
18. Except as specifically stated out/provided for as above, all other policies, procedures, terms and conditions of **LANDBANK** regarding the opening and handling of ATM Payroll Account shall continue to be observed.
19. This Agreement shall be subject to applicable laws of the Philippines, rules and regulations of the Bangko Sentral ng Pilipinas and Bankers' Association of the Philippines, as well as those that may be promulgated hereafter.
20. As disbursing agent under this Agreement, **LANDBANK** assumes no responsibility for the accuracy of the data supplied by the **PCC**. The **PCC** shall indemnify and hold **LANDBANK**, its officers, and employees free from any and all losses, damages, costs, and expenses that may be incurred by reason of its fulfillment in good faith of its obligations under this Agreement.
21. Neither **LANDBANK** nor any of its officers or personnel shall be liable for any act or omission in the fulfillment of its obligations herein provided, unless the same amounts to fraud, gross negligence, or willful malfeasance by **LANDBANK** or any of its officers. **LANDBANK** shall not be liable if the non-fulfillment of the obligations is due to force majeure, fortuitous events, natural calamities, labor strikes, or other circumstances beyond its control.
22. The **PCC** represents and warrants that it has taken all appropriate and necessary corporate actions to authorize the execution and delivery of this Agreement, and to comply with, and observe the terms and conditions thereof, as evidenced by the duly signed and notarized Board Resolution and/or Secretary's Certificate hereto attached as "ANNEX A".
23. This Agreement shall be effective upon signing by the parties hereof and shall continue to be valid and effective thereafter, until terminated by any party and giving the other party **thirty (30)** days prior written notice of termination.

24. **LANDBANK** shall conduct an annual monitoring and review of the performance of the **PCC** to assist in determining whether or not to continue with the ATM Payroll arrangement.

IN WITNESS WHEREOF, the parties through their respective authorized representatives have hereunto signed this 25 day of JUN 25 2018, 2018 at QUEZON CITY.

PHILIPPINE COMPETITION COMMISSION



By: **ARSENIO M. BALISACAN, PhD**
Chairman

LAND BANK OF THE PHILIPPINES



By: **MARISSA A. GARDUQUE**

SIGNED IN THE PRESENCE OF:



KENNETH V. TANATE, PhD
VIC, Executive Director



MA. ELENA A. BALASSU
Assistant Vice President,
Relationship Officer,
North NCR Cluster A



NOTARY PUBLIC
UNTIL DEC. 31, 2018
R.T. NO. 427-348-484-000
P.T. NO. 427-348-484-000
I.P. NO. 427-348-484-000
M.C. NO. 427-348-484-000
A.D. NO. 427-348-484-000
M.D. NO. 427-348-484-000

JUL, 1990
PAGE NO. 30
BOOK NO. 120
SERIES OF 2018

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

At the above stated place, on the JUN 25 2018 day of _____ before me personally appeared:

NAME

Government-Issued ID/ No.

Expiry

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

known to me to be the same persons who executed the foregoing instrument and acknowledged the same to be their free and voluntary acts and deeds as well as those of the corporation and instrumentality of the Government herein represented.

Said instrument refers to a **MEMORANDUM OF AGREEMENT** consisting of six pages including this page whereon the Acknowledgement is written, signed by the parties and their witnesses on the signature page hereof, and initialed on the other pages and sealed with the notaries seal.

NOTARY PUBLIC

Doc. No. 100
Page No. 20
Book No. 200
Series of 200

[REDACTED]
ROLL NO. 59421 TR NO
PTR NO. 59421 TR NO
IBF NO. 401620
MCLE COMP. V. 10
ADM. MATTER NO. 100
ADD: 112 VIC VEL BLDG. 100