

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

PHILIPPINE HEALTH INSURANCE CORPORATION, a Government Owned and Controlled Corporation duly organized and existing by virtue of Republic Act No. 7875 otherwise known as the National Health Insurance Act of 1995, with principal office address at No. 709, City State Center Bldg., Shaw Blvd., Pasig City, duly represented herein by its President and Chief Executive Officer, **ALEXANDER A. PADILLA**, hereinafter referred to as "**PHILHEALTH**",

and

DEVELOPMENT BANK OF THE PHILIPPINES, a government financial institution created and operating pursuant to Executive Order No. 81 dated December 3, 1986, as amended by Republic Act (R.A.) No. 8523 dated February 14, 1998, with principal address at DBP Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, herein represented by its President and Chief Executive Officer, **Gil A. Buenaventura**, hereinafter referred to as "**DBP**";

WITNESSETH: That

WHEREAS, in order to provide a more efficient and convenient payment channel to **PHILHEALTH**'s registered employers, **PHILHEALTH** has decided to adopt and implement an electronic and web-based collection platform herein referred to as "**PHILHEALTH Electronic Premium Reporting System (EPRS)**";

WHEREAS, **DBP** has agreed to provide and interface the "**DBPePayment System**" with the **EPRS**, utilizing BancNet's eGOV Facility, in order for **PHILHEALTH** to accept payments from registered employers online using their **DBP** accounts and **DBP** shall likewise provide reports, generated from the said BancNet eGOV Facility, necessary for **PHILHEALTH** to efficiently monitor payments made under the system;

NOW THEREFORE, for and in consideration of foregoing premises and the mutual covenants and conditions hereinafter set forth, the parties hereto have agreed, as they hereby agree, as follows:

ARTICLE I OBJECTIVES AND UNDERTAKING

1. This Agreement has been entered into by the Parties with the primary purpose and objective of providing **PHILHEALTH** registered employers an electronic online payment and collection facility.
2. The Parties shall work to establish and create a web-based solution for internet originated payments and collections supported by all necessary

facilities for the effective and efficient management and handling of the collection of **PHILHEALTH** contributions due from registered employers.

ARTICLE II COMMITMENTS AND UNDERTAKINGS

In order to attain the objectives of this Agreement, each Party hereby commits itself as follows:

PHILHEALTH shall:

1. Mandate all its registered employers to open a Current /Savings Account with zero (0) opening and maintaining balance with **DBP** where its remittances for **PHILHEALTH** shall be debited;
2. Mandate all its registered employers to utilize the **EPRS** and **DBPePayment System** for the remittance of contributions due to **PHILHEALTH**;
3. Provide **DBP** with all the necessary data and information, as well as other pertinent technical requirements, specifications, procedures and facilities for the installation and development of the **DBPePayment System**;
4. Open and maintain a Current/Savings Account with **DBP** where all collections will be credited in order to implement the objectives of this Agreement. The Current/Savings Account shall be an interest-bearing account subject to **DBP**'s Rules and Regulations and in accordance with applicable Bangko ng Sentral ng Pilipinas guidelines;
5. Allow **DBP** to put on hold a period of fifteen (15) days on the daily collections remitted to the Current/Savings Account of **PHILHEALTH**; and
6. Accept and post all transactions and/or payments sent by **DBP** in accordance with the terms and conditions set herein.

DBP shall:

1. Handle the opening of Current/Savings Accounts with zero (0) opening and maintaining balance for **PHILHEALTH** registered employers where remittances for **PHILHEALTH** shall be debited;
2. Secure all the necessary approvals, permits, and clearances from the Department of Finance, Bangko Sentral ng Pilipinas and other government agencies for the implementation of the project;
3. Accept, for and in behalf of **PHILHEALTH**, remittances of membership contributions from registered employers;
4. Remit all payments received for and in behalf of **PHILHEALTH** based on the agreed upon float period as stipulated in **PHILHEALTH**'s Agreement with BancNet for the collections coursed through BancNet's eGOV Facility;

5. Provide **PHILHEALTH** an online viewing facility for proper monitoring of fund balances and collections;
6. Submit the Collection Files containing all the details of the remittances received by **DBP** on behalf of **PHILHEALTH** to **PHILHEALTH** following the reportorial requirements embodied in the BancNeteGOV Facility Agreement;

ARTICLE III IMPLEMENTATING GUIDELINES

1. **DBP**, in accepting the remittances on behalf of **PHILHEALTH**, does not in any way guarantee that the amount remitted by the registered employer is the correct amount due or the correct payment for the state period or the employees covered therein, it being understood that by virtue of the foregoing collection arrangement, **DBP** shall not be required to verify with **PHILHEALTH** the correctness of the amount paid. **DBP** shall, however, ensure that the amount paid corresponds to the figures reflected in the system-generated acknowledgement receipt which is displayed in each successful transaction.
2. **DBP** agrees to provide **PHILHEALTH** an electronic facility for downloading of Collection Files containing all the details of the remittances received by **DBP** on behalf of **PHILHEALTH** and other electronic files that may be required by **PHILHEALTH**.
3. **DBP** shall undertake, in proper coordination with **PHILHEALTH**, an information dissemination campaign regarding arrangements embodied in this Agreement.

ARTICLE IV EFFECTIVITY

The Agreement shall be effective as of the date hereof and shall be enforceable until terminated by either party upon sixty (60) days prior written notice served to the other party. Upon such termination, **DBP** shall remit to **PHILHEALTH** all collections due to the latter, if any, and the relevant reports, records and documents required, pursuant to this Agreement.

ARTICLE V COMPLAINTS

1. Except for **DBP**'s failure to credit the Current/Savings Account for any payments received pursuant to and under the Agreement, **PHILHEALTH** shall be responsible for handling and/or settlement of registered employer's complaints. For this purpose, all registered employers who have complaints against **PHILHEALTH** shall be referred/directed by **DBP** to **PHILHEALTH**.
2. Any questions/complaints of **PHILHEALTH** with regard to this Agreement shall be handled by the **DBP** _____ Branch.

ARTICLE VI CONFIDENTIALITY

Both parties shall treat all customer, process, internet payment design, data and information as strictly confidential and shall not disclose any such data or information to any third Party without prior written consent of the other Party, except to the extent that such data or information is already in the public domain or is acquired from a third Party who is not in breach of any confidentiality undertaking or obligation with respect to the same, or where such disclosure is required by law, valid judicial order or process.

ARTICLE VII MISCELLANEOUS PROVISIONS

1. This Agreement shall be subject to a periodic review every after six (6) months and may be modified, amended or rescinded at any time for the mutual benefit and upon mutual agreement in writing of the Parties hereto.
2. It is understood and agreed that no employer-employee relationship shall exist or arise between **PHILHEALTH** and the **DBP** representative/s and other workers who may be contracted by the latter to carry out the services of **DBP** under this Agreement. **DBP** shall hold **PHILHEALTH** free and harmless from any claims and causes of action relating to the employment status of the **DBP's** representatives and workers who shall remain accountable solely to **DBP** in the performance of their duties.
3. 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 or waiver of any right or remedy a Party may have, not shall it be construed as a waived of any subsequent breach or default or the terms, conditions and covenants herein contained, which shall be in full force and effect. No waiver by either Party shall be deemed to have been made unless expressed in writing and signed by a duly authorized representative thereof.
4. If any of the provisions of this Agreement be declared invalid or illegal, such invalidity or illegality shall not in any way affect the remaining provisions hereof or any vested right which may have already accrued in favor of the Parties.
5. During the period when collections and payments made in accordance with this Agreement are not yet credited to the **PHILHEALTH** Current/Savings Account, risk of loss of the amounts collected electronically shall be the sole responsibility of **DBP**, without prejudice to the **DBP's** right to avail of its legal remedies against the person responsible for the loss.
6. **DBP** shall be relieved from the performance of its obligations and the payment of penalties under this Agreement in the event of force majeure.

7. This Agreement and the documents referred to herein or executed contemporaneously herewith constitute the entire Agreement of the Parties with respect to the subject matter hereof and shall supersede any prior expressions of intent or understanding with respect to this transaction.
8. Neither Party may assign or delegate its rights, duties or obligations under this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, a Party may assign this Agreement to an affiliate, subsidiary or any entity owned or controlled by the assigning Party, or pursuant to the merger, consolidation or corporate reorganization upon notice to **DBP**.
9. **PHILHEALTH** at its own expense, agrees to indemnify and hold **DBP**, its directors, officers and employees, free and harmless from any and all losses, damages or liabilities, of whatever kind and nature, including Attorney's fees, which **DBP** may suffer in connection with this Agreement for causes attributable to the fault or negligence of **PHILHEALTH** and/or its employees. Likewise, **DBP**, at its own expense, shall indemnify and hold **PHILHEALTH**, its directors, officers and employees free and harmless with respect to losses, damages or liabilities, including Attorney's fees, to the extent based upon (i) personal injury or property damage caused by the fault or negligence of **DBP** or its employees, or (ii) any breach or wilful, intentional or negligent actions or failures by **DBP** or its employees.
10. This Agreement shall be governed and construed in accordance with the laws of the Philippines.
11. All disputes, claims and controversies between the Parties arising from the interpretation or application of this Agreement shall be administratively settled or adjudicated in the manner provided under PD 242 in relation to relevant provisions of R.A.9285 and the Administrative Code of 1987.
12. The waiver or failure of a Party to exercise any right provided for herein shall not be deemed a waiver of any further right hereunder. The rights and remedies of a Party set forth in this Agreement are in addition to any rights or remedies the **PHILHEALTH** may otherwise have at law or in equity.
13. All provisions hereof relating to proprietary rights, confidentiality and non-disclosure and indemnification shall survive the completion of the collection services or any earlier termination of this Agreement.
14. In case of unresolved conflicts in the interpretation and implementation of this Agreement, the Parties agree to submit such dispute/s to arbitration in accordance with Philippine arbitration laws, rules and regulations.

IN WITNESS WHEREOF, the parties through their respective authorized representative have hereinto signed in this Agreement this _____ day of _____, 2015 at _____, Philippines.

**PHILIPPINE HEALTH
INSURANCE CORPORATION**

**DEVELOPMENT BANK OF THE
PHILIPPINES**

By:

By:

ALEXANDER A. PADILLA
President and CEO

GIL A. BUENAVENTURA
President and CEO

SIGNED IN THE PRESENCE OF

NAME OF WITNESS
Position

ANTHONY T. ROBLES
EVP, Branch Banking Sector

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
_____)

At the above stated place, on the _____ day of _____ 2015,
before me personally appeared:

NAME

**GOVERNMENT-ISSUED
IDENTIFICATION.NO.**

EXPIRY

ALEXANDER A. PADILLA

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed as well as the entities they respectively represent.

This instrument consists of ____ pages, including this page whereon this Acknowledgement is written and signed by the parties and their witnesses on each and every page thereof.

WITNESS MY HAND SEAL this _____ day of _____, 2015 at _____.

Notary Public

Doc. No. _____
Page No. _____
Book No. _____
Series of 2015

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
_____)

At the above stated place, on the _____ day of _____ 2015,
before me personally appeared:

NAME

**GOVERNMENT-ISSUED
IDENTIFICATION.NO.**

EXPIRY

GIL A. BUENAVENTURA

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Notary Public

Doc. No. _____

Page No. _____

Book No. _____

Series of 2015