

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HB NO. 1609



Introduced by Rep. Roseller L. Barinaga

EXPLANATORY NOTE

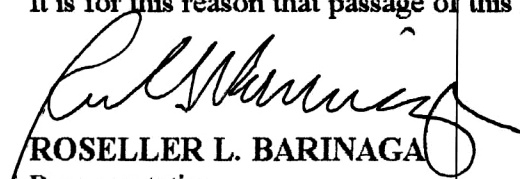
This bill mandates all mobile and landline telephone companies operating in the Philippines to register under the Department of Trade and Industry (DTI) and the Bureau of Internal Revenue (BIR) all manufactured or imported prepaid cards prior to their distribution and/or sale.

The sale of prepaid cards for cellular and landline telephones in the Philippines has been largely unmonitored by the Bureau of Internal Revenue (BIR). These can conveniently be bought from any business establishment or even from individual sidewalk entrepreneurs without the benefit of records and/or receipts. These transactions, therefore, escape the imposition and payment of the proper taxes due the government thus depriving the government of much needed revenue.

These transactions must be rationalized, regulated and monitored by the DTI and the BIR through an honest-to-goodness registration and/or recording system with the end of assessing and collecting taxes from corporations, partnerships and single proprietorships engaged in the business of selling these prepaid telephone cards.

During this time when our country urgently needs all the revenues it can get from various sources an effective tax assessment and collection effort is indispensable.

It is for this reason that passage of this bill is sought.


ROSELLER L. BARINAGA

Representative

2nd District, Zamboanga del Norte

Congress of the Philippines)
Thirteenth Congress)
First Regular Session)

HOUSE OF REPRESENTATIVES

HB NO. 1609

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AN ACT

MANDATING ALL MOBILE AND LANDLINE TELEPHONE COMPANIES OPERATING IN THE PHILIPPINES TO REGISTER UNDER THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) AND THE BUREAU OF INTERNAL REVENUE (BIR) ALL MANUFACTURED OR IMPORTED PREPAID CARDS PRIOR TO THEIR DISTRIBUTION AND/OR SALE AND PROVIDING PENALTIES FOR VIOLATION THEREOF

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

SECTION 1. *Registration of Prepaid Cards.* All mobile and landline telephone companies operating in the Philippines to register under the Department of Trade and Industry (DTI) and the Bureau of Internal Revenue (BIR) all manufactured or imported prepaid cards prior to their distribution and/or sale in the market.

SEC. 2. *Assessment and Collection of Taxes.* Pursuant to section 1 hereof, the BIR shall conduct thorough assessment of concerned telephone companies' production, manufacture or importation of prepaid said cards and is mandated to collect the necessary and appropriate revenues from said telephone companies.

SEC. 3. *Penalty.* Any mobile and landline telephone company found to have violated any provision hereof shall be subject to the appropriate penalty, to wit:

1) The penalty of imprisonment ranging from one (1) month to six (6) months shall be imposed on the President, Chief Executive Officer, Chairman, General Manager, Treasurer or other duly appointed officer; and

2) A fine of Five hundred thousand pesos (Php 500,000.00) to One Million pesos (Php 1,000,000.000) and the automatic revocation or cancellation of the business license of the company.

SEC. 4. *Guidelines.* Within ninety (90) days from the effectivity of this Act, the BIR shall issue the necessary implementing rules and regulations for the effective implementation of the provisions of this Act.

SEC. 5. *Repealing Clause.* All laws, decrees, rules and regulations or parts thereof, which are contrary to or inconsistent with this Act are hereby repealed or modified accordingly

SEC. 6. *Separability Clause.* If any part or provision of this Act is declared unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 7. *Effectivity.* This Act shall take effect fifteen days from its publication in two national newspapers of general circulation after its approval by the President.

Approved.