



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Sixteenth Congress
Second Regular Session

HOUSE BILL NO. 5676



Introduced by **Honorable Evelina G. Escudero**

EXPLANATORY NOTE

This bill seeks to provide for the full refund of an airline ticket which was cancelled by the purchaser of the ticket or the person named on the ticket at least three days before the scheduled flight.

In 1995, Executive Order No. 219 entitled "*Establishing the Domestic and International Civil Aviation Liberalization Policy*," issued by then President Fidel V. Ramos, liberalized the country's civil aviation policy. The liberalization led to the aggressive growth of the airline industry in the Philippines and resulted in the entry of new airlines drawing effective competition in the domestic aviation market.

Presently, the Civil Aeronautics Board approves the conditions of carriage of Philippine-registered airlines. These conditions of carriage include the policy on refunds. Airlines, whether local or foreign, have similar refund policies. Airlines allow voluntary refund subject to certain conditions including the payment of service charges or cancellation fees. It is only in cases of involuntary refunds such as if a carrier cancels a flight, fails to operate a flight reasonably according to schedule, fails to stop at a point to which the passenger is destined or ticketed to stop over, causes the passenger to miss a connecting flight on which the passenger holds a confirmed reservation, refuses carriage to a passenger in accordance with the conditions of carriage of the airline, or is unable to provide previously confirmed space, that an amount equal to the fare paid is fully refunded unless a portion of the ticket has been used. In case a portion of the ticket has been used, the refund will be the difference between the fare paid and the applicable fare for the transportation used. There are other analogous

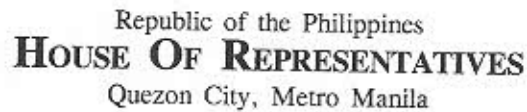
circumstances indicated in the conditions of carriage of the different airlines when refunds are granted.

This proposed measure seeks to protect the rights of passengers by granting them the privilege of availing a full refund for the amount of their ticket, without being imposed a service charge or cancellation fee, as long as the cancellation is made at least three days before the scheduled flight and subject to the submission of the ticket or other supporting documents.

In view of the foregoing, approval of this bill is earnestly sought.



EVELINA G. ESCUDERO



HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

HOUSE BILL NO.

1 AN ACT
2 MANDATING AIRLINES TO REFUND IN FULL THE
3 PURCHASERS OF AIRLINE TICKETS WHO CANCEL THEIR
4 FLIGHT RESERVATION AT LEAST THREE DAYS BEFORE THE
5 SCHEDULED FLIGHT AND PROVIDING PENALTY FOR
6 VIOLATION THEREOF

SECTION 1. Airlines operating in the country are mandated to provide full refund of the airline ticket, or any unused portion thereof, upon cancellation at least three (3) days before the scheduled flight by the person named on the ticket or the purchaser of the ticket without being imposed any service charge or cancellation fee.

19 Only regular fare tickets purchased in the Philippines shall be covered
20 by this Act.

1 SEC. 2. Any violation of this Act shall be punished with a fine of Ten
2 Thousand Pesos (P10,000.00). The fine shall be imposed for each violation
3 committed.

4 SEC. 3. Within ninety (90) days from the effectivity of this Act, the
5 Secretary of Transportation and Communications, in coordination with the
6 Secretary of Trade and Industry and the Civil Aeronautics Board, shall
7 promulgate the necessary rules and regulations for the effective
8 implementation of this Act.

9 SEC. 4. This Act shall take effect fifteen (15) days after its
10 publication in the *Official Gazette* or in a national newspaper of general
11 circulation.

12 Approved,