

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

SEVENTEENTH CONGRESS
First Regular Session



4404

House Bill No. _____

Introduced by **Honorable CARMELO B. LAZATIN II**

EXPLANATORY NOTE

As of 2016, there are 119 million mobile phones in the Philippines. With the current population at 101 million, that is equivalent to 118 mobile phones per 100 Filipinos.

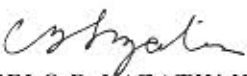
The proliferation of mobile phone subscriptions, most of them prepaid, is by turns a boon and a bane for the country. On the one hand, the easy procurement of a mobile phone subscription is a convenient way of availing of telecommunication services along with other related products and services, including mobile Internet, mobile banking, and mobile shopping, among others. On the other hand, the same presents a number of unwelcome and unintended consequences. Chief among these is the increase in the number of spam messages received and scams hatched via SMS or MMS.

On numerous occasions, mobile phones with unregistered SIMs have also been utilized as detonators in terrorist acts. Most often, SIM cards are used to commit crimes such as robbery, theft, and even worse, drug dealing and kidnapping. Also, various scams have been propagating through the use of mobile phones such as false lottery wins, "pasa-load" schemes and "budol-budol". The ease with which Subscriber Identity Module or SIM cards can be bought, either in street side stalls or convenience stores without the need to present any identification card, makes the perpetration of these scams and crimes easy to carry out.

Because SIM cards are not registered, it is difficult for the authorities to ascertain the identities of people behind these dastardly acts. The anonymity afforded by unregistered SIM cards enables criminals, terrorists, and spammers to carry out their unlawful acts with relative impunity.

This Bill seeks to require the registration of SIM cards before they are activated and used. This measure will not only lend adequate protection to subscribers from being bombarded with SMS and MMS messages that they did not consent to, it will also promote greater security by facilitating the easy identification and apprehension of individuals behind mobile-based scams and crimes.

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


CARMELO B. LAZATIN II

First District, Pampanga

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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SEVENTEENTH CONGRESS
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House Bill No. **4404**

Introduced by Honorable CARMELO B. LAZATIN II

**AN ACT REQUIRING THE REGISTRATION OF ALL USERS OF PRE-PAID SUBSCRIBER
IDENTITY MODULE (SIM) CARDS OF MOBILE PHONES 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. *Short Title.* – This Act shall be known as the “*Subscriber Identity Module (SIM) Card Registration Act.*”

SEC. 2. *Declaration of Policy.* – The State recognizes the vital role of information and communications technology in nation building. Corollary to this, the State shall promote the responsible use of modern telecommunications technology and install mechanisms to protect the public against unscrupulous individuals or groups who perpetuate crime by taking advantage of the benefits of modern technology.

Towards this end, the State shall require the registration of all users of pre-paid subscriber identity module (SIM) cards.

SEC. 3. *Definition of Terms.*—As used in this Act:

- 3.1 *Direct seller* refers to a person or entity, whether natural or juridical, which directly dispenses or sells a SIM card to an end user;
- 3.2 *Postpaid mobile phone* refers to a mobile phone, the service of which is provided by a prior arrangement with a public telecommunications entity, the user thereof is billed at the end of the monthly billing cycle according to the use of mobile service;
- 3.3 *Pre-paid mobile phone* refers to services provided by a public telecommunications company where credit is purchased in advance of service use at the point the service is accessed or consumed. If there is no available credit, then access to the requested service is denied;
- 3.4 *Public Telecommunications Entity or PTE* refers to any duly enfranchised and authorized public telecommunications entity that offers voice, short messaging system (SMS/text), mobile data, value-added service (VAS) or any other wireless telecommunications services to the public for a fee;
- 3.6 *SIM card registration* refers to the process of recording and verifying the mobile phone number and personal information of a subscriber, by a PTE or other direct seller, including but not limited to the subscriber's photograph, name, date of birth, gender, and address.

3.7 *Subscriber* refers to any individual who directly purchases a pre-paid SIM card from a public telecommunications entity or a direct seller for personal or business purpose;

3.8 *Subscriber Identity Module (SIM) card* refers to an integrated circuit that securely stores the mobile subscriber identity, encrypts voice and data transmissions and is the related key used to identify and authenticate subscribers on mobile telephone devices, such as mobile phones and computers. A SIM is a removable plastic card into which a circuit is embedded, and can be transferred between different mobile services.

SEC.4. *Registration of SIM Cards.* – Every PTE or direct seller shall require the subscriber of a SIM card to present valid identification with photo to ascertain his or her identity before the purchase is made. The PTE or direct seller shall further require the subscriber to accomplish and sign a control-numbered registration form issued by the respective PTE of the SIM card purchased. The registration form shall include an attestation by the subscriber which states that the subscriber personally appeared before the PTE or direct seller and the identification documents presented are true and correct. The confidentiality clause in the SIM card registration under Section 8 hereof shall start to apply at the point of sale.

Any subscriber who does not produce valid identification with photo and fails to accomplish a registration form in accordance with the requirements mentioned above and in the succeeding sections shall be denied purchase of the SIM card.

SEC. 5. *Representative Registration of SIM Cards.* – Any person who wants to purchase a SIM card but cannot personally register with the direct seller may, for valid reason, authorize another as his representative to register in his behalf, subject to the following conditions: (1) that the representative is authorized through a duly notarized Special Power of Attorney; and (2) that the principal and his representative should present an original and a true and clear copy of any of the valid identification cards with photo listed under Section 6 (a) hereof.

In case the person intending to purchase is a minor, the parent or guardian shall be required to give their express consent in writing, and submit the same with the registration form and valid identification cards with photo of both the minor and the parent or guardian.

The direct seller may deny the request for representative registration after an assessment finding that the reason given thereof is not valid, or that the identification cards or their true copies are not authentic or sufficient.

SEC. 6. *Coverage of Registration.* – All PTEs and direct sellers are hereby mandated to register pertinent data in a registration form devised for the purpose, to include the following information and requirements:

- a) Full name and complete address of the subscriber appearing in a valid government-issued identification document with photo. In view thereof, SIM card subscribers shall be required to present the original and submit a true and faithful reproduction or photocopy of any two (2) of the following government identification documents with photo:
 1. Driver's license;
 2. Social Security Service/Government Service Insurance System (SSS/GSIS) card;
 3. Passport;
 4. Senior Citizen's card;
 5. Person with disabilities card;
 6. National Bureau of Investigation (NBI) clearance;
 7. Police clearance;
 8. Firearms license;
 9. Voter's identification card;
 10. Professional Regulation Commission (PRC) identification card;
 11. School identification card (in case of a minor);
 12. Postal identification card; and

13. Other government issued identification cards.

- b) Assigned cell phone number of SIM card(s) and its serial number; and
- c) Date of purchase of the SIM card.

SEC. 7. *Verified List of Direct Sellers, Dealers or Agents.* – All PTEs shall submit to the National Telecommunications Commission (NTC), within thirty (30) days from the date of effectivity of this Act, a verified list of their current direct sellers, authorized dealers or agents nationwide. Thereafter, the PTEs shall submit to the NTC updated list of its authorized dealers, direct sellers or agents every quarter of each year,

SEC. 8. *Confidentiality Clause.* – Any information in the SIM card registration shall be treated as absolutely confidential, except upon prior written consent of the subscriber or when public safety or order requires its disclosure to law enforcement authorities. *Provided*, that the waiver of absolute confidentiality shall not be made as a condition for the approval of subscription agreements with the PTEs.

SEC. 9. *Disclosure of Information.* – The PTEs shall be required to provide information contained in the SIM card registration only upon order of a competent court upon findings of probable cause that a particular number is used in the commission of a crime or that it was utilized as a means to commit an unlawful act.

SEC.10. *SIM Card Register.* – The registration form mentioned in Section 6 of this Act shall be accomplished in triplicate, and shall be forwarded by the direct seller to the appropriate PTE within fifteen (15) days from the date of sale. The required registration form and the copies thereof shall be certified by either the President, General Manager, Treasurer, Secretary, or any other duly appointed officer of the PTE or direct seller, as the case may be.

All PTEs are required to submit a SIM Card Register of both their postpaid and prepaid mobile phone users to the NTC every two (2) months, and maintain a record containing information mentioned under Section 6 of this Act.

In case of loss or any change in the information after the acquisition of the SIM card, the subscriber must notify the PTEs within seven (7) days from such loss or change. The concerned PTE in return must notify the NTC of such loss or change in the information within seven (7) days from receipt of notification from the subscriber.

All PTEs are required to keep the data of their subscribers and the NTC shall see to it that this data is being kept with utmost confidentiality as provided for under Section 8 of this Act and in accordance with existing laws.

SEC. 11. *Registration of Existing Prepaid Mobile Phone Subscribers.* – All existing mobile phone subscribers with active prepaid SIM cards are required to register with their respective PTE within thirty (30) days from the effectivity of this Act. Failure to register within the prescribed period shall authorize the PTE to automatically deactivate its services to the specific existing prepaid SIM card subscriber.

The PTE is directed to keep an updated database or record of all their pre-paid subscribers and submit the same to the NTC within sixty (60) days after the period of registration as prescribed in this Act.

SEC. 12. *Penalties.* – The following penalties shall be imposed for violation of any provision of this Act;

- a) If the offense is committed by a PTE, the President and other executive officers shall be held liable and the following penalties shall be imposed:
 - 1. First offense: A fine of Fifty thousand pesos (P50,000);
 - 2. Second offense: A fine of One hundred thousand pesos (P100,000); and
 - 3. Third and subsequent offenses: A fine of Three hundred thousand pesos (P300,000)
- b) Any responsible officer of the PTE who shall refuse to disclose the identity and personal circumstances of the pre-paid SIM card subscriber or shall refuse to cooperate with law enforcement agency after the latter shows proof that the pre-paid SIM card was used in the commission of a crime or illegal purpose, shall be liable to pay a fine of Five hundred thousand pesos (500,000.00).

- c) Any PTE found to have been continuously violating any provision of this Act, shall suffer the penalty of revocation of its franchise, upon the recommendation of the NTC to Congress;
- d) Any direct seller who is found violating any of Sections 4,6, 8 or 10 of this Act shall be punished with the following penalties:
 - 1. First Offense -- A fine of Five thousand pesos (P5,000.00)
 - 2. Second Offense -- A fine of Ten thousand pesos (P10,000.00)
 - 3. Third Offense -- A fine of Fifteen thousand pesos (P15,000.00)
- e) Any direct seller who is found guilty of violating any of Sections 4,6,8 or 10 of this Act for the third time shall, in addition to the fine, be prohibited from being a direct seller of any PTE.

SEC. 14. *Subscriber's Criminal Liability.*—Any subscriber who knowingly provides false or misleading information as mandated in Section 6 of this Act shall be subject to criminal prosecution under Article 171 or Article 172 of the Revised Penal Code.

SEC. 15. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the NTC, shall promulgate the rules and regulations for the effective implementation of this Act.

SEC. 16. *Separability Clause.* – If any provision or part of this Act is declared unconstitutional or invalid, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 16. *Repealing Clause.* –All laws, decrees, orders, rules and regulations, and other issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby deemed amended or repealed.

SEC. 17. *Effectivity.*— This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,