

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **7523**



Introduced by Representative MICHAEL L. ROMERO

EXPLANATORY NOTE

A **Postpaid Subscription** typically requires two essential components in order to make the **post-usage** framework viable:

1. **Credit history/Contractual commitment:** This is the basis on which the service provider is able to trust the customer/subscriber with paying their bill when it is due and for the former to have a legal recourse in case of non-payment.
2. **Service tenure:** All postpaid providers require customers/subscribers to sign long term **(6 to 30 months)** contracts committing to use of the service.
3. Failure to complete the term would make the customer *liable for early termination fees and other processing fees.*

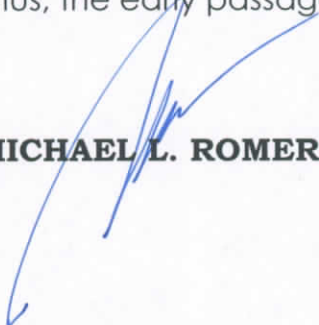
The Statement of Account **(SOA)** itself is an important component of the services which acts as an envoy of the service provider and serves an evidence of the service itself.

This House Bill seeks to foster the protection and interests of the consumer, promote general welfare and to establish fair standards of conduct for all business and industry.

Towards this end, the State shall implement measures to achieve these noble objectives.

Thus, the early passage of this bill is earnestly requested.

MICHAEL L. ROMERO Ph.D.

A handwritten signature in blue ink, consisting of a large, stylized 'M' followed by 'L. ROMERO', is written over the printed name.

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AN ACT

PROHIBITING ALL TELECOMMUNICATIONS COMPANY (**SERVICE PROVIDER**) TO CHARGE AND COLLECT PRE-TERMINATION FEES AND OTHER ADMINISTRATIVE-PROCESSING FEES TO SUBSCRIBERS WHOSE POSTPAID SUBSCRIPTION WERE **PRE-TERMINATED** DUE TO ACTS OF **TAMPERING, SABOTAGE AND ALL OTHER FRAUDULENT SCHEMES**, TO FOSTER CONSUMER PROTECTION UNDER THE DURATION OF ITS **SERVICE CONTRACT**, PROVIDING PENALTIES AND SANCTIONS, AND FOR OTHER PURPOSES

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

SECTION 1. DECLARATION OF POLICY – it is hereby declared a policy of the state to:

- a. Promote and rationalize the interests of the consumers;
 - b. Foster the general welfare and create justifiable standards of protocol for all business and industries;
 - c. Protect against all forms of deception, unfair and unethical practices and schemes;
 - d. Facilitate the proper implementation of the rights of the consumer;
- and

- e. Hasten the imposition of all existing policies and guidelines of the RA7394 (**Consumer act of the Philippines**).

SECTION 2. PROHIBITING THE COLLECTION OF PRE-TERMINATION CHARGES AND OTHER ADMINISTRATIVE FEES:

- a. All telecommunications company / service provider shall be prohibited from charging and collecting pre-termination fees and other administrative-processing fees to all subscribers whose postpaid subscription were pre-terminated due to acts of tampering, sabotage and all other fraudulent schemes;
- b. This prohibition shall apply to all postpaid subscriptions under a service contract, regardless of the duration of its contract;
- c. This prohibition shall apply regardless of the tenure of the contract consummated by the subscriber; and
- d. Termination shall be executed and effective immediately; upon the justification and acknowledgement of the tampering, sabotage and all other fraudulent schemes.

SECTION 3. PENALTIES AND SANCTIONS:

For every violation of this act; or for very failure to comply with;

The Telecommunications company/Service provider shall pay a fine of not less than Two hundred thousand pesos (**₱200,000.00**) for the first offense; a fine of not less than Five hundred thousand pesos (**₱500,000.00**) for the second offense.

In case of subsequent offenses;

The penalty shall be a fine of not less than One million pesos (**₱1,000,000.00**), and revocation of the franchise to operate.

SECTION 4. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six **(6)** months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 5. IMPLEMENTING RULES AND REGULATIONS – The departments and agencies charged, to be led by the Bureau of Communication Services **(BCS)** of the PCOO, Department of Trade and Industry **(DTI)**, Department of Information and Communications Technology **(DICT)** and the National Telecommunication Commission **(NTC)** with carrying out the provisions of this Act, shall within sixty **(60)** days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 6. REPEALING CLAUSE – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 7. SEPARABILITY CLAUSE – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 8. EFFECTIVITY CLAUSE – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,