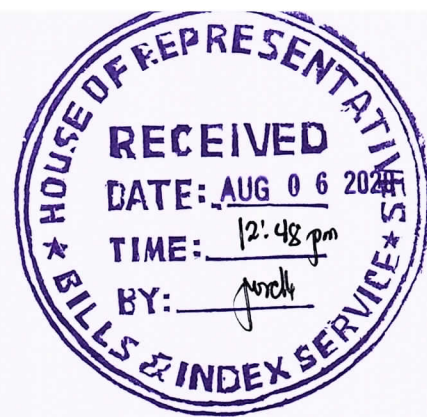


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7307



Introduced by **Rep. ANGELO MARCOS BARBA**
2nd District, Ilocos Norte

**AN ACT PROTECTING PUBLIC TELECOMMUNICATIONS
SUBSCRIBERS AGAINST UNAUTHORIZED SERVICES AND
CONSUMPTION OF LOAD CREDITS AND IMPOSITION OF
EXPIRATION PERIOD ON THE VALIDITY OF PREPAID LOAD
CREDITS AND THE FORFEITURE THEREOF**

EXPLANATORY NOTE

Prepaid plans are known to be economical. Spending is controlled and tailored to one's needs. There are no fees and no lock-in periods—that's why it is more appealing to the majority of Filipinos.

In fact, the number of prepaid subscriptions in the country has been steadily increasing. Data from 2018 show that there are over 129 million mobile prepaid subscribers.¹ The increase may be attributed to the order of the National Telecommunications Commission (NTC) to extend the validity of prepaid load credits to one year, allowing prepaid subscribers to have more time in consuming their load credits.

While the extension of the validity period is laudable, the imposition of an expiration on the validity period of prepaid load defeats the purpose of prepaid subscription as it forces a subscriber to consume load credits or risk its forfeiture. Thus, a subscriber loses his or her money's worth.

As a representative of the people, this representation sees the need to go further than the NTC order and proposes a measure to prohibit the imposition of expiration period on the validity of prepaid load.

The bill also seeks to protect prepaid and postpaid subscribers from deceptive, unfair, and unconscionable trade acts and practices of telecommunication companies by prohibiting the enrollment of subscribers to unauthorized value-added services (VAS) without the subscriber's consent and then billing them for unauthorized VAS which has the effect of reducing the prepaid credit or increasing the postpaid amount due from a subscriber.

¹ Lamiel, C. 10 May 2019. Yugatech. Globe vs PLDT: Which had more mobile subscribers in 2018? Retrieved from <https://www.yugatech.com/internet-telecoms/globe-vs-pldt-mobile-subscribers-in-2018/#sthash.wdF0SdeD.dpb> s on August 5, 2020.

Any director, officer, employee, or agent of a public telecommunications entity providing prepaid and postpaid services shall be penalized for violating any of the acts mentioned in this proposed Act.

In light of the foregoing, the passage of this bill is most earnestly sought.



ANGELO MARCOS BARBA

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EIGHTEENTH CONGRESS
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House Bill No. 7307

Introduced by **Rep. ANGELO MARCOS BARBA**
2nd District, Ilocos Norte

**AN ACT PROTECTING ALL TELECOMMUNICATIONS
SUBSCRIBERS AGAINST UNAUTHORIZED SERVICES AND
CONSUMPTION OF LOAD CREDITS AND IMPOSITION OF
EXPIRATION PERIOD ON THE VALIDITY OF PREPAID LOAD
CREDITS AND THE FORFEITURE 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 “Protection of
Telecommunication Subscribers Act”.

SECTION. 2. *Declaration of Policy.* – It is the policy of the State to
protect the interest of consumers and promote their general welfare.

To this end, the State shall implement measures that shall safeguard the
consumers from deceptive, unfair, and unconscionable trade acts and
practices in the telecommunications industry.

SECTION 3. *Definition of Terms.* – As used in this Act, the following
terms are defined as follows:

- a. *Active Prepaid Account* refers to a number with any activity involving
voice, short messaging system (SMS) or text, mobile data, value-added
services (VAS), or any other telecommunications service;
- b. *Dormant Prepaid Account* refers to a number without any activity
involving voice, short messaging system (SMS) or text, mobile data,
value-added services (VAS), or any other telecommunications service
within a period of one year;
- c. *Load Credit* refers to the monetary value or consumable amount
loaded to a mobile or landline phone via prepaid cards or electronic
transfers that enable a consumer to use telecommunication or
value-added services;
- d. *Prepaid Subscribers* refers to any person, natural or juridical, who
avails of telecommunications services from a telecommunications

- entity and/or information and communications technology provider by purchasing credit in advance of service use. The purchased credit is used to pay for telecommunications services at the point the service is accessed or consumed;
- e. *Unauthorized service* refers to a service for which a subscriber did not provide expressed and informed consent;
 - f. *Unsought services* refer to services which include ringing tones, polyphonic tones, video and picture messages, and other similar services that a subscriber did not purchase under his postpaid or prepaid account but is, nonetheless, sent or transmitted without permission;
 - g. *Public Telecommunications Entity* refers to any person, firm, partnership or corporation, government or private, engaged in the provision of telecommunications services to the public for compensation; and
 - h. *Telecommunications* refers to any process which enables a telecommunications entity to relay and receive voice, data, electronic messages, written or printed matter, fixed or moving pictures, words, music or visible or audible signals or any control signals of any design and for any purpose by wire, radio or other electromagnetic, spectral, optical or technological means.

SECTION 4. *Prohibited Acts.* – The following shall constitute prohibited acts of any public telecommunications entity or information and communications technology provider and are hereby declared unlawful:

- a. Enrolling subscribers to unauthorized value-added services (VAS) and/or unsought services without the subscriber's consent;
- b. Billing subscribers' accounts for unauthorized VAS and/or unsought services which has the effect of reducing the prepaid credit or increasing the postpaid amount due from a subscriber;
- c. Imposition on an expiration period on the validity of unused load credit;
- d. Forfeiture of prepaid load credits on an active prepaid account, save for the purpose of availing of the mobile number portability service;
- e. Refusal to give refund to any subscriber whose load credits were forfeited or charged without any valid cause; and
- f. Failure to provide electronic receipt as provided under Section 5 of this Act.

In view of paragraphs (c) and (d), a prepaid account that has become dormant shall be deducted one peso for every day of inactivity from its remaining load credits until such credits are fully consumed.

SECTION 5. *Obligation to provide electronic receipt(s).* – Every public telecommunications entity shall inform its subscribers via text message, free of charge, on the deduction to their load credit for calls, data, and VAS usage.

SECTION 6. *Penalties.* – Any director, officer, employee, or agent of a public telecommunications entity providing prepaid and postpaid services who shall violate any of the acts mentioned under Section 4 hereof shall, upon conviction, be subject to a penalty of a fine of not less than One hundred thousand pesos (PhP100,000.00) but not to exceed One million pesos (PhP1,000,000.00) or imprisonment of not less than two (2) years, but not more than six (6) years, or both, upon the discretion of the court.

If the violation was committed by or in the interest of a juridical person duly licensed to engage in business in the Philippines, the following penalties shall be imposed:

- a. First offense – a fine of Five hundred thousand pesos (PhP500,000.00);
- b. Second offense – a fine of One million pesos (PhP1,000,000.00) plus suspension of license to engage in business for a period of thirty (30) days;
- c. Third offense – a fine of Two million pesos (PhP2,000,000.00) plus immediate revocation of license to engage in business.

SECTION 7. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the effectivity of this Act, the National Telecommunications Commission shall coordinate with the Department of Information and Communications Technology and the Department of Trade and Industry to promulgate the rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act, including the issuance of proper and adequate information dissemination of its contents and benefits to the public.

The IRR issued pursuant to this Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

SECTION 8. *Separability Clause.* Any portion or provision of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying the other portions or provisions hereof as long as such remaining portion or provision can still subsist and be given effect in their entirety.

SECTION 9. *Repealing Clause.* All laws, decrees, orders, rules, and regulations or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 10. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or any two (2) newspapers of general circulation in the Philippines.

Approved,