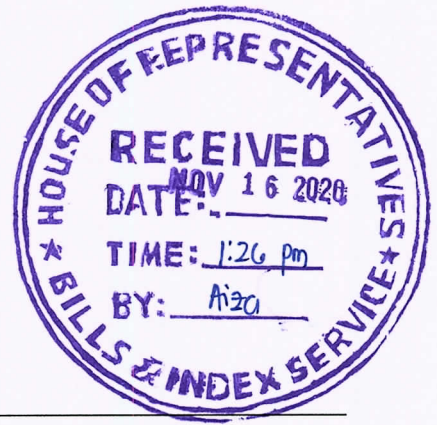


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **8009**



Introduced by **HON. STRIKE B. REVILLA**

EXPLANATORY NOTE

This bill seeks to prohibit the expiration of the validity of prepaid load credits and its eventual forfeiture.

It is important that the government finds a middle ground where protecting consumer rights goes hand in hand with unduly hampering an industry from gaining a return of its investment and maximizing its ability to profit.

As of 2018, there are more or less One Hundred Thirty Million (130,000,000) prepaid subscribers, most of which view having prepaid load credits as a basic necessity in which every peso of such prepaid load matters. With the occurrence of the COVID-19 Pandemic this 2020, households have resorted to cutting their expenses in order to save more money. This is one simple way the government can help the households of its prepaid load credits subscribers.

More importantly, during critical situations, the ability to have prepaid load credits in order to message or call may be the difference from savings lives, all the more with elders who may be unfamiliar with the expiry of prepaid load credits or are unable to monitor when their prepaid load credits would expiry.

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


REP. STRIKE B. REVILLA
2nd District, Cavite

NOV 16 2020

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8009

Introduced by **HON. STRIKE B. REVILLA**

AN ACT
PROHIBITING ALL PUBLIC TELECOMMUNICATIONS ENTITIES AND
INFORMATION AND COMMUNICATIONS TECHNOLOGY PROVIDERS FROM
IMPOSING AN EXPIRATION PERIOD ON THE VALIDITY OF PREPAID LOAD
CREDITS AND THEIR FORFEITURE

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

SEC. 1. This Act shall be known as the “*Prepaid Load Protection Act*”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to recognize the important role of information and communications technology. It also recognizes the vital role of the private sector with economic growth. But most of all, it recognizes the importance of protecting the interest of its citizens and their general welfare, and as such, it must establish standards of conduct for business and industry.

Towards this end, the State shall implement measures to achieve among others, the protection of consumers against deceptive, unfair, and unconscionable sales act and practices.

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

- 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 within a period of one year;
- 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. Information and Communications Technology (ICT) – refers to the totality of electronic means to access, create, collect, store, process, receive, transmit, present, and disseminate information;
- d. Information and Communications Technology Provider (ICT Provider) – refers to any entity in the ICT sector, which includes telecommunications and broadcast information operators, ICT equipment manufacturers,

multimedia content developers and providers, ICT solution providers, internet service providers, ICT training institutions, software developers, and ICT-ES providers;

- e. Prepaid – refers to the type of account that requires its owners to purchase load credits before telecommunications services can be used;
- f. Prepaid Load Credit – refers to the monetary value or the consumable amount loaded via prepaid card or electronic load to a device that enables a subscriber to use telecommunications services;
- g. Prepaid Subscriber – refers to any person, natural or juridical, who avails of 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;
- h. Public Telecommunications Entity (PTE) – refers to any duly authorized public telecommunications entity that offers voice, short messaging system (SMS) or text, mobile data, value added services (VAS), or any other telecommunications service to the public for a fee; and,
- i. 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.

SEC. 4. *Prohibited Acts.* – The following shall constitute prohibited acts of any PTE or ICT provider and are hereby declared unlawful:

- a. Imposition of an expiration period on the validity of unused prepaid load credits, whether purchased via prepaid card or electronic load;
- b. Forfeiture of such prepaid load credits on an active prepaid account, save for the purpose of availing of the mobile number portability service; and,
- c. Refusal to give a refund to any prepaid subscriber whose load credits were forfeited without any valid cause.

In view of paragraph b, a prepaid account that has become dormant shall be deducted one peso for every day inactivity from its remaining load credits until such credits are fully consumed.

SEC. 5. *Penal Provision.* – Any director, officer, employee, or agent of a PTE or ICT provider providing prepaid telecommunications services who shall violate any of the acts mentioned under Sec. 4 hereof shall, upon conviction, be subject to the 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; and,
- c. Third offense – a fine of Two Million Pesos (PHP2,000,000.00) plus immediate revocation of license to engage in business.

SEC. 6. *Implementing Rules and Regulations (IRR)*. – Within ninety (90) days from the effectivity of this Act, the National Telecommunications Commission (NTC) shall coordinate with the Department of Information and Communications Technology (DICT), and the Department of Trade and Industry (DTI) to promulgate 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 general public.

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

SEC. 7. *Separability Clause*. – If any provision of this Act shall be deemed unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect.

SEC. 8. *Repealing Clause*. – All Acts, Presidential Decrees, Executive Orders and Administrative Orders, Rules and Regulations, and other such issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 9. *Effectivity* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,