

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5097



Introduced by **HON. GUS S. TAMBUNTING**

AN ACT
PROTECTING TELECOMMUNICATION SUBSCRIBERS AGAINST UNAUTHORIZED
SERVICES AND CONSUMPTION OF LOAD CREDITS

EXPLANATORY NOTE

We currently live in a digital era wherein jobs, businesses, and even schools, require telecom services and internet services. Considering the importance of this service, this measure seeks to protect consumers from unauthorized services and charges which consume load credits of subscribers without notice. This has been a rampant problem for prepaid subscribers, preventing them from getting the full value of the load credits they paid for. This measure also prohibits the imposition of expiration on the validity of unused load credits and billing subscribers' accounts for unauthorized value-added services which have the effect of reducing the prepaid credit or increasing the postpaid amount due from a subscriber. Under this measure violators shall be subject to a fine ranging from one hundred thousand pesos (PHP 100,000.00) to one million pesos (P1,000,000.00).

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


REP. GUS S. TAMBUNTING
2nd District, Parañaque City

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

SECTION 1. Short Title. – This Act shall be known as the “Telecommunication Subscriber's Protection Act”.

SEC. 2. Declaration of Policy. – The State recognizes the vital role of telecommunication in economic growth and development. Towards this end, the State shall implement measures to achieve the following objectives:

- a) Safeguard telecommunication subscribers against deceptive, unfair, and unconscionable trade acts and practices;
- b) Provision for information, and education to facilitate sound choice and the proper exercise of rights by the consumer; and
- c) Provision for adequate rights and means of redress for subscribers.

SEC. 3. Definition of Terms. – As used in this Act, the term:

- a) *Account* refers to the financial credit of a subscriber;
- b) *Load credit* refers to the monetary value or the consumable amount loaded to a mobile or landline phone via pre-paid cards or electronic transfers that enable a consumer to use telecommunication or value-added services;
- c) *Pre-paid* refers to the type of mobile or landline phone account that requires its owners to purchase load credit before services are used;
- d) *Pre-paid call and text card* refers to a card with a corresponding peso value that has to be purchased to enable a subscriber to use telecommunication services;
- e) *Unauthorized service* refers to a service for which a subscriber did not provide expressed and informed consent; and

- f) *Unsought services* refer to services that include ringing tones, polyphonic tones, video and picture messages, etc., that a subscriber did not purchase under his postpaid or prepaid account but are nonetheless sent or transmitted to him without permission.

SEC. 4. Obligation to Provide an Electronic Receipt. – Every telecommunication company shall inform its subscribers via text message of the deduction to their load credit for calls, data, and value-added service usage.

SEC. 5. Prohibited Acts. – An entity issuing load credit in exchange for telecommunication or value-added services shall be liable for any of the following acts:

- a) Imposition of an expiration period on the validity of unused load credit;
- b) Forfeiture of load credit stored on an active pre-paid phone account via pre-paid call and text card or electronic transfer;
- c) Refusal to give a refund to any pre-paid subscriber whose load credit was forfeited without any valid cause;
- d) Enrolling subscribers in unauthorized value-added services without the subscriber's consent;
- e) Billing subscribers' accounts for unauthorized value-added services which have the effect of reducing the prepaid credit or increasing the postpaid amount due from a subscriber; and
- f) Failure to provide an electronic receipt as provided under Section 4.

SEC. 6. Penalties. – Any director, officer, employee, or agent of a telecommunication company providing telecommunication services who shall commit any of the acts under Section 5 hereof, shall, upon conviction, be subject to the penalty of a fine of not less than One hundred thousand pesos (P 100,000.00) but not to exceed One million pesos (P 1,000,000.00).

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 penalty shall be imposed:

- a) First Offense – Fine of Five hundred thousand pesos (P 500,000.00);
- b) Second Offense – Fine of One million pesos (P 1,000,000.00) and suspension of license to engage in business for a period of thirty (30) days; and
- c) Third Offense – Fine of Two million pesos (P 2,000,000.00) and immediate revocation of license to engage in business.

SEC. 7. Disposition of Penalties. – All penalties under this Act shall be solely and exclusively earmarked and used for the following:

- a) Development and maintenance of a long-term strategic national development plan for the telecommunication industry;
- b) Providing adequate and efficient telecommunication facilities in unserved and underserved areas; and
- c) Monitoring, reporting, and enforcement of compliance with mobile service regulations.

SEC. 8. Information Dissemination. – Every telecommunication company, in coordination with the National Telecommunications Commission (TC), shall ensure the proper and adequate information dissemination of the contents and benefits of this Act to the general public, especially to its intended beneficiaries.

SEC. 9. Implementing Rules and Regulations. – Within ninety (90) days from the approval of this Act, the NTC shall issue the necessary rules and regulations for its effective implementation.

SEC. 10. Separability Clause. – Should any part of this Act be declared unconstitutional or invalid, other provisions hereof that are not affected thereby shall continue to be in full force and effect.

SEC. 11. Repealing clause. – All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended, or modified accordingly.

SEC. 12. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or any newspaper of general circulation.

Approved,