

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

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. **9903**



Introduced by Representative LEILA M. DE LIMA

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

EXPLANATORY NOTE

It hardly needs statistical proof to recognize that nearly every Filipino has, at some point in their lives, maintained a prepaid mobile phone subscription, and most continue to be subscribers of such services today.

Before the broad availability of the internet, Filipinos were able to become a collective, interconnected people largely through mobile phone subscriptions. In fact, the mobile phone subscription industry remains one of the most pervasive in the country.

In the 2024 Annual Report of the National Telecommunications Office (NTC),¹ the subscriber base for mobile prepaid users among the three (3) largest telecommunications industry players was reported as follows: PLDT with 56,731,489 subscribers, Globe with 57,714,593 subscribers, and the newest entrant, DITO, already reaching 28,227,421 subscribers. For all of these consumers, the current regulatory framework permits telecommunication companies to enforce expiration dates on prepaid load credits, resulting in the forced forfeiture of billions of pesos in consumer assets annually.

This regime originated in Joint Memorandum Circular No. 05-12-2017, issued jointly by the National Telecommunications Commission (NTC), Department of

¹ National Telecommunications Commission. (03 May 2026). *Annual Report 2024: Shaping a Digital Future Through Innovation*. National Telecommunications Commission. Retrieved from https://ntc.gov.ph/wp-content/uploads/2026/ANNUAL_REPORT/FY_2024_Annual_Report.pdf

Information and Communications Technology (DICT), and Department of Trade and Industry (DTI). The Joint Circular imposed a uniform one-year validity period for all prepaid loads regardless of the amount. Under this policy, consumers who purchase load in advance must either use their credits or forfeit them, a result contrary to basic consumer expectations that money spent should remain spendable until used.

That policy is unfair and inequitable, as it forces consumers to use up their data or credit allowances prematurely to avoid forfeiting them to service providers. Consequently, the unilateral expiration of privately owned prepaid credits constitutes a clear injustice, particularly given that the mechanism places the consumer at a severe structural disadvantage.

Thus, this proposed measure.

This bill prohibits all public telecommunications entities and providers from imposing expiration periods on prepaid load credits purchased by active subscribers. The bill makes unlawful three specific acts: (1) imposition of any expiration period on unused prepaid load credits; (2) forfeiture of such credits on active accounts, except for mobile number portability purposes; and (3) refusal to refund forfeited credits without valid cause.

To address legitimate operational concerns, the bill includes a narrowly tailored provision for dormant accounts, those inactive for a minimum period of one (1) year. Such accounts may be deducted ₱1 per day of inactivity until credits are fully consumed, allowing carriers to reclaim dormant numbers for reallocation while preserving the vast majority of consumer assets. Subscribers must receive notification of these daily deductions.

The telecommunications industry, as vital as its contribution is to the national economy, must be enjoined in protecting consumer rights. In the hopes of maintaining social justice, even every peso that avails us of the ability to communicate in this day and age must be safeguarded. The State may then intervene when the common good requires, when the general welfare demands, precisely as this legislation does, safeguarding the assets of millions of Filipino consumers and supporting the digital economy's expansion into underserved populations.

In the 20th Congress, Senators Sherwin “Win” T. Gatchalian and Jinggoy Estrada filed similar measures as SBN 1095 and SBN 382, respectively. This version fully adopts Senate President Gatchalian’s SBN 1095.

The prompt passing of this measure is respectfully urged.


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

1 SECTION 1. *Short Title.* - This Act shall be known as the "*Prepaid Load Forever*
2 *Act.*"

3
4 SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to
5 recognize the vital role of information and communications technology in nation-
6 building. It likewise recognizes the primary role of the private sector as an engine of
7 economic growth and guarantees the right of individuals and private entities to own,
8 establish, and operate economic enterprises.

9
10 However, as the Constitution provides that the use of property bears a social
11 function, the right of private entities is subject to the duty of the State to intervene when
12 the common good so requires – including protecting the interest of consumers,
13 promoting their general welfare, and establishing standards of conduct of business
14 and industry. Towards this end, the State shall implement measures to protect the
15 consumer against unfair and unconscionable sales acts and practices, and provide
16 information and education to facilitate sound choice and proper exercise of consumer
17 rights.

18
19 SEC. 3. *Definition of Terms.* - As used in this Act:

- 1 a) Active Prepaid Account refers to a number with any activity involving voice,
2 short messaging system (SMS) or text, mobile data, value-added services
3 (VAS), or any other telecommunications service;
4
- 5 b) Dormant Prepaid Account refers to a number without any activity involving
6 voice, short messaging system (SMS), text, mobile data, value-added services
7 (VAS), or any other telecommunications service within a period of one (1) year;
8
- 9 c) Information and Communications Technology (ICT) refers to the totality of
10 electronic means to access, create, collect, store, process, receive, transmit,
11 present, and disseminate information;
12
- 13 d) ICT Provider refers to any entity in the ICT sector, which includes
14 telecommunications and broadcast information operators, ICT equipment
15 manufacturers, multimedia content developers and providers, ICT solution
16 providers, internet service providers, ICT training institutions, software
17 developers, and ICT-Enabled Services (ICT-ES) providers;
18
- 19 e) Prepaid Load Credit refers to the monetary value or the consumable amount
20 that a subscriber purchases in advance, whether through prepaid card or
21 electronic load, to enable the use of telecommunications services such as
22 voice, SMS, and data;
23
- 24 f) Prepaid subscription refers to the subscription wherein credit is purchased in
25 advance of service use. The purchased credit is used to pay for mobile phone
26 services at the point the service is accessed or consumed. If there is no
27 available credit, then access to the requested service is denied;
28
- 29 g) Prepaid Subscriber refers to any person, natural or juridical, who avails or
30 purchases in advance for telecommunications services from a public
31 telecommunications entity and/or information and communications technology
32 provider by purchasing credit in advance of service use. Such prepaid credit is
33 deducted at the time the service is accessed or consumed, serving as payment
34 for the corresponding service;
35
- 36 h) Public Telecommunications Entity (PTE) refers to any duly authorized public
37 telecommunications entity that offers voice, short messaging system (SMS) or
38 text, mobile data, value-added services (VAS), or any other
39 telecommunications services to the public for a fee; and
40
- 41 i) Telecommunications refers to any process which enables a
42 telecommunications entity to relay and receive voice, data, electronic
43 messages, written or printed matter, fixed or moving pictures, words, music or
44 visible or audible signals, or any control signals of any design and for any

1 purpose by wire, radio, or other electromagnetic, spectral, optical, or
2 technological means.

3
4 SEC. 4. *Prohibited Acts.* - The following shall constitute prohibited acts of any
5 PTE or ICT provider and are hereby declared to be unlawful:

- 6
7 a) Imposition of an expiration period on the validity of unused prepaid load credits,
8 whether purchased via prepaid card or electronic load;
9 b) Forfeiture of such prepaid load credits on an active prepaid account, save for
10 the purpose of availing of the mobile number portability service; and
11 c) Refusal to give a refund to any prepaid subscriber whose load credits were
12 forfeited without any valid cause.

13
14 In view of paragraph (b), a prepaid account that has become dormant shall have
15 one (1) peso deducted for every day of inactivity from its remaining load credits until
16 such credits are fully consumed. The prepaid subscriber must be notified of the
17 deduction made.

18
19 SEC 5. *Penal Provision.* - Any director, officer, employee, or agent of a PTE or
20 ICT provider providing prepaid telecommunications services who shall violate any of
21 the acts mentioned under Section 4 hereof shall, upon conviction, be subject to the
22 penalty of a fine of not less than One Hundred Thousand Pesos (PhP100,000.00) but
23 not exceeding One Million Pesos (PhP1,000,000.00), or imprisonment of not less than
24 two (2) years but not more than six (6) years, or both, upon the discretion of the court.

25
26 If the violation was committed by or in the interest of a juridical person duly
27 licensed to engage in business in the Philippines, the following penalties shall be
28 imposed on the juridical entity:

- 29
30 a) First offense – a fine of Five Hundred Thousand Pesos (PhP500,000.00);
31 b) Second offense – a fine of One Million Pesos (PhP1,000,000.00) plus
32 suspension of license to engage in business for a period of thirty (30) days; and
33 c) Third offense – a fine of Two Million Pesos (PhP2,000,000.00) plus immediate
34 revocation of license to engage in business.

35
36 SEC. 6. *Implementing Rules and Regulations (IRR).* - Within ninety (90) days
37 from the effectivity of this Act, the National Telecommunications Commission (NTC)
38 shall coordinate with the Department of Information and Communications Technology
39 (DICT) and the Department of Trade and Industry (DTI) to promulgate rules and
40 regulations and other issuances as may be necessary to ensure the effective
41 implementation of this Act, including the issuance of proper and adequate information
42 dissemination of its contents and benefits to the general public.

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

3
4 SEC. 7. *Separability Clause.* - If any provision of this Act is held invalid or
5 unconstitutional, the other provisions not affected thereby shall remain in full force and
6 effect.

7
8 SEC. 8. *Repealing Clause.* - All laws, decrees, executive orders, proclamations,
9 rules and regulations, and issuances, or parts thereof, which are inconsistent with the
10 provisions of this Act, are hereby repealed, amended, or modified accordingly.

11
12 SEC. 9. *Effectivity.* - This Act shall take effect fifteen (15) days after its
13 publication in the Official Gazette or in any newspaper of general circulation in the
14 Philippines.
15

Approved,