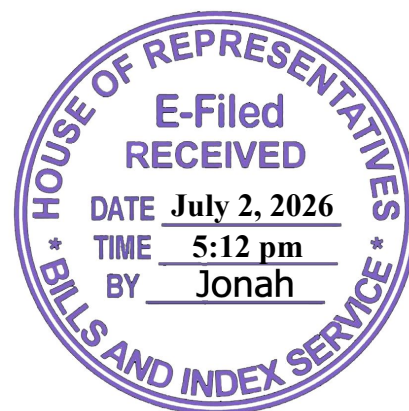


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 10009



Introduced by: **REP. TOBIAS “TOBY” M. TIANGCO**

EXPLANATORY NOTE

The rapid growth of digital payments, e-commerce, and online services in the Philippines has changed the way Filipino consumers subscribe to goods and services. Today, subscriptions are no longer limited to traditional utilities or memberships. They now include streaming platforms, mobile applications, cloud storage, gaming accounts, online publications, and other recurring digital services.

This development is consistent with the country’s movement toward a cashless economy. According to the *Bangko Sentral ng Pilipinas (BSP)*, digital payments accounted for 57.4% of total monthly retail payment volume and 59.0% of total retail payment value in 2024. This means that more Filipino consumers are now exposed to recurring online charges, automatic renewals, saved payment methods, and subscription-based billing arrangements.

The Philippine digital economy has likewise become a major part of national economic activity. The *Philippine Statistics Authority (PSA)* reported that the country’s digital economy reached PhP 2.25 trillion in 2024, equivalent to 8.5% of gross domestic product. The Philippines was also reported as one of the fastest-growing internet economies in Southeast Asia, with its digital economy growing from US\$26 billion to US\$31 billion in 2024.

However, the increase in online transactions has also resulted in new forms of consumer risk. In 2023, the Department of Trade and Industry (DTI) reportedly received 28,824 consumer complaints, with 42% related to online transactions. Many of these complaints involved deceptive, unfair, and unconscionable sales acts and practices, as well as misleading or fraudulent sales promotions.

The Department of Trade and Industry has already recognized the need for stronger digital consumer protection. In 2024, the DTI launched the *eReport System for Online Consumer Complaints* through the eGovPH app, pursuant to Republic Act No. 11967 or the Internet Transactions Act of 2023. This system was designed to help consumers report e-commerce concerns and strengthen consumer protection in the digital age.

While existing laws already protect Filipino consumers against unfair and deceptive practices, there is still no clear and specific statutory rule requiring online subscription cancellation to be as easy as subscription enrollment. Republic Act No. 7394, or the Consumer Act of the Philippines, protects consumers against deceptive, unfair, and unconscionable sales acts and practices. Republic Act No. 11967, or the Internet Transactions Act of 2023, governs certain business-to-consumer internet transactions involving parties in the Philippines or platforms availing of the Philippine market.

Despite these protections, Filipino consumers may still face practical difficulties when cancelling subscriptions, such as hidden cancellation buttons, unclear renewal terms, forced customer service calls, difficult refund procedures, or continued charges after attempted cancellation. These practices may not always be adequately addressed by general consumer protection rules, especially when the service provider is a foreign digital platform, mobile app, software provider, or online media service consumed in the Philippines.

The need for a specific subscription cancellation law is further supported by the government's recognition that foreign digital services are now part of the Philippine consumer market. In 2024, the Philippines enacted a law imposing value-added tax on non-resident digital service providers, including streaming services and online platforms consumed in the Philippines. This shows that digital services used by Filipino consumers are now sufficiently significant to require clearer regulatory treatment, not only for taxation but also for consumer protection.

This proposed measure therefore seeks to fill a specific gap in Philippine consumer protection law. It establishes a simple fairness standard: if a consumer can subscribe online, the consumer must also be able to cancel online through a simple, accessible, and transparent process. The bill also seeks to prevent unfair automatic renewal practices, require clear notice before recurring charges, protect consumers from hidden or burdensome cancellation procedures, and ensure proper redress for continued billing after cancellation.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'Toby', followed by a horizontal line.

TOBIAS “TOBY” M. TIANGCO
Representative
Lone District, Navotas City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
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HOUSE BILL NO. 10009

Introduced by: **REP. TOBIAS “TOBY” M. TIANGCO**

**AN ACT PROTECTING CONSUMERS FROM UNFAIR ONLINE SUBSCRIPTION
RENEWAL AND CANCELLATION PRACTICES, REQUIRING SIMPLE ONLINE
CANCELLATION, CLEAR PRE-RENEWAL NOTICE, AND SAFEGUARDS AGAINST
DARK PATTERNS IN RECURRING DIGITAL BILLING**

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

SEC. 1. *Short Title.* - This Act shall be known as the "Online Subscription Cancellation Fairness Act".

SEC. 2. *Declaration of Policy.* - It is the policy of the State to protect Filipino consumers in digital transactions, particularly as more citizens use mobile applications, online platforms, e-wallets, debit cards, credit cards, and other electronic payment methods for recurring services.

The State recognizes that online subscription services offer convenience, but may also expose consumers to unfair practices such as unclear automatic renewals, difficult cancellation procedures, hidden charges, and interface designs that pressure or mislead users into staying subscribed.

Accordingly, the State shall ensure that any consumer who can subscribe online must also be able to cancel online through a simple, direct, and accessible process.

SEC. 3. *Scope and Coverage.*—This Act shall apply to all persons, businesses, platforms, applications, websites, digital marketplaces, or service providers that offer paid online subscription services to consumers in the Philippines.

This Act shall cover, among others, subscriptions for digital content, streaming services, software, cloud storage, mobile applications, online learning platforms, memberships, product plans, premium access, or any service that charges a consumer on a recurring basis.

This Act shall also apply whether the provider is located in the Philippines or abroad, if the service is offered, marketed, billed, or made available to consumers in the Philippines.

This Act shall not impair the authority of other regulatory agencies over sectors already subject to special laws, but the standards under this Act shall apply whenever the transaction involves online subscription cancellation, automatic renewal, or recurring digital billing.

SEC. 4. *Definition of Terms.* - For purposes of this Act:

- a) *Subscription service* refers to any paid service, membership, digital content, facility access, or product plan billed on a recurring basis.
- b) *Dark pattern* refers to any user interface, design, wording, or flow that materially impairs consumer choice, autonomy, or consent.
- c) *Automatic renewal* refers to any arrangement by which a subscription continues and charges accrue unless the consumer cancels.

SEC. 5. *Supplementary Application and Non-Duplication*—This Act shall apply specifically to online subscription services, automatic renewals, free trial conversions, recurring digital billing, and cancellation mechanisms offered or made available to consumers in the Philippines.

The provisions of Republic Act No. 11967, otherwise known as the Internet Transactions Act of 2023, Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, and other applicable laws shall apply supplementary, insofar as they are not inconsistent with this Act.

Nothing in this Act shall be construed to diminish the jurisdiction of the DTI, BSP, DICT, NPC, or other appropriate regulatory agencies over matters within their respective mandates.

In case the online transaction is already covered by another law, this Act shall apply only to the extent that the issue involves automatic renewal, cancellation of subscription, free trial conversion, recurring charges, continued billing after cancellation, or the use of unfair digital interface design affecting the consumer's ability to cancel.

SEC. 6. *Right to Simple Online Cancellation.* –

A consumer who subscribed online shall have the right to cancel the subscription online.

The cancellation process shall be clear, direct, and reasonably easy to locate within the website, application, platform, or account settings of the provider.

No provider shall require a consumer to call a hotline, wait for a sales agent, answer unnecessary questions, or go through repeated retention offers before the cancellation is processed.

Where a consumer subscribed through an app store, digital marketplace, e-wallet, payment gateway, or third-party platform, the provider shall clearly inform the consumer where and how the cancellation may be completed.

SEC. 7. *Notice Before Renewal, Free Trial Conversion, or Price Increase.*—Before charging a consumer for an automatic renewal, free trial conversion, promotional expiration, or price increase, the provider shall give clear and timely notice stating:

- a. the amount to be charged;
- b. the date of billing;
- c. the name of the subscription service;
- d. the payment method to be charged; and

e. the steps to cancel before the charge takes effect.

The notice may be sent through email, SMS, in-app notification, account dashboard notice, or any other accessible means used by the consumer.

For annual subscriptions or subscriptions with a billing period longer than one month, the notice shall be sent within a reasonable period before the renewal date.

SEC. 8. *Confirmation and Effect of Cancellation.*—Once a consumer cancels a subscription, the provider shall issue a confirmation through email, SMS, in-app notice, or another accessible record.

The confirmation shall state:

- a. the date and time of cancellation;
- b. the effectivity of cancellation;
- c. whether the consumer may still access the service until the end of the billing period; and
- d. whether any refund, credit, or adjustment is due.

After cancellation, the provider shall not impose further recurring charges, except for lawful charges clearly disclosed before cancellation and not otherwise prohibited by law.

SEC. 9. *Refunds, Reversals, and Unauthorized Continued Billing.*—If a consumer continues to be charged after a valid cancellation, the provider shall refund or reverse the charge within a reasonable period, without requiring the consumer to repeat the cancellation process.

Where the charge was made through an e-wallet, credit card, debit card, app store, payment gateway, or online banking channel, the provider shall cooperate with the payment intermediary in resolving the complaint, subject to existing banking, payment, and consumer protection rules.

A consumer shall not be denied refund or reversal solely because the cancellation record is held by the provider, if the consumer can show reasonable proof of cancellation attempt or confirmation.

SEC. 10. *Prohibited Acts.* – It shall be unlawful for any covered provider to:

- a. hide or obscure the cancellation button or link;
- b. use confusing labels such as “continue,” “accept,” or “confirm” in a manner that misleads the consumer;
- c. require unnecessary phone calls, chats, or personal interaction when online cancellation is available;
- d. repeatedly ask the consumer to reconsider after the consumer has already chosen to cancel;
- e. use pre-checked boxes for automatic renewal or paid add-ons;
- f. make cancellation available only during limited business hours when subscription can be made at any time;
- g. charge a consumer after cancellation without lawful basis;
- h. fail to disclose that a free trial will convert into a paid subscription; or
- i. use any dark pattern that materially interferes with the consumer’s freedom to cancel.

SEC. 11. *Special Protection for Students, Senior Citizens, and Vulnerable Consumers.* – The DTI may issue additional guidelines for subscription services commonly marketed to students, senior citizens, persons with disabilities (PWDs), and other vulnerable consumers.

Such guidelines may include simplified notices, clearer cancellation instructions, and stricter rules against misleading free trials, subscriptions, and other services where consumers may be more likely to rely on recurring payments.

SEC. 12. *Duties of Digital Marketplaces, App Stores, and Payment Channels.*—Digital marketplaces, app stores, payment gateways, and other electronic payment channels that facilitate subscription payments shall provide accessible information on how consumers may manage or cancel recurring payments made through their platform.

They shall not knowingly assist or enable subscription practices that violate this Act.

The DTI, in coordination with the BSP, DICT, NPC, and other appropriate agencies, may issue rules on coordination, reporting, and consumer assistance involving recurring digital payments.

SEC.13. *Foreign Online Subscription Providers.*—Foreign online subscription providers that offer, market, or bill services to consumers in the Philippines shall comply with this Act.

The DTI may require covered foreign providers to provide an accessible electronic contact point for consumer complaints, cancellation concerns, refund issues, and regulatory notices.

Failure to provide a reasonable cancellation mechanism for Filipino consumers may be considered an unfair or deceptive online business practice.

SEC 14. *Complaints and Redress.*—

The DTI shall receive, process, or refer complaints involving unfair subscription cancellation practices, continued billing after cancellation, misleading renewal terms, or dark patterns.

The DTI may order appropriate remedies, including correction of the cancellation process, refund or reversal of unauthorized charges, removal of misleading interface designs, public advisory, administrative fines, or other relief allowed by law.

SEC 15. *Implementing Rules and Regulations.*—Within ninety (90) days from the effectivity of this Act, the DTI, in coordination with the DICT, NPC, BSP, and other concerned agencies, shall issue the necessary rules and regulations for the effective implementation of this Act.

SEC 16. *Separability Clause.*—If any provision of this Act is declared invalid or unconstitutional, the remaining provisions shall continue to be valid and effective.

SEC.17. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SEC.18. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,