


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 2333

HOUSE OF REPRESENTATIVES	
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Introduced by REPRESENTATIVE CARLOS O. COJUANGCO

EXPLANATORY NOTE

A prepaid mobile phone or internet service is a service for which credit is purchased in advance of service use. The purchased credit is used to pay for mobile phone or internet services at the point the service is accessed or consumed. If there is no available credit, then access to the requested service is denied by the network service provider. As calls, texts or internet access are made deductions are taken against the prepaid balance amount until there are no funds remaining.

The National Telecommunications Commission (NTC) reported that there are roughly one hundred (100) million mobile phone subscriptions in the country, eighty percent (80%) of which are prepaid service users. Prepaid service users rely on purchasing prepaid loads or credits to access the services they need or want.

At present, cellphone and Internet prepaid loads have expiration dates of their validity depending on the amount purchased. The development of the prepaid industry has undeniably benefitted millions of Filipinos by providing prepaid load credits that are within their reach. However, complaints have been rampant that prepaid load users do not get the full value they pay for due to expiration dates and forfeiture of unutilized load credits.

Considering that consumers paid “good” money in buying their prepaid load, it is only not fair, but it a crime, a “daylight robbery” against the consumers, to have expiration on the use of their prepaid cards.

This bill seeks to make the imposition of expiration periods on the validity of prepaid load and forfeiture of unused credits prohibited acts with corresponding penalties. This will ensure that the hard-earned money of many ordinary Filipinos using prepaid mobile phone or internet services are put to good and maximum use.

In view of the foregoing, the immediate consideration and passage of this bill is earnestly requested.


CARLOS O. COJUANGCO
Representative

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Introduced by REPRESENTATIVE CARLOS O. COJUANGCO

AN ACT
PROHIBITING TELECOMMUNICATIONS
COMPANIES FROM IMPOSING AN EXPIRATION
PERIOD ON THE VALIDITY OF PRE-PAID CALL AND
TEXT CARDS AND THE FORFEITURE OF LOAD
CREDITS THEREOF

*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 'Pre-paid
2 Load Protection Act of 2016'.

3 **SECTION 2. *Declaration of Policy.*** - It is hereby declared the
4 policy of the State to protect the interest of the consumer, promote his
5 general welfare and to establish standards of conduct of business and
6 industry. Towards this end, the State shall implement measures to achieve
7 among others, the protection of consumers against deceptive, unfair and
8 unconscionable sales acts and practices.

9 **SECTION 3. *Definition of Terms.*** - For purposes of this Act, the
10 term:

11 a) *Load credits* - shall refer to the monetary value or the consumable
12 amount loaded to a mobile or landline phone via pre-paid cards or

1 electronic transfers that enable a consumer to use telecommunication
2 services;

3 b) *Pre-paid* - shall refer to the type of mobile or landline phone account
4 that requires its owners to purchase load credits before services are used;

5 c) *Pre-paid call and text card* - shall refer to a card with corresponding
6 peso value that has to be purchased to enable a subscriber to use
7 telecommunication services.

8 **SECTION 4. *Prohibited Acts.*** - The following shall constitute
9 prohibited acts of any telecommunication company providing pre-paid
10 services and are hereby declared unlawful:

11 a) Imposition of an expiration period on the validity of the unused pre-paid
12 call and text cards;

13 b) Forfeiture of load credits stored on an active pre-paid phone account via
14 pre-paid call and text card or electronic transfer; and,

15 c) Refusal to give a refund to any pre-paid subscriber whose load credits
16 were forfeited without any valid cause.

17 **SECTION 5. *Penalties.*** - Any director, officer, employee or agent
18 of a telecommunication company providing pre-paid services who shall
19 commit any of the acts mentioned under Section 4 hereof, shall, upon
20 conviction, be subject to the penalty of a fine of not less than One Hundred
21 Thousand Pesos (P100,000.00) but not to exceed One Million Pesos
22 (P1,000,000.00), or imprisonment of not less than two (2) years but not more
23 than six (6) years, or both, upon the discretion of the court.

24

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

4 a) *First offense* - Fine of Five Hundred Thousand Pesos (P500,000.00);

5 b) *Second offense* - Fine of One Million Pesos (P1,000,000.00) plus
6 suspension of license to engage in business for a period of thirty (30)
7 days; and,

8 c) *Third offense* - Fine of Two Million Pesos (P2,000,000.00) plus
9 immediate revocation of license to engage in business.

10 **SECTION 6. *Information Dissemination.*** - The Philippine
11 Information Agency (PIA) in coordination with the National
12 Telecommunications Commission (NTC) shall ensure the proper and
13 adequate information dissemination of the contents and benefits of this Act
14 to the general public, especially to its intended beneficiaries.

15 **SECTION 7. *Implementing Rules and Regulations.*** - The NTC
16 shall formulate the necessary rules and regulations to implement the
17 provisions of this Act within ninety (90) days after its effectivity. The rules
18 and regulations issued pursuant to this Act shall take effect fifteen (15) days
19 after its publication in a newspaper of general circulation.

20 **SECTION 8. *Separability.*** - If, for any reason, any section or
21 provision of this Act is held unconstitutional or invalid, the other provisions
22 hereof not affected thereby shall continue to be in full force and effect.

23 **SECTION 9. *Repealing Clause.*** - All laws, decrees, executive
24 orders, proclamations, rules and regulations, and other issuances, or parts

1 thereof inconsistent with the provisions of this Act are hereby deemed
2 repealed or modified accordingly.

3 **SECTION 10 . *Effectivity.*** - This Act shall take effect fifteen (15)
4 days after its full publication in the Official Gazette or in at least two (2)
5 newspapers of general circulation.

APPROVED,