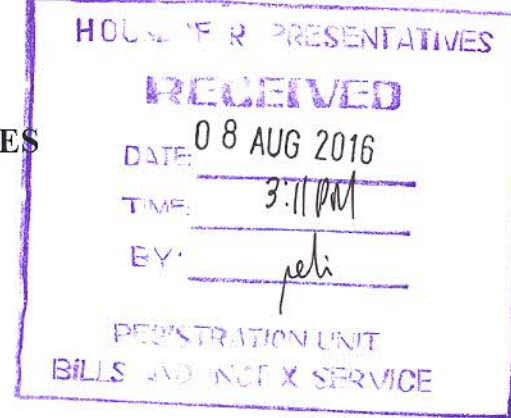


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**17<sup>TH</sup> CONGRESS**  
**First Regular Session**

House Bill no. **2648**



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Introduced by *Representative* **WES GATCHALIAN**

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**EXPLANATORY NOTE**

As the world continues to transform into a digital age, more and more of our society's life, from the basic rudiments of communication to innovations in our commercial transactions, become dependent on the platform provided by our cellular phones. Considering its massive role in our public life, it is quite staggering that the sale of prepaid SIM's in this country is as unregulated as it currently is. Given this current gap in regulation, it shouldn't come as a surprise that such has been exploited through various nefarious schemes by sinister characters in our society. Well documented has been the various scams perpetrated through this medium with little to no hope of apprehending the wrongdoers because any person with criminal designs is capable of purchasing a SIM card over the counter with his/her anonymity remaining certain. Even more disconcerting is the reality that petty scams are not the limit of what can be done with the leg room in the current paradigm as Cellular Phones may also be used to perpetrate more heinous crimes or even acts terror.

As outlined above, it is in the state's interest that a certain level of regulation be introduced in the sale, use, and access to SIM cards. It is therefore proposed in this act to make the registration of SIM card owners be made mandatory. The intended result of this measure would be to deter potential criminals and the effective identification and future apprehension offenders.

Finally, it is submitted that no privacy interest is infringed by this current measure considering that in other telecommunication platforms such as in landlines and for postpaid subscribers, registration is a regular course of business. It is further submitted that even assuming that certain privacy interests are infringed, the current proposed act is but a reasonable measure to satisfy the more compelling state interest of public order.

**WES GATCHALIAN**  
Representative  
1<sup>st</sup> District, Valenzuela City

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Introduced by **Representative WES GATCHALIAN**

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**AN ACT**  
**MANDATING THE REGISTRATION OF ALL PREPAID AND**  
**POSTPAID SUBSCRIBER IDENTITY MODULE (SIM) CARDS**  
**AND REQUIRING THE TELECOMMUNICATION COMPANIES TO**  
**KEEP A REGISTRY OF THESE SUBSCRIBERS AND PROVIDING FOR THE**  
**PENALTIES FOR VIOLATION THEREOF**

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

**SECTION 1.***Objective.* - This SIM Card Registration Measure is made to provide a legal framework for the registration of all prepaid and postpaid SIM Card sold and providing thereof a database for the validated information of its authorized owner, for control, administration, and management of the database.

**SECTION 2.***Scope.* - This Act shall apply to all Telecommunications Company engaged in the business of selling and dispensing SIM cards in the Philippines. It shall likewise cover agents of these Telecommunications Companies as well as individual, corporate, private, and commercial users of SIM cards. It shall not extend to the users of SIM cards issued by foreign telecommunications company, under a roaming arrangement with the local telecommunications company.

**SECTION 3.***Submission of Proof of Identification.*- Telecommunication Companies are hereby directed to ensure that the users of their prepaid and postpaid SIM cards are properly identified and their addresses verified through the presentation of valid identification cards which shall consist, but not limited to, any of the following:

- Driver's License
- School Identification Card
- Company identification Card
- SSS/GSIS Card
- Passport
- Senior Citizen's Card
- NBI Clearance
- Firearms License

If the sale of the prepaid SIM cards are done through sales agents, Telecommunication companies shall ensure that said agents submit to them the verified names and addresses of the buyers of the prepaid SIM cards within fifteen (15) days from the date of sale.

Any subsequent transfer of a SIM card whether by sale, or any other mode of transferring ownership, by a subscriber must be registered with the Telecommunication company. The subsequent

owner must also submit the same information as prescribed in the first paragraph of this section.

**SECTION 4. *Registry of Subscribers.***Telecommunication companies are required to retain a registration record of all its subscribers, whether prepaid or postpaid, and are obliged to disclose this registration information in accordance to SECTION 5 of this Act.

**SECTION 5. *Issuance of Official Receipt.*** - Proof of payment of the sale shall be evidenced by an official receipt, duplicates of which shall be submitted by the Telecommunications Company to the National Telecommunications Company (NTC).

**SECTION 6. *Disclosure of Information.***- Information obtained in the SIM card registration shall be treated as confidential. Except upon order of any competent court, or based upon a written request from a government law enforcement agency upon finding of probable cause that a particular number is used in the commission of a crime or that it was utilized as a means to commit an unlawful act, or upon consent of the SIM card holder, the Telecommunications Company shall be obliged to provide the information.

**SECTION 7. *Submission of Verified List of Dealers/Agents.***- Telecommunication Companies shall submit to the National Telecommunications Commission (NTC), within thirty (30) days from the date of effectivity of this Act, a verified list of their current authorized dealers/agents nationwide. Thereafter, Telecommunication Companies shall submit to the NTC, every quarter of each year an updated list of the same.

**SECTION 8. *Activation Period.*** - The Telecommunication companies shall only activate the SIM cards after the process of registration has been completed.

**SECTION 9. *Transitory Provision.*** - All existing prepaid subscribers are required to register their SIM cards with their respective mobile phone companies within three (3) months from the effectivity of this Act. Failure to register within the prescribed period shall authorize the Telecommunications Company to suspend its services to the non-complying user. The Telecommunications Company shall lift suspension of its service upon compliance of the provision of this Act.

**SECTION 10. *Penalties.***-

(a) The following penalties shall be imposed on any Telecommunications Company found guilty of violating any provision of this Act:

a.1 First offense- A fine of Three Hundred Thousand Pesos (P300,000)

a.2 Second offense- A fine of Five Hundred Thousand Pesos (P 500,000)

a.3 Third offense and subsequent offenses, A fine of One Million Pesos (P 1,000,000)

If after two (2) years from the effectivity of this Act, the Telecommunications Company continues to violate

any of its provision, the National Telecommunications Commission (NTC) shall recommend to Congress the immediate revocation of its franchise.

- (b) A penalty of suspension of its operation and a fine of Ten Thousand Pesos (P10,000) shall likewise be imposed on any dealer, retailer or seller who shall fail to comply with the provisions on this Act..

These penalties are without prejudice to other civil liabilities which a violating Telecommunication Company may incur as to the SIM card owner.

**SECTION 11.***Implementing Rules and Regulations.* The National Telecommunications Commission shall issue such orders, rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act.

**SECTION 12.***Separability Clause* - Should any part of this Act be declared unconstitutional, the rest of the provisions of this Act shall continue to be in effect and subsisting.

**SECTION 13.***Repealing Clause.* - Any law, executive order, letter of instruction, rules and regulations, circulars, issuances or any part thereof inconsistent with any of the provision of this Act is hereby repealed, modified or amended accordingly.

**SECTION 14.***Effectivity Clause.* - 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.