

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

First Regular Session

House Bill No. 743



Introduced by **HON. ROZZANO RUFINO B. BIAZON**

EXPLANATORY NOTE

This bill seeks, primarily, to require Public Telecommunications Entities (PTE's) to establish a foolproof system of identifying users and/or purchasers of pre-paid Subscriber Identification Module (SIM) cards. It also seeks to put a stop to the brazen theft of mobile phone units which have become an indispensable communication tool to everyone.

In the last few years, the influx of personal digital assistants (PDA's), hand-held computers, digital cameras and state-of-the-art cellular phones have made such devices every man's accessory of choice. Though most of these innovations come with a high price, a few are quite affordable to the average Filipino. Public Telecommunications Entities (PTE's) have grabbed the opportunity to expand their operations and turned increasingly towards wireless technology. With the entry of new players in the market, new market strategies have been developed by different companies to remain competitive in the information technology race. Cellular network operators have introduced the pre-paid system that caters to the majority of users. Anyone who owns a GSM cellular phone only has to purchase a pre-programmed, pre-paid SIM card, from a dealer or retailer and can then readily call or send text messages. While such system has proven to be very convenient, there are unscrupulous individuals who have found ways of abusing these innovations or using them in pursuit of nefarious schemes.

Numerous complaints have been made against the irresponsible and sometimes illegal use of the cellular telephone. Our police and firefighters have complained of pranksters making hoax emergency calls that resulted in wasted efforts. There has also been an increasing incidence of "stalking" with the use of cellular telephones.

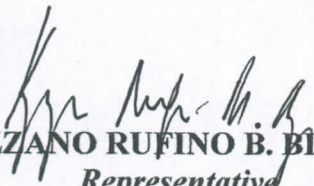
With the usual requirements for applying for a regular, post paid cellular phone line gone, the rigorous and careful process of screening and monitoring the prospective subscriber has been eliminated. Gone are the days when authorities could track down and identify a prank caller or any such person using the tool for no good. This has given way for the cellular phone to become a standard tool for criminals and bad elements of society. Concomitantly, theft and robbery of these gadgets have become very rampant. The cellular phone has become a major object of interest among snatchers and hold-uppers because of the ease in which they

are sold to buyers who are eager to purchase a unit at a much lower price. Unfortunately, deaths sometimes resulted during the commission of such crimes.

Syndicates engaged in illegal drugs, smuggling, extortion, kidnapping, and other heinous crimes, and, lately, even groups seeking to sow panic and overthrow the government, have increasingly used cellular phones to further their ends with minimal, or without, risk of being caught. The authorities have encountered difficulty in their investigations because the identity of the callers could not be established.

Certain measures should be done in order to arrest this problem before it becomes any worse. This bill seeks to: 1) remove one of the stumbling blocks of the police and other law enforcers in investigating cases by requiring the identification and registration of subscribers in the use and/or purchase of pre-paid (SIM) cards and mobile phone units; and 2) prevent the theft/ robbery and sale of stolen mobile phone units.

For the premises cited above, the approval of this measure is earnestly sought.


ROZZANO RUFINO B. BIAZON
Representative
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AN ACT
REQUIRING THE REGISTRATION OF PRE-PAID SIM CARD USERS AND
MOBILE PHONE UNITS AND FOR OTHER PURPOSES

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

SECTION 1. *Submission of Proof of Identification.* – Public Telecommunications Entities (PTE's) are hereby required to ensure that the users/purchasers of their pre-paid Subscriber Identification Module (SIM) cards and mobile phone units are properly identified and their addresses verified through the presentation of valid identification cards. If the sale of the pre-paid SIM cards and mobile phone units is done through agents, PTE's shall ensure that said agents submit to them the verified names and addresses of the buyers of pre-paid SIM cards and mobile phones within fifteen (15) days from date of sale.

Sec. 2. *Submission of Verified List of Dealers/Agents.* – PTEs 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, PTE's shall submit to the NTC, every quarter of each year, an updated list of the same.

Sec. 3. *Registration Period.* – Existing pre-paid subscribers of any cellular network company in the Philippines are hereby required to register their active pre-paid SIM cards and the serial numbers of their mobile phone units to the respective PTE servicing them within three (3) months from the date of effectivity of this Act.

Any subscriber who fails to register his or her existing pre-paid SIM card and serial number of their mobile phone units to the respective PTE servicing them within the prescribed period stated in this Act shall have his or her current account immediately deactivated or otherwise rendered ineffective by the concerned PTE.

After the period of registration as prescribed in this Act, PTEs are directed to keep an updated data base listing or record of all their subscribers containing the respective data gathered from users/purchasers of their pre-paid SIM cards and mobile phone units and

submit the same to the NTC within sixty (60) days from the end of the prescribed period. Thereafter, PTEs shall submit to the NTC, every quarter of each year, an updated list of the same.

Sec. 4. *Issuance of Official Receipt.* – The sale of a brand new or used prepaid SIM card or mobile phone unit shall be accompanied by an official receipt or a deed of sale duly notarized, and thereafter registered with the PTE concerned.

Sec. 5. *Penalties.* – a) The following penalties shall be imposed on any Public Telecommunications Entity found guilty of violating any provision of this Act:

For the first offense: A fine of Three Hundred Thousand Pesos (P300, 000.00).

For the second offense: A fine of Five Hundred Thousand Pesos (P500, 000.00).

For the third and subsequent offenses, a fine of One Million Pesos (P1, 000, 000.00) for every offense.

If, two years after the effectivity of this Act, a PTE continues to violate any of its provision, its franchise shall be immediately revoked.

b) A fine of Ten Thousand Pesos (P10, 000.00) shall be imposed on any dealer, retailer or seller who fails to comply with Section 4 of this Act.

Sec. 6. *Implementing Rules and Regulations.* – The National Telecommunications Commission is hereby authorized to promulgate the necessary rules and regulations for the proper implementation of this Act.

Sec. 7. *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.

Sec. 8. *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. 9. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.