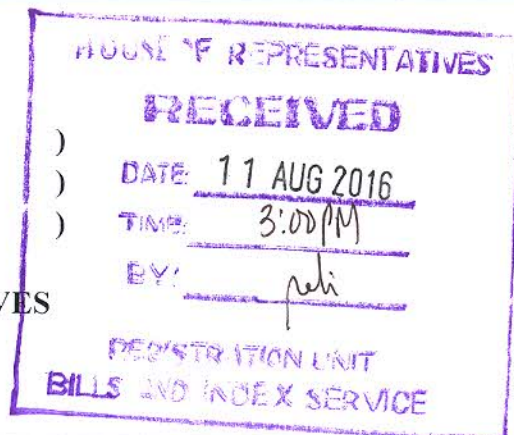


SEVENTEENTH CONGRESS  
OF THE REPUBLIC OF THE PHILIPPINES  
*First Regular Session*

HOUSE OF REPRESENTATIVES

House Bill No. **2872**



**Introduced by Representative Victor A. Yap**

**EXPLANATORY NOTE**

On 02 June 2009, Senate President Enrile gave a privilege speech decrying the sudden and unexplained deductions made against his pre-paid load. As a result of the Senate investigation, it was found that Telephone Companies (Telcos) and so-called Value Added Service providers were “bilking” ordinary consumers through unregulated pre-paid load practices. Resultantly, there was a revision of rules and the issuance of memorandum circular from the National Telecommunications Commission ordering the Telcos to extend the shelf-life of prepaid load.

NTC Memorandum Circular (MC) 03-07-2009 imposes a minimum validity period for load credits of prepaid subscribers. Generally prepaid loads of higher value have longer validity periods. Prepaid load is convenient as it allows subscribers to spend on credits suited to their needs. The ongoing load validity issue has become even more relevant today, as prepaid load is no longer used for only calling and texting, but also for internet browsing and social networking. Removing the validity period of prepaid load would benefit the millions of network subscribers.

It is the intent of this bill entitled the “Prepaid Load Protection Act of 2016” to remove the expiration period presently imposed on the validity of prepaid call and text cards. This will redound to the public weal and provide our people with greater value for their money.

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



**VICTOR A. YAP**

Representative, 2nd District of Tarlac

HOUSE OF REPRESENTATIVES

House Bill No. **2872**

Introduced by Representative Victor A. Yap

AN ACT  
PROHIBITING TELECOMMUNICATION COMPANIES FROM IMPOSING AN  
EXPIRATION PERIOD ON THE VALIDITY OF PREPAID CALL AND TEXT CARDS  
AND THE FORFEITURE OF LOAD CREDITS THEREOF

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

1       **SECTION 1. Title.** – This Act shall be known as the “*Prepaid Load Protection Act of*  
2       2016”.

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

8  
9       **SECTION 3. Definition of Terms.** – For the purpose of this Act, the term:

10       a) *Load credits* shall refer to the monetary value or the consumable amount loaded to a mobile or  
11       landline phone via prepaid cards or electronic transfers that enable a consumer to use  
12       telecommunication services.

13       b) *Prepaid* shall refer to the type of mobile or landline phone account that requires its owners to  
14       purchase load credits before services are used.

15       c) *Prepaid call and text card* shall refer to a card with corresponding peso value that has to be  
16       purchased to enable a subscriber to use telecommunication services.

17  
18       **SECTION 4. Prohibited Acts.** - The following shall constitute prohibited acts of any  
19       telecommunication company providing prepaid services and are hereby declared to be unlawful:

20       a) Imposition of an expiration period on the validity of unused prepaid call and text cards;

21       b) Forfeiture of load credits stored on an active prepaid phone account via prepaid call and text  
22       card or electronic transfer; and

23       c) Refusal to give a refund to any prepaid subscriber whose load credits were forfeited without  
24       any valid cause.

1           **SECTION 5. Penal Provision.** - Any director, officer, employee or agent of a  
2 telecommunication company providing prepaid services who shall violate any of the acts mentioned  
3 under Section 4 hereof, shall, upon conviction, be subject to the penalty of a fine of not less than *One*  
4 *hundred thousand pesos* (P100,000.00) but not to exceed *One million pesos* (P1,000,000.00) or  
5 imprisonment of not less than two (2) years but not more than six (6) years, or both, upon the discretion  
6 of the court.

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

9           a) *First offense* - a fine of *Five hundred thousand pesos* (P500,000.00):

10          b) *Second offense* - suspension of license to engage in business for a period of thirty (30) days;  
11          and

12          c) *Third offense* - immediate revocation of license to engage in business.  
13

14           **SECTION 6. Information Dissemination.** - The Philippine Information Agency (PIA) in  
15 coordination with the National Telecommunications Commission (NTC) shall ensure the proper and  
16 adequate information dissemination of the contents and benefits of this Act to the general public  
17 especially to its intended beneficiaries.  
18

19           **SECTION 7. Implementing Rules and Regulation.** - The NTC shall formulate the necessary  
20 rules and regulations to implement the provisions of this Act within ninety (90) days after its effectivity.  
21 The rules and regulations issued pursuant to this Act shall take effect fifteen (15) days after its  
22 publication in a newspaper of general circulation.  
23

24           **SECTION 8. Separability Clause.** - If any of the provision of this Act is declared invalid,  
25 the remainder of this Act or any provisions not affected thereby shall remain in force and effect.  
26

27           **SECTION 9. Repealing Clause.** - All laws, decrees, ordinances, rules and regulations,  
28 administrative or executive orders, and other presidential issuances inconsistent with this Act, are  
29 hereby repealed, amended or modified accordingly.  
30

31           **SECTION 10. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in  
32 the Official Gazette or in at least two (2) newspapers of general circulation.  
33

34           Approved,