

Republic of the Philippines
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4014



Introduced by Representative Federico S. Sandoval II

EXPLANATORY NOTE

In line with the Administration's campaign against crime and terrorism, this proposed measure seeks to require the registration of pre-paid subscriber identity module (SIM) cards for mobile phones and providing stricter penalties for non-compliance thereof.

Section 24, Article II of the 1987 Constitution provides that:

"Sec. 24. The State recognizes the vital role of communication and information in nation-building."

An article entitled, "*Consumers and Operators in the Philippines Benefit from ICT Structural Changes*" posted in the website of the Oxford Business Group states that "*SMS: Texting is one of the most popular communication methods and the country was once dubbed the 'texting capital of the world,' with an estimated 10% of global SMS volume being generated in the Philippines.*"

This technological advancement in wireless communication technology has rendered everyday living and business transactions more convenient, comfortable, effective and efficient. However, a great number of unscrupulous individuals have taken advantage of the growing popularity of pre-paid SIM cards usage by misusing the virtually untraceable mobile phone numbers to perpetrate their nefarious activities.

Criminals who are determined to remain anonymous and avoid easy detection use pre-paid SIM cards to aid them in committing their crimes. The prevalent use of pre-paid cards in crimes has presented a challenge for law enforcement authorities to improve their over-all security efficiency through the internationally and nationally accepted mechanism in tracking down individuals engaged in illegal activities.

To effectively trace illegal activities being committed by criminals and other dubious individuals or groups by the law enforcement agencies for the security and well-being of the public, *it is imperative to require the registration of pre-paid SIM cards by the public telecommunications entities and their authorized resellers and provide penalties for their non-compliance.*

The positive outcomes of compulsory registration of pre-paid SIM cards cannot be overemphasized. It will enable the relevant government security forces to accurately identify and trace deceitful individuals as a means of containing, if not totally eliminating, crimes committed using pre-paid SIM cards. Moreover, it will enable public telecommunications entities to have a comprehensive and facts-based profile of the mobile pre-paid subscribers in their telecommunications service networks, with emphasis on a more accurate statistical analysis of mobile phone usage.

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



FEDERICO S. SANDOVAL II

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AN ACT
REQUIRING THE REGISTRATION OF PRE-PAID SUBSCRIBER
IDENTITY MODULE (SIM) CARDS FOR MOBILE PHONES AND
PROVIDING PENALTIES FOR VIOLATION THEREOF

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

SECTION 1. *Short Title.* – This Act shall be known as the “*Pre-paid SIM Card Registration Act.*”

SEC. 2. *Objectives.* – The objectives of this Act are as follows:

- a.) Ensure the security of pre-paid card subscribers;
- b.) Ensure the proper use of mobile phones as one of the most efficient modern technologies systems for economic development;
- c.) Curb the prevalent use of pre-paid SIM cards in crimes by enabling law enforcement personnel to track down unscrupulous individuals in the pursuit of their illegal activities; and
- d.) Enable public telecommunications entities to have a comprehensive and facts-based profile of the mobile pre-paid subscribers in their telecommunications service networks, with emphasis on a more accurate statistical analysis of mobile phone usage.

SEC. 3. *Definition of Terms.* – As used in this Act:

- a.) *Authorized reseller* refers to any person or entity, whether natural or juridical, authorized by a public telecommunications entity to directly dispense or sell a SIM card to a subscriber;

- b.) ***Pre-paid mobile phone services*** refer to services provided by a public telecommunications entity where credit is purchased in advance to pay for mobile phone services at the point the services are accessed or consumed and in case there is no available credit then access to the requested service is denied;
- c.) ***Public telecommunications entity*** refers to any duly enfranchised entity that offers voice, short messaging system, mobile data, value added services and any other wireless telecommunications services to the public for a fee;
- d.) ***SIM card registration*** refers to the process of recording and verifying by the public telecommunications entity or authorized reseller of the personal information of the subscriber which includes the complete name and complete home address as well as the date of sale, mobile phone number and serial number of the pre-paid SIM card;
- e.) ***Subscriber*** refers to any individual who directly purchases a pre-paid SIM card from a public telecommunications entity or an authorized reseller for personal or business purposes; and
- f.) ***Subscriber Identity Module (SIM) card*** refers to an integrated circuit inside a mobile phone, usually a removable plastic card, which encrypts voice and data transmissions and stores data about the specific user so that the user can be properly identified and authenticated to the network of the public telecommunications entity supplying the phone service.

SEC. 4. ***Scope.*** – This Act shall provide a framework for the registration of all pre-paid SIM cards and provide penalties for non-compliance.

SEC. 5. ***SIM Card Registration.*** – It shall be the duty of the public telecommunications entity and authorized reseller to require the pre-paid subscriber of the SIM card to duly accomplish a registration form with a corresponding control number in triplicate, which shall indicate the required information and an attestation which states that the purchaser personally appeared before the public telecommunications entity or authorized reseller and that the original copy of the personal identification documents were presented.

The registration form shall contain the following information:

- a.) Full name of the subscriber;
- b.) Complete residential address;
- c.) Assigned mobile phone number of SIM card and serial number; and
- d.) Date of purchase of the SIM card.

SEC. 6. *Identification and Verification.* – The identification and verification processes can be effectively done through the presentation of any valid government-issued photographic identification cards, which may be any of the following:

- a.) Passport;
- b.) Driver's license;
- c.) National Bureau of Investigation (NBI) clearance;
- d.) Police clearance;
- e.) Senior citizen's card;
- f.) Voter's identification card;
- g.) Postal identification card;
- h.) Solo parent's ID; and
- i.) Other government issued identification cards.

A purchaser who does not produce a valid government-issued photographic identification card and accomplish a registration form in accordance with the preceding section shall be refused the sale of a pre-paid SIM card by the public telecommunications entity or authorized reseller.

SEC. 7. *Purchase and Registration Through a Representative.* – A purchaser who cannot personally appear before the public telecommunications entity or authorized reseller may, **for valid reason**, authorize another to purchase and register for and in behalf of the subscriber. The representative must have a duly notarized special power of attorney (S.P.A.) from the purchaser/principal and both the principal and the representative must present the original and photocopy of any valid identification cards enumerated under Section 6 hereof.

SEC. 8. *Maintenance of Records.* – The public telecommunications entity shall maintain a record of all the registered and activated pre-paid SIM cards which shall include the information required under Section 5 of this Act.

SEC. 9. *Submission of Accomplished Registration Form.* – The authorized resellers shall submit the registration form accomplished by the subscriber to the public telecommunications entity within ten (10) days after the close of the month when the sale of the pre-paid SIM card was made.

The public telecommunications entity shall submit a copy of the registration form accomplished by the subscriber, including those submitted by the authorized resellers, to the National Telecommunications Commission (NTC) within (30) days after the close of the month when the sale of the pre-paid SIM card was made.

SEC. 10. *Verified List of Authorized Resellers.* – Within six (6) months from the effectivity of this Act, the public telecommunications entity shall submit to the NTC, the verified list of all its authorized resellers. Thereafter, the public telecommunications entity shall submit to the NTC an updated list of its authorized resellers every quarter of each year.

SEC. 11. *Non-disclosure of the Information and Exemption.* – All information gathered from the mandatory pre-paid SIM card registration shall be treated with absolute confidentiality, **except** upon prior written consent from the subscriber or when public safety or order requires its disclosure to law enforcement authorities.

SEC. 12. *Mandatory Registration of Existing Pre-paid Mobile Phone Number.* – Existing pre-paid mobile phone subscribers have a period of two (2) months from the date of the effectivity of this Act within which to register the pre-paid SIM card with the public telecommunications entity. Failure to register within said period will authorize the public telecommunications entity to automatically deactivate the subject pre-paid SIM card.

The public telecommunications entity is directed to keep an updated data base or record of all their pre-paid subscribers and submit the same to the NTC within sixty (60) days after the period of registration as prescribed in this Act.

SEC. 13. *Loss of the SIM Card or Change of Information of the Subscriber.* – In case of loss of the pre-paid SIM card or change in the information of the pre-paid subscriber, for example the complete residential address or the assigned mobile phone number of SIM card and serial number, said subscriber must duly notify the public telecommunications entity within thirty (30) days from the loss of the SIM card or change in information. The public telecommunications entity must notify the NTC within a period of thirty (30) days from date of such notification from the subscriber.

SEC. 14. *Penalties.* – a.) Any public telecommunications entity found guilty of violating any of Sections 5, 6, 8, 9, 10, 11, 12 and 13 of this Act shall be punished with the following penalties:

- 1.) First Offense – A fine of Two Hundred Thousand Pesos (P200,000.00);
- 2.) Second Offense – A fine of Three Hundred Thousand Pesos (P300,000.00); and
- 3.) Third and subsequent Offense – A fine of One Million Pesos (1,000,000.00).

b.) Any responsible employee or officer of the public telecommunications entity who shall refuse to disclose the identity and personal circumstances of the pre-paid SIM card subscriber or shall refuse to cooperate with the law enforcement agency after the latter shows proof that the pre-paid SIM card was used in the commission of a crime or illegal purpose, shall be liable to pay a fine of Five Hundred Thousand Pesos (P500,000.00).

c.) Any public telecommunications entity found to have been continuously violating any provisions of this Act, shall suffer the penalty of revocation of its franchise, upon the recommendation of the NTC to Congress.

d.) Any authorized reseller who is found guilty of violating any of Sections 5, 6, 9 and 11 of this Act shall be punished with the following penalties:

- 1.) First Offense – A fine of Five Thousand Pesos (P5,000.00);
- 2.) Second Offense – A fine of Ten Thousand Pesos (P10,000.00); and
- 3.) Third Offense – A fine of Fifteen Thousand Pesos (P15,000.00).

e.) An authorized reseller who is found guilty of violating any of Sections 5, 6, 9 and 11 of this Act for the third time, shall also be prohibited from being an authorized reseller of any public telecommunications entity.

SEC. 15. *Subscriber's Criminal Liability.* – Any subscriber who knowingly provides false or misleading information as mandated by Section 5 of this Act shall be subject to criminal prosecution under Article 171 or Article 172 of the Revised Penal Code.

SEC. 16. *Implementing Rules and Regulations.* – Within sixty (60) days after the approval of this Act, the NTC shall issue the rules and regulations for the effective implementation of this Act.

SEC. 17. *Reportorial Requirement.* – The NTC shall submit to Congress an annual report on the status of the implementation of the mandatory pre-paid SIM card registration including the challenges encountered by stakeholders and the recommendations of NTC to ensure compliance and the attainment of the objectives of this Act.

SEC. 18. *Separability Clause.* – If any provision or part of this Act is declared unconstitutional or invalid, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 19. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, and other issuances, or parts thereof which are inconsistent with the provisions of this Act are hereby deemed amended or repealed.

SEC. 20. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,