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THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

RECEIVED BY: 

SENATE
S. B. No. 1239

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

With the meteoric growth of credit card usage in the Philippines, the possibility of fraud through the use of such cards has also expanded. Thus, there is now a need to enact a law that punishes credit card fraud.

This bill seeks to deter the commission of such acts and to protect banking and financial institutions by providing remedies for problems arising from the commission of such deleterious acts.


MIRIAM DEFENSOR SANTIAGO

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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SENATE
S. B. No. 1239

Introduced by Senator Miriam Defensor Santiago

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

**AN ACT PENALIZING CREDIT CARD FRAUD
AND PROVIDING PENALTIES THEREFOR**

SECTION 1. *Title.* This Act shall be known as the "Credit Card Fraud Act."

SECTION 2. *Definition.* As used in this Act,

(1) the term "access device" means any card, plate, code, account number, electronic serial number, personal identification number, or other telecommunications service, equipment, or instrumental identifier, or other means of account access that can be used, alone or in conjunction with another access device, to obtain money, goods, services, or any other thing of value, or that can be used to initiate a transfer of funds (other than a transfer originated solely by paper instrument);

(2) the term "counterfeit access device" means any access device that is counterfeit, fictitious, altered, or forged, or an identifiable component of an access device or a counterfeit access device;

(3) the term "unauthorized access device" means any access device that is lost, stolen, expired, revoked, cancelled, or obtained with intent to defraud;

(4) the term "produce" includes design, alter, authenticate, duplicate, or assemble;

(5) the term "traffic" means transfer, or otherwise dispose of, to another, or obtain control of with intent to transfer or dispose of,

(6) the term "device-making equipment" means any equipment, mechanism, or impression designed or primarily used for making an access device or a counterfeit access device;

(7) the term "credit card system member" means a financial institution or other entity that is a member a credit card system, including an entity, whether affiliated with or identical to the credit card issuer, that is the sole member of a credit card system; and

(8) the term "scanning receiver" means a device or apparatus than can be used to intercept a wire or electronic communication.

SECTION 3. *Prohibited acts of fraud and related activity in connection with access devices.* Whoever

(1) knowingly and with intent to defraud produces, uses, or traffics in one or more counterfeit access devices;

(2) knowingly and with intent to defraud traffics in or uses one or more unauthorized access devices during any one-year period, and by such conduct obtains anything of value aggregating P2,000.00 or more during that period;

(3) knowingly and with intent to defraud possesses fifteen or more devices which are counterfeit or unauthorized access devices;

(4) knowingly, and with intent to defraud, produces, traffics in, has control or custody of, or possesses device-making equipment;

(5) knowingly, and with intent to defraud uses, produces, traffics in, has control or custody of, or possesses a telecommunications instrument that has been modified or altered to obtain unauthorized use of telecommunications devices;

(6) knowingly and with intent to defraud uses, produces, traffics in, has control or custody of, or possesses -

(a) a scanning receiver; or

(b) hardware or software used for altering or modifying telecommunications instruments to obtain unauthorized access to telecommunications devices.

(7) knowingly and with intent to defraud effects transaction, with one or more access devices issued to another person or persons, to receive payment or any other thing of value during any one-year period the aggregate value of which is equal or greater than P2,000.00;

(8) without the authorization of the issuer of the access device, knowingly and with intent to defraud solicits a person for the purpose of -

(a) offering an access device; or

(b) selling information regarding or an application to obtain an access device; or

(9) without the authorization of the credit card system member or its agent, knowingly and with intent to defraud causes or arranges for another person to present to the member or its agent, for payment, one or more evidences or records of transactions made by an access device;

shall, if the offense affects interstate or foreign commerce, be punished as provided in section 4 of this Act.

SECTION 4. *Penalties.* The punishment for an offense under section 3 of this Act is -

(a) a fine of P10,000.00 or twice the value obtained by the offense, whichever is greater, or imprisonment of prison mayor in its minimum and medium periods, or both, in the case of an offense under section 3 (2), (3), (7), (8), or (9) of this section which does not occur after a conviction for another offense under either such section;

(b) a fine of P10,000.00 or twice the value obtained by the offense, whichever is greater, or imprisonment of prison mayor in its medium and maximum periods, or both, in the case of an affair under section 3(1), (4), (5), or (6) of this Act which does not occur after a conviction for another offense under either such section; and

(c) a fine of P10,000.00 or twice the value obtained by the offense, whichever is greater, or imprisonment of reclusion temporal in its minimum and maximum periods, or both, in the case of an offense under section 3 of this Act which occurs after a conviction for another offense under such section.

SECTION 5. The National Bureau of Investigation (NBI) shall, in addition to any other agency having such authority, have the authority to investigate offenses under this Act.

SECTION 6. *Separability Clause.* If any provision, or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 7. *Repealing Clause.* Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

SECTION 8. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.