


FOURTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

7 JUL -4 P.M.

SENATE

RECEIVED BY: 

Senate Bill No. 1044

INTRODUCED BY HON. MANNY VILLAR

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.


MANNY VILLAR

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

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

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

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

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

9 (2) The term "Counterfeit Access Device" means any access device that is
10 counterfeit, fictitious, altered, or forged, or an identifiable component of an access
11 device or a counterfeit access device;

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

14 (4) The term "Produce" includes design, alter, authenticate, duplicate, or
15 assemble;

16 (5) The term "Traffic" means transfer, or otherwise dispose of, to another, or to
17 obtain control of with intent to transfer or dispose of;

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

1 (7) The term "Credit Card System Member" means a financial institution or other
2 entity that is a member of a credit card system, including an entity, whether affiliated
3 with or identical to the credit card issuer, that is the sole member of a credit card
4 system; and

5 (8) The term "Scanning Receiver" means a device or apparatus that can be used
6 to intercept a wire or electronic communication.

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

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

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

14 (3) Knowingly and with intent to defraud, possesses fifteen or more devices
15 which are counterfeit or unauthorized access devices;

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

18 (5) Knowingly and with intent to defraud, uses, produces, traffics in, has control
19 or custody of, or possesses a telecommunications device;

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

22 (a) A scanning receiver; or

23 (b) Hardware or software used for altering or modifying telecommunications
24 instruments to obtain unauthorized access to telecommunications devices

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

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

31 (a) Offering an access device; or

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

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

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

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

11 (b) A fine of P10,000.00 or twice the value obtained by the offender, whichever is
12 greater, or imprisonment of Prison Mayor in its minimum and medium periods, or both,
13 in the case of an offense under section 3 (1), (4), (5), or (6) of this Act which does not
14 occur after a conviction for another offense under either such section; and

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

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

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

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

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

Approved.