

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



Senate  
Office of the Secretary

16 OCT 12 P3:30

SENATE

Senate Bill No. 1202

RECEIVED BY: 

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Introduced by **SENATOR CYNTHIA A. VILLAR**

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**AN ACT  
PROHIBITING TEXT SCAMS, MISLEADING ADVERTISEMENTS, AND  
FRAUDULENT SALES PROMOTIONS, MANDATING FOR THIS PURPOSE THE  
REGISTRATION OF ALL USERS OF SUBSCRIBER IDENTITY MODULE (SIM)  
CARDS, AND PROVIDING PENALTIES FOR THE VIOLATIONS THEREOF**

**EXPLANATORY NOTE**

Article II, Section 24 of the 1987 Philippine Constitution states that the "State recognizes the vital role of communication and information in nation-building". Pursuant to this national policy, laws have been passed supporting the growth of the telecommunications industry in the Philippines, which is in turn essential to the country's economic development, integrity, and security.

It can be safely said that the existence of mobile phones has largely contributed to the growth of the economy as the ease and speed with which people can connect with each other help improve the efficacy of business. The downside, however, is the risk in the security and safety of the mobile phone user.

It should be noted that mobiles phones require a Subscriber Identification Module or SIM card, which is used to connect to a wireless service provider and access its services. A SIM card holds all of a subscriber's personal information and phone settings and is the subscriber's authorization to use the network. It also holds the phone number, personal security key and other data necessary for the handset to function.

SIM cards can either be for a post-paid or prepaid account, the difference being that in the former, the SIM card is registered under the subscriber's name including all the details necessary to identify said subscriber, while in the latter, no registration is necessary, and anyone can simply buy a prepaid SIM card from the network itself or from re-sellers and start using it.

Although prepaid cellular service has its advantages, the fact that it provides anonymity to the subscriber becomes appealing to those who wish to commit mischief and other crimes. Prepaid SIM cards are commonly used by syndicates in committing fraudulent money-making activities like e-raffle and random lottery, used

by “dugo-dugo gang” in committing robbery, used by individuals for harassments, and it is even used by unscrupulous individuals to impersonate personalities and solicit donations. Basically, anyone with a prepaid SIM card can do anything and not be caught because they cannot be traced, their identity cannot be determined, and they can simply throw away the SIM card after use.

In 2013, it was reported that around 1,179 text scam complaints were filed with the National Telecommunications Commission (NTC). In January to June 2014, meanwhile, the complaints have already reached 967 in number. The NTC has admitted that apprehending scammers is difficult considering that they can always buy a new prepaid SIM card even if the old one was blocked.<sup>1</sup>

Similarly, the Department of Trade and Industry (DTI) and the Bangko Sentral ng Pilipinas (BSP) has cautioned the public against text scams sent to random mobile phone numbers using ordinary<sup>2</sup> cellphone numbers that are prepaid accounts.

With the proliferation of text scams and in order to curb misleading advertisements and the fraudulent sales promotions, which is made easy through the use of prepaid SIM cards, the proposed measure therefore seeks the mandatory registration of all prepaid SIM card users. This is similar to the practices of countries like Singapore<sup>3</sup> and Kenya<sup>4</sup> on buying prepaid SIM cards.

In view foregoing, immediate passage of this bill is immediately requested.

  
**CYNTHIA A. VILLAR**

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<sup>1</sup><http://www.abs-cbnnews.com/video/nation/metro-manila/07/22/14/how-text-scammers-get-your-phone-numbers>

<sup>2</sup> Ordinary cellphone numbers contain at least seven digits on top of the country code, area code, and network code.

<sup>3</sup> <http://www.guidemesingapore.com/blog-post/singapore-life/getting-a-prepaid-sim-card-in-singapore>

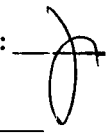
<sup>4</sup> <http://www.humanipo.com/news/1836/Tough-rules-on-SIM-cards-by-December-CCK-says/>



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**AN ACT**  
**PROHIBITING TEXT SCAMS, MISLEADING ADVERTISEMENTS, AND**  
**FRAUDULENT SALES PROMOTIONS, MANDATING FOR THIS PURPOSE THE**  
**REGISTRATION OF ALL USERS OF SUBSCRIBER IDENTITY MODULE (SIM)**  
**CARDS, AND PROVIDING PENALTIES FOR THE VIOLATIONS THEREOF**

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

3 **SECTION 1. Short Title.** – This Act shall be known as the “Prepaid SIM Card  
4 Registration Act of 2016”.

5 **SEC. 2. Declaration of Policy.** – It is the policy of the State to protect the  
6 interest of the consumer, promote his general welfare, and to establish standards of  
7 conduct for business and industry. It is further the policy of the State to protect the  
8 consumer from misleading advertisements and fraudulent sales promotion practices.

9 To ensure the fulfillment of this goal, all users of subscriber identity module  
10 (SIM) cards, whether post-paid or pre-paid shall be required to be registered and  
11 recorded with the National Telecommunications Commission (NTC).

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

13 (a) *Subscriber Identity Module or SIM Card* refers to the removable plastic into  
14 which an integrated circuit that securely stores the international mobile  
15 subscriber identity and the related key used to identify and authenticate  
16 subscribers on mobile telephone devices is embedded, and which can be  
17 transferred between different mobile devices;

18 (b) *Prepaid SIM Card* refers to a SIM card for which credit is purchased in  
19 advance of service use. Upon consumption of the credit or expiration of  
20 the term for the use of the credit, access to the requested service is  
21 denied;

1 (c) *Post-paid SIM Card* refers to a SIM card for which the price for the use of  
2 service is billed and paid after such use and depends on the arrangement  
3 between the public telecommunications entity and user thereof;

4 (d) *Public Telecommunications Entity or PTE*, as defined under Republic Act  
5 No. 7925, otherwise known as the Public Telecommunications Policy Act  
6 of the Philippines, refers to any person, firm, partnership or corporation,  
7 government or private, engaged in the provision of telecommunications  
8 services to the public for compensation; and

9 (e) *Subscriber* refers to the user or owner, whether natural or juridical, of the  
10 prepaid SIM card.

11 **SEC. 4. *Mandatory Registration of Prepaid SIM Card Users.*** – Except as  
12 otherwise stated in Section 6 of this Act, all persons wishing to purchase a prepaid  
13 SIM card shall be required to register the same under their name, showing  
14 competent proof of their identity. The purchased prepaid SIM card shall be for the  
15 account of and under the name of the purchaser, except in a representative capacity,  
16 in which case Section 5 herein shall apply.

17 Existing users of prepaid SIM cards shall likewise be required to register the  
18 same within one hundred eighty (180) days from the effectivity of this Act. Failure to  
19 register within the prescribed period shall authorize the corresponding PTE to  
20 automatically deactivate its services to the specific existing prepaid SIM card user.

21 **SEC. 5. *Representative Registration.*** – In case the purchaser is not the end  
22 user of the prepaid SIM card, the purchaser shall have to present proof of identity of  
23 the end user for whom the prepaid SIM card is purchased, as well as a notarized  
24 letter of authorization, authorizing the purchaser to buy the prepaid SIM card in the  
25 name of the end user.

26 In cases where the end user of the prepaid SIM card is a minor, the parent or  
27 guardian of the said minor shall include in the registration form a consent letter for  
28 the minor's use of the prepaid SIM card, together with the proofs of identity of the  
29 parent or guardian and the minor.

30 **SEC. 6. *Corporate Prepaid Accounts.*** – For prepaid accounts to be purchased  
31 by corporations, companies, associations, organizations, and other similar entities  
32 for the use of its employees or members, it shall be enough, for purposes of  
33 registration, that the prepaid account be registered under the name of the  
34 corporation, company, association, or organization as it appears in its articles of  
35 incorporation, association, or organization registered before the Securities and  
36 Exchange Commission or Department of Trade and Industry.

37 The corporation, company, association, organization, or other similar entity  
38 shall, upon registration, submit a list of its personnel who shall be assigned the  
39 prepaid SIM card/s to be purchased.

1 Corporations, companies, associations, organizations, and other similar  
2 entities possessing existing corporate prepaid accounts shall likewise be required to  
3 register its corporate prepaid accounts under its name with the list of its personnel  
4 currently using the same.

5 **SEC. 7. Role of Sellers.** – It shall be the duty of the sellers of prepaid SIM  
6 cards to require purchasers of prepaid SIM cards to present government issued IDs  
7 reflecting their respective pictures before acquiring and activating the prepaid SIM  
8 cards.

9 Sellers are further required to keep a record of the personal information of all  
10 their buyers and register the same with the corresponding PTE within fifteen (15)  
11 days from date of sale. It is incumbent upon the sellers to verify that the purchaser  
12 and the identification given are one and the same and shall see to it that all  
13 information required in the registration form is complete before selling the prepaid  
14 SIM card.

15 **SEC. 8. Role of PTEs.** – It shall be the duty of the PTEs to keep a record of all  
16 their prepaid subscribers, including those registered with them by the sellers. Within  
17 fifteen (15) days from sale of the prepaid SIM card or from submission of the  
18 accomplished registration form by the sellers, the PTEs shall submit a copy of the  
19 same to the NTC.

20 It shall likewise be the duty of the PTEs to submit to the NTC any changes in  
21 the ownership of the prepaid SIM card, within fifteen (15) from submission of such  
22 change.

23 Incomplete registration forms submitted by the sellers shall authorize the  
24 corresponding PTE to deactivate its services to the specific prepaid SIM card user,  
25 *provided*, however, that notice and sufficient time is given the prepaid subscriber to  
26 complete the registration form. The PTE may temporarily deactivate its services to  
27 the specific SIM card user to compel complete registration.

28 **SEC. 9. Role of NTC.** – The NTC shall be the chief agency in charge of  
29 implementing the provisions of this Act. It shall prescribe the form and necessary  
30 information required to be provided by the subscriber in the registration form as well  
31 as any changes therein.

32 In the implementation of the provisions of this Act, the NTC may require the  
33 assistance of the Department of Trade and Industry (DTI) and the National Bureau of  
34 Investigation (NBI). The NTC shall likewise keep a registry of all prepaid subscribers  
35 as submitted by the PTEs.

36 A massive information campaign must be implemented by the NTC, in  
37 cooperation with the Philippine Information Agency, to inform the public of the need  
38 for mandatory registration of prepaid SIM Cards.

1           **SEC. 10. Changes in Prepaid SIM Account.** – In case of changes in their  
2 personal information or ownership of the prepaid SIM card, it shall be the duty of the  
3 concerned subscriber to submit the change to the corresponding PTE within fifteen  
4 (15) days from such change.

5           In case of change in ownership of the prepaid SIM card, whether donated or  
6 resold, the former subscriber shall include therein the registration form accomplished  
7 by the new subscriber.

8           For corporate entities as described under Section 6 of this Act, changes in its  
9 assigned personnel using the corporate prepaid SIM card shall be shall be submitted  
10 by the corporate entity to the corresponding PTE within thirty (30) days from such  
11 change.

12           **SEC. 11. Penal Provisions.** – Without prejudice to the filing of administrative  
13 cases, any person, whether juridical or natural, who violates any of the provisions of  
14 this Act shall, upon conviction by a court of competent jurisdiction, shall suffer the  
15 following as the case may be:

16           First Offense:           Fine of not less than Five Thousand Pesos (Php  
17   5,000.00) but not exceeding Twenty Thousand Pesos  
18   (Php 20,000.00);

19           Second Offense:        Fine of not less than Twenty Thousand Pesos (Php  
20   20,000.00) but not exceeding Fifty Thousand Pesos (Php  
21   50,000.00) or imprisonment of not less than six (6)  
22   months but nor exceeding one (1) year or both;

23           Third Offense:           Fine of not less than Fifty Thousand Pesos (Php  
24   50,000.00) but not exceeding One Hundred Thousand  
25   Pesos (Php 100,000.00) or imprisonment of not less than  
26   one (1) year but not exceeding two (2) years.

27           If the offense is committed by a corporate entity, the President and other  
28 executive officers shall be held liable for the above penalties.

29           In case the offense is committed by a PTE or seller of prepaid SIM cards, the  
30 PTE or seller shall be suspended from selling the same as follows:

31           First Offense:           Three (3) months from finality of judgment;

32           Second Offense:        Six (6) months from finality of judgment;

33           Third Offense:           Three (3) years from finality of judgment.

1           **SEC. 12. *Implementing Rules and Regulations.*** – The NTC shall issue such  
2 orders, rules and regulations, and other issuances as may be necessary to ensure  
3 the effective implementation of this Act.

4           **SEC. 13. *Separability Clause.*** – If for any reason, any part of or provision of  
5 this Act is declared unconstitutional or invalid, such parts not affected thereby shall  
6 remain in full force and effect.

7           **SEC. 14. *Repealing Clause.*** – Any law, executive order, letter of instruction,  
8 rules and regulations, circulars, issuances or any part thereof inconsistent with any  
9 of the provisions of this Act is hereby repealed, modified or amended accordingly.

10           **SEC. 14. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after  
11 its publication in the Official Gazette or in at least two (2) newspapers of general  
12 circulation.

13           Approved,