

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
Second Regular Session

House Bill No. **9257**



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**Introduced by the Honorable Precious Hipolito Castelo**

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#### **EXPLANATORY NOTE**

Named as the “texting capital of the world” and the “social media capital of the world” at various times over the last few years, the Philippines certainly has an advanced mobile market when compared to other countries.

In a 2019 study, Filipinos are ranked as the longest duration “internet explorers” of the world, with an average of 10:02 hours in a day online. It was also reported in the same study that 79 million Filipinos at age 13 and above are active in social media, against the country’s total population of over 100 million.<sup>1</sup>

The use of prepaid call and text card is convenient for availing mobile services as it allows subscribers to spend according to their needs. Unfortunately, however, prepaid load is subject to an expiry date, and unused credits are forfeited upon such date, regardless of amount. This creates an unfair situation where customers who have paid for the telecommunication networks’ services do not get the full value of the money they spent.

Now that the world is still experiencing the wrath of the COVID-19 pandemic, affordability of mobile services is vital. Inclusive internet availability and access is indispensable as people are forced to stay at home.

It is therefore proposed in this bill to prohibit the imposition of such expiration dates on the validity of prepaid call and text cards, as well as the forfeiture of unused load credits.

The immediate passage of this proposed measure is earnestly sought.

  
**PRECIOUS HIPOLITO CASTELO**

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<sup>1</sup> Morgan Magazine, *From Texting Capital to “NET-SURFING CAPITAL”: PHILIPPINES Now the HEAVIEST INTERNET USERS in the WORLD.* <https://morgan-magazine.com/2019/02/01/from-texting-capital-to-net-surfing-capital-philippines-now-the-heaviest-internet-users-in-the-world/>. Accessed on 19 April 2021

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**AN ACT**  
**PROHIBITING TELECOMMUNICATION COMPANIES FROM IMPOSING EXPIRATION DATES ON MOBILE PREPAID CALL AND TEXT CARDS AND THE FORFEITURE OF LOAD CREDITS AND PROVIDING PENALTIES FOR VIOLATION THEREOF**

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

SECTION 1: *Short Title.* – This Act shall be known as the “Prepaid Load Protection Act.”

SEC. 2 *Declaration of Policy.* – It is hereby declared the policy of the State to protect the interest of consumers, promote their general welfare, and establish standards of conduct of business and industry. Toward this end, the State shall implement measures to achieve, among others, the protection of consumers against deceptive, unfair, and unconscionable sales acts and practices.

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

- a) “*Prepaid*” refers to the type of mobile or landline phone account that requires its owners to purchase load credits before network services can be used;
- b) “*Prepaid call and text card*” refers to any device, in the form of a card, certificate, coupon, document, record, code, electronic serial number, identification code or number, with a corresponding peso value that has to be purchased to enable a subscriber to use telecommunication services; and
- c) “*Load credits*” refers to the monetary value or the consumable amount loaded to a mobile number via prepaid call and text card that enables a subscriber to use telecommunication services.

SEC. 4. *Prohibited Acts.* – Any provision of law to the contrary notwithstanding, the following shall constitute prohibited acts of any telecommunications network providing prepaid services and are hereby declared unlawful:

- a) Imposition of an expiration period on the validity of unused prepaid call and text cards;
- b) Forfeiture of load credits stored on an active prepaid phone account via prepaid call and text card; or
- c) Refusal to give a refund to any prepaid subscriber whose load credits were forfeited without any valid cause.

SEC. 5. *Penalties.* – Any director, officer, employee, or agent of a telecommunications company providing prepaid services who shall commit any of the acts mentioned under the immediately preceding Section shall, upon conviction, be subject to the penalty of a fine of not less than One Hundred Thousand Pesos (PhP100,000.00) but not exceeding Five Hundred Thousand Pesos (PhP500,000.00), or imprisonment of not less than two (2) years but not more than six (6) years, or both, upon the discretion of the court.

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

- a) First offense – a fine of Two Hundred Fifty Thousand Pesos (PhP250,000.00);
- b) Second offense – suspension of license to engage in business for a period of thirty (30) days; and
- c) Third offense – immediate revocation of license to engage in business.

SEC. 6. *Implementing Rules and Regulations* – Within ninety (90) days from the promulgation of this Act, the National Telecommunications Commission shall issue the necessary rules and regulations for the proper and effective implementation of this Act.

SEC. 7. *Separability Clause* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the provisions not otherwise affected shall remain valid and subsisting.

SEC. 8. *Repealing Clause* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with, the provision of this Act is hereby repealed, modified, or amended accordingly.

SEC. 9. *Effectivity* – This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

*Approved,*