AN ACT REQUIRING THE REGISTRATION OF ALL USERS OF PREPAID SUBSCRIBER IDENTITY MODULE (SIM) CARDS

EXPLANATORY NOTE

Based on the 2011 World Bank report entitled "Information and Communications for Development: Maximizing Mobile", there were 101 mobile cellular subscriptions for every 100 people in the Philippines. Mobile cellular subscription refers to "subscriptions to a public mobile telephone service using cellular technology, which provided access to the public switched telephone network. Postpaid and prepaid subscriptions were included." The staggering figure did not reflect the actual number of end users since there could be multiple subscriptions. The report further cites that 96 percent of the total mobile cellular subscriptions in the Philippines were prepaid.

The popularity of prepaid mobile phones can be attributed to the ease and convenience an end user can purchase a prepaid or "Pay As You Go" mobile SIM (Subscriber Identity Module) card from ubiquitous retailers without having to present identification or submit documents. Unlike postpaid mobile phone users who are required to submit identification papers before entering into a contract with a public telecommunications entity (PTE), prepaid mobile phone users can activate their SIM and use their phones while remaining anonymous. Individuals with malicious and criminal intent can exploit this blanket of anonymity enjoyed by prepaid mobile phone users.

The proposed act known as "Subscriber Identity Module (SIM) Card Registration Act" aims for end users to be accountable for their usage of mobile communications by mandating SIM card registration. It gives direct sellers the responsibility of selling prepaid SIM cards only to users who are able to submit a valid identification with photo. Direct sellers must further require the end users to accomplish and sign a control-
numbered registration form issued by the respective PTE of the SIM card being purchased. PTEs will need to collect accomplished registration forms from direct sellers and submit a copy to the National Telecommunications Commission (NTC). PTEs are instructed to submit an updated SIM card registration of their subscribers to NTC every six months.

Given the importance of this measure in minimizing the opportunity for certain parties to exploit the anonymity provided by prepaid SIMs for malicious and criminal intent, the passage of this bill is urgently sought.

LOREN LEGARDA
Senator
AN ACT REQUIRING THE REGISTRATION OF ALL USERS OF PRE-PAID SUBSCRIBER IDENTITY MODULE (SIM) CARDS

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 "Subscriber Identity Module (SIM) Card Registration Act".

SECTION 2. Declaration of Policy. - The State recognizes the vital role of information and communications technology in nation building. The introduction of modern telecommunications technology with the view of providing the widest information dissemination is greatly encouraged. The possession of the most modern technology carries with it tremendous responsibility. Towards this end, a mechanism for the effective use of technology for the common good and not any illegal or malicious purpose must be established.

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

a. Direct seller refers to a person or entity, whether natural or juridical, who directly dispenses or sells a SIM card to an end user;

b. End user refers to any person or entity who directly purchases a SIM card from a direct seller;

c. Post paid mobile phone refers to a mobile phone the service of which is provided by a prior arrangement with a Public Telecommunications Entity. The user in this situation is billed after the fact, according to their use of mobile services at the end of the monthly billing cycle;

d. Prepaid mobile phone refers to a mobile phone for which credit is purchased in advance of service use. The purchased credit is used to pay for mobile phone services at the point the service is accessed or consumed. If there is no available credit then access to the requested
service is denied;

e. Public Telecommunications Entity or PTE refers to any duly enfranchised and authorized public telecommunications entity that offers voice, short messaging system (SMS/text), mobile data, value-added services (VAS) or any other telecommunications services to the public for a fee;

f. SIM card refers to the Subscriber Identity Module (SIM), which is an integrated circuit that securely stores the international mobile subscriber identity and the related key used to identify and authenticate subscribers on mobile telephony devices, such as mobile phones and computers. A SIM card is a removable plastic card into which a SIM circuit is embedded, and can be transferred between different mobile devices;

g. SIM card registration refers to the process of recording and verifying mobile phone number and personal information of a subscriber, by a PTE or other direct seller, including the subscriber's photograph, name, date of birth, gender and address.

SECTION 4. Sale and Registration of SIM Cards. - Every direct seller shall require the end user of a SIM card to present valid identification with photo to ascertain the latter's identity. The direct seller shall further require the end user to accomplish and sign a control-numbered registration form issued by the respective PTE of the SIM card being purchased. The registration form shall include an attestation by the end user that the identification documents presented are true and correct and that the person, personally appearing before the direct seller, who accomplished and signed the registration form, are one and the same.

Except in cases where the PTE is the direct seller, the accomplished registration form must be submitted to the concerned PTE within fifteen (15) days from the date of sale. The confidentiality clause in the SIM card registration under Section 9 hereof shall start to apply at the point of sale.

An end user who does not produce valid identification with photo or fails to accomplish a registration form in accordance with the preceding paragraph shall be refused the sale of a SIM card by the direct seller. The direct seller shall issue the SIM card to the end user only after compliance with the requirements mentioned above and in the succeeding sections.

SECTION 5. Representative Registration of SIM Cards. - A person who wants to purchase a SIM card but cannot personally register with the direct seller may, for valid reason, authorize another to register in that person's behalf, subject to the following conditions: (1) the representative is authorized through a duly notarized Special Power of Attorney; and (2) the principal and the representative should present an original and a true and clear copy of any of the valid identification cards with photo listed in Section 6 (a) hereof.

In case the person intending to purchase a SIM card is a minor, the
parents or guardian shall be required to give their express consent in
writing, and submit the same with the registration form and valid
identification cards with photo of both the minor and the parents or
guardian.

The direct seller may deny the request for representative registration after
an assessment that the reason given therefor is not valid or that the
identification cards or their true copies are not authentic or sufficient.

SECTION 6. Coverage of Registration. - All direct sellers are hereby
mandated to register pertinent data in a registration form devised for the
purpose, to include the following information and requirements:

a) Full name and complete address of the end user appearing in a valid
government-issued identification document with photo. In view thereof,
SIM card end users shall be required to present the original and
submit a true and faithful reproduction or photocopy of any of the
following government identification documents with photo, including the
following:

1. Driver's License
2. Social Security Service/Government Service Insurance System
   (SSS/GSIS) Card
3. Passport
4. Senior Citizen's Card
5. Person with Disabilities Card
6. National Bureau of Investigation (NBI) Clearance
7. Police Clearance
8. Firearms License
9. Voter's Identification Card
10. Taxpayer's Identification Number (TIN)
11. Professional Regulation Commission (PRC) Identification Card
12. Government Office Identification Card
13. School Identification Card (in case of a minor)

The direct seller may make further inquiries or require the submission of
additional identification if necessary, and withhold the sale of the SIM
card pending compliance with the additional requirements.

b) Assigned cell phone number of SIM card(s) and serial number/s.

SECTION 7. Submission of Registration Form. - The registration form
required under Section 6 of this Act shall be accomplished in triplicate,
and shall be forwarded by the direct seller to the concerned PTE. The
concerned PTE shall submit a copy of the duly accomplished registration
form to the National Telecommunications Commission (NTC) within fifteen
(15) days from the date of sale or receipt of such form from their
respective direct sellers. The required registration form and the copies
thereof shall be certified by either the President, General Manager,
Treasurer, Secretary or any other duly appointed officer of the PTE or
direct seller, as the case may be.

SECTION 8. Submission of Verified List of Dealers or Agents. – The PTEs shall submit to the NTC, within thirty (30) days from the date of effectivity of this Act, a verified list of their current authorized dealers or agents nationwide. Thereafter, the PTEs shall submit to the NTC every quarter of each year an updated list of the same.

SECTION 9. Confidentiality Clause. – Any information in SIM card registration shall be treated as absolutely confidential, and may be released only upon written consent of the subscriber: Provided, That the waiver of absolute confidentiality shall not be made as a condition for the approval of subscription agreements with the PTEs.

SECTION 10. Disclosure of Information. – Notwithstanding the provisions of Section 9 hereof, the PTEs shall be required to provide information contained in the SIM card registration only upon order of a competent court upon finding of probable cause that a particular number is or has been used in the commission of a crime or any unlawful act.

SECTION 11. SIM Card Register. - All PTEs are required to submit an updated SIM Card Register of their subscribers to the NTC every six (6) months of both postpaid and prepaid mobile phone users, and maintain a record containing information required under Section 6 of this Act.

In case of loss or any change in the information after the acquisition of the SIM card, the subscriber must notify the PTEs within thirty (30) days from such loss or change. The concerned PTE in return must notify the NTC of such loss or change in the information within fifteen (15) days from receipt of notification from the subscriber.

All PTEs are required to keep the data of their subscribers and the NTC shall see to it that this data is being kept with utmost confidentiality as provided for under Section 9 of this Act and in accordance with existing laws.

SECTION 12. Registration of Existing Prepaid Mobile Phone Subscribers. – All existing mobile phone subscribers with prepaid SIM cards are required to register with their respective PTE within one hundred eighty (180) days from effectivity of this Act. Such deadline may be extended by the NTC but shall not be longer than one hundred twenty (120) days, upon a valid written request.

Failure to register within the prescribed period shall authorize the PTE to automatically deactivate its services to the specific existing prepaid SIM card subscriber.

SECTION 13. Penalties. The following penalties shall be imposed for violation of any provision of this Act: ) If the offense is committed by a PTE, the President and other executive officers shall be held liable and the
following penalties shall be imposed:

1. First offense: A fine of Three hundred thousand pesos (P300,000.00);
2. Second offense: A fine of Five hundred thousand pesos (P500,000.00); and
3. Third and subsequent offenses, a fine of One million pesos (P1,000,000.00) for every offense.

b) A penalty of suspension of its operation and a fine ranging from Five thousand pesos (P5,000.00) to Fifty thousand pesos (P50,000.00) shall be imposed on any direct seller who fails to comply with the provisions of this Act.

SECTION 14. Implementing Rules and Regulations (IRR). – Within ninety (90) days from the effectivity of this Act, the NTC, in coordination with concerned agencies, shall promulgate the rules and regulations and other issuances as may be necessary, to ensure the effective implementation of this Act.

SECTION 15. Separability Clause. – Should any part of this Act be declared unconstitutional or invalid, other provisions hereof that are not affected thereby shall continue to be in full force and effect.

SECTION 16. Repealing Clause. – All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly.

SECTION 17. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,