

'22 AUG -8 P2:43

**SENATE**

**S. No. 1106**

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT  
PROTECTING CONSUMERS AND USERS AGAINST FORCED E-BILLING,  
ADDING FOR THIS PURPOSE A NEW PROVISION AND AMENDING  
CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7394, OTHERWISE KNOWN  
AS THE CONSUMER ACT OF THE PHILIPPINES, AND PROVIDING  
PENALTIES FOR VIOLATIONS THEREOF**

**EXPLANATORY NOTE**

In the recent years, paperless billing was introduced wherein bills and receipts for the transactions consummated by the consumer are not anymore printed and sent to the registered billing address of the consumer as traditionally done, but are instead sent through electronic mail and other medium of communication. Among the companies that implemented paperless billing are banks, telecommunication and insurance companies. Paperless billing has several benefits including eliminated cost of printing, eliminated cost of delivery, improved security, faster sending of bills and receipts, faster payments, reduced consumption of paper, and reduced waste.

It is without doubt that paperless billing is beneficial to our people and our environment, and its promotion should be encouraged. However, consumers should still be given the option to receive printed bills and receipts for their perusal and this should not bear any cost to them.

A number of establishments have been charging extra fees to consumers and clients who opt to continue receiving printed bills and receipts. In 2018, the

Department of Trade and Industry (DTI) addressed this through coordination with other government agencies and the private sector to ensure that consumers need not pay additional fees when they opt to receive a paper billing statement via mail. The DTI "encourages every consumer to assert their rights. Two of the eight (8) basic rights of consumers are their rights to information and to choose. Hence, consumers must be informed of the said sudden move to paperless transactions, as well as, must be able to decide which they prefer between receiving billing statements via electronic mail (e-mail) and mail."

An inter-agency committee on telecommunication composed of the DTI, Department of Information and Communications Technology (DICT), National Telecommunications Commission (NTC) and National Privacy Commission (NPC) was formed to come up with a policy to address consumer complaints such as paperless billing, among others.

Republic Act No. 7394, otherwise known as the "Consumer Act of the Philippines" was enacted to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry. Article 52 of the law provides for "Unfair or Unconscionable Sales Act or Practices" and violation of the aforementioned rights are violations of this law.

To make this policy clearer and more defined, this measure proposes an amendment to R.A. 7394 by adding a new Article which declares that billing statements and other transaction documents may be sent either in printed or electronic form to the consumers without any additional cost.

The DTI, in the position paper dated January 6, 2020 that they submitted to the Senate Committee on Trade, Commerce and Entrepreneurship expressed their support for the passage of the proposed legislation. DTI also enumerated reasons for the passage of the same, to wit:

*"In a survey conducted by the US-based Consumer Action, a national non-profit organization working to advance consumer*

*literacy and protect consumer rights, 45-74 percent of respondents chose paper-based billing over e-billing especially in transactions related to insurance, utilities, medical, mortgages, credit cards and property taxes.*

*Respondents said that paper-based billing provides a sense of security to a segment of the population, who are not tech-savvy, have difficulty in using a computer or lack access to the internet. Consumers are also confronted with fear of data breach; putting their personal information at risk of being stolen or abused.*

*In addition, there is evidence that consumers bear the burden of printing bills (cost of paper and ink) defeating the claimed benefits of e-billing.*

*Forcing consumers to shift to e-billing (and in some cases, being charged additional fees) diminishes consumers' entitlements to the abovementioned rights. Service providers may entice their clientele into choosing paperless billing (i.e. through information campaigns and incentive system such as rewards / points / rebates commensurate to the cost of printing bills and delivery, among others), without removing the option of paper-based billing that is free of charge."*

This measure was reported out by the Committee on Trade, Commerce and Entrepreneurship in the 18<sup>th</sup> Congress.

In this light, the immediate passage of this bill is highly recommended.

  
**RAMON BONG REVILLA, JR.**

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VIOLATIONS THEREOF**

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

1 Section 1. A new Article 51-A is hereby inserted in Republic Act No. 7394,  
2 otherwise known as the Consumer Act of the Philippines, to read as follows:

3 **"ARTICLE. 51-A. BILLING STATEMENTS AND OTHER**  
4 **TRANSACTION DOCUMENTS MAY BE SENT IN PRINTED OR**  
5 **ELECTRONIC FORM AT THE OPTION OF, AND WITHOUT ANY**  
6 **ADDITIONAL COST, TO CONSUMERS. THE CONSUMERS' RIGHT**  
7 **TO SELECT THE MODE IN WHICH THEY RECEIVE THEIR**  
8 **BILLING STATEMENTS AND OTHER TRANSACTION**  
9 **DOCUMENTS MAY NOT BE CONDITIONED ON THE VALUE OF**  
10 **THE PRODUCTS OR SERVICES PROVIDED IN THE**  
11 **TRANSACTION."**

12 Sec. 2. *Separability Clause.* — If any provision or part hereof is held invalid or  
13 unconstitutional, the remainder of the law or the provision or part not otherwise  
14 affected shall remain valid and subsisting.

1           Sec. 3. *Repealing Clause.* – Any law, presidential decree or issuance, executive  
2 order, letter of instruction, administrative order, rule, or regulation contrary to or  
3 inconsistent with the provisions of this Act are hereby repealed, modified, or amended  
4 accordingly.

5           Sec. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
6 publication in the *Official Gazette* or in a newspaper of general circulation.

*Approved,*