

MEMORANDUM CIRCULAR

NO. 07-08-2004

SUBJECT : RULES AND REGULATIONS GOVERNING THE REPAIR, SERVICING AND MAINTENANCE OF MOBILE PHONES

Pursuant to the provisions of the Radio Control Law, Act No. 3846, as amended, Executive Order No. 546, and Republic Act 7925, the following rules and regulations governing the repair, servicing and maintenance of mobile phones units in the Philippines, are hereby promulgated:

1. PURPOSE

The primary purpose of this Circular is to enable the Commission to monitor and control the repair, servicing and maintenance of any mobile phone units, parts and accessories thereof, in the interest of the public.

2. DEFINITION OF TERMS

2.1 Commission – National Telecommunications Commission

2.2 Mobile Phone – a handheld radio communications device employing cellular mobile telephone system (CMTS), popularly referred to as cellular phones or cell phones, and similar technologies, capable of transmitting and receiving voice, data, and other multimedia services by means of radio waves.

2.3 Mobile Phone Service Center (MPSC) - a person or entity engage in the repair, servicing or maintenance of mobile phone units, parts and accessories thereof.

2.4 Mobile Phone Service Center Permit (MPSCP) –a permit issued by the Commission authorizing the holder thereof to engage in the repair, servicing or maintenance of mobile phone units, parts and accessories thereof..

2.5 Unauthorized Servicing – any service rendered to alter the International Mobile Equipment Identity (IMEI) number or code of any mobile phone units.

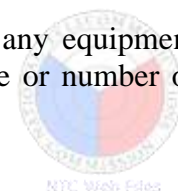


3. GENERAL PROVISIONS

- 3.1 No person shall engage in the business of an MPSC without first securing the necessary permit from the Commission. If an MPSC has branches, all of its branches shall be covered by a separate permit.
- 3.2 No MPSC shall keep an inventory of cellular phone units, parts and accessories thereof, acquired from any unauthorized or illegal source. For the purpose of this Circular, an illegally acquired mobile phone shall include, among others, lost or stolen mobile phones and mobile phones not type-approved/type accepted by the Commission.
- 3.3 All existing centers or establishments doing repair, servicing, and maintenance of mobile phone units prior to the promulgation of this Circular, shall within thirty (30) days from effectivity of this Circular apply and secure the required permit to be an authorized Mobile Phone Service Center (MPSC). Failure to do so, shall subject any person or entity operating any center or establishment to closure and the imposition of appropriate fines until the required Permit is secured.
- 3.4 Existing and duly accredited radio repair shops pursuant to existing rules shall inform the Commission in writing within thirty (30) days from the effectivity of this Circular that they shall engage in the repair, servicing and maintenance of mobile phones. Henceforth, all accreditation permits of radio repair shops shall include the repair, servicing and maintenance of mobile phones.
- 3.5 No MPSC shall accept request for unblocking of blocked SIM cards and for the alteration of IMEI by any means.

4. OPERATING GUIDELINES FOR AUTHORIZED MPSCs

- 4.1 All holders of a Permit to operate an MPSC shall in the conduct of their respective activities in the repair, servicing or maintenance of mobile phones, strictly comply with the provision of this Circular and other existing radio laws, rules, and regulations.
- 4.2 All MPSCP holders shall not accept for repair, servicing or maintenance of any mobile phone units, parts and accessories thereof, that come from any unauthorized or illegal source. The MPSCP holder shall secure from the Commission updated list of blocked IMEI at the start of each month.
- 4.3 An MPSC shall not have in its possession or inventory any equipment and/or software program used for altering the IMEI code or number of any mobile phone units.



- 4.4 An MPSC shall not keep an inventory of mobile phone units, parts or accessories thereof, acquired from illegal source.
- 4.5 An MPSC shall not advertise and/or offer to the public the servicing, repair and maintenance of mobile phone units without any Permit or authority to conduct said activities to the public.
- 4.6 An MPSC shall properly identify its business and location by posting conspicuously at the entrance of its premises a signboard of at least 50cm x 100cm dimension which shall indicate clearly its business name, the type of services it offers, its full business address and the MPSC permit number.

5. PERMITS AND APPLICATIONS

- 5.1 No person or entity shall commence or conduct operation in any of the above activities without a valid MPSCP issued by the Commission.
- 5.2 An application for MPSCP may be filed with the Commission’s Central or Regional Office where applicant conducts its business with the accompanying documents in compliance with NTC requirements:
 - 5.2.1 Duly certified true copy of SEC Registration Certificate and the Articles of Incorporation or DTI Registration Certificate and Business Permit from appropriate Local Government Units authorizing the MPSC to engage in the repair, service and maintenance of mobile phones.
 - 5.2.2 Employment certificate of at least one (1) qualified electronic technician who has completed a formal training course in the repair, servicing and maintenance of mobile phones.
 - 5.2.3 List of service or test equipment and measuring instrument i.e VOM or digital multimeter and other related electronic tools.

5.3 The following are the fees and charges:

Filing Fee	PHP 180.00
Permit Fee	PHP 1200.00/year
Inspection Fee	PHP 720.00/year

5.4 Non payment of any of the required fees shall be ground for the denial, disapproval, suspension and revocation of permits.



6. VALIDITY OF PERMIT

A permit issued to a qualified MPSC shall be valid for a one (1) year renewable, upon presentation of proof of continued compliance with the above-mentioned requirements.

7. CONDUCT OF INSPECTION

- 7.1 The NTC technical staff shall conduct inspection prior to the approval and issuance of MPSCP to verify conformance with the minimum standards specified in this Circular.
- 7.2 All non-conformances found shall be noted and made known to the authorized officials of the entity and/or applicant.
- 7.3 Applicant with a noted deficiency shall be given a grace period of thirty (30) days to correct the non-conformance(s) and shall notify the Commission for the schedule of re-inspection within the same period.

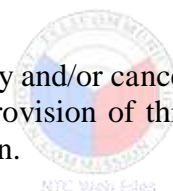
8. ADMINISTRATIVE SANCTIONS

Any violation of this Circular by any person, corporation or entity and/or the making of any false statements made in the application or before the Commission shall be dealt with in accordance this Circular and existing rules and regulations, to include suspension, cancellation and revocation of permits and the imposition of the following fines:

- 8.1 MPSC operating without valid NTC Permit PHP5,000.00
- 8.2 Unauthorized servicing of mobile phones PHP5,000.00/unit
- 8.3 Violations of other acts mentioned in Sections 4 and 5 hereof PHP5,000.00/unit

9. PROCEDURE FOR THE SUSPENSION, CANCELLATION OR REVOCATION OF PERMIT

The Commission may suspend, the operation of any person or entity and/or cancel or revoke the permit of any MPSC found to have violated any provision of this Circular and other existing rules and regulations of this Commission.



Upon a complaint filed by any party or violation report from any authorized personnel of the Commission, the Commission may file an administrative case and direct respondent to Show Cause within fifteen (15) days from receipt of the Order why his operation and/or Permit should not be suspended, cancelled or revoked and to appear and produce evidence on the date and time stated therein. Pending hearing and final determination of the case, the Commission may likewise immediately issue **Cease and Desist** Order, as circumstances so warrant. Moreover, the Commission may suspend any unauthorized operation or any permit when, in its judgment, it is necessary to protect public interest.

10. REPEALING CLAUSE

Any circular, memorandum, order or parts thereof inconsistent with the provisions of this circular shall be deemed amended or superseded accordingly.

11. EFFECTIVITY

This circular shall take effect fifteen (15) days after publication in a newspaper of general circulation and three (3) certified true copies furnished to the UP Law Center.

Quezon City, Philippines, August 6, 2004

(sgd)
RONALD OLIVAR SOLIS
Commissioner

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KATHLEEN G. HECETA
Deputy Commissioner

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