

AN ACT RENEWING THE FRANCHISE GRANTED TO THE UNIVERSAL TELECOMMUNICATIONS SERVICE, INCORPORATED, TO ESTABLISH, OPERATE AND MAINTAIN RADIO STATIONS FOR INTERNATIONAL AND DOMESTIC...

REPUBLIC ACT NO. 7396, April 13, 1992

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

SECTION 1. The franchise of the Universal Telecommunications Service, Incorporated, to establish, operate and maintain radio stations for international and domestic telecommunications under Republic Act No. 3246, as amended by Republic Act No. 4546, is hereby renewed to another twenty-five (25) years from the date of the effectivity of this Act.

SEC. 2. In compliance with the constitutional mandate to democratize ownership of public utilities, the herein grantee shall make a public offering through the stock exchanges of at least thirty percent (30%) of its common stocks within a period of three (3) years from the date of the effectivity of this Act: Provided, That no single person or entity shall be allowed to own more than five percent (5%) of the stock offerings.

SEC. 3. Tax Provisions. - The grantee, its successors or assigns shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations which are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or its assigns shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the business transacted under this franchise by the grantee, its successors or assigns and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: Provided, That the grantee, its successors or assigns shall continue to be liable for income taxes payable under Title 11 of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representative in accordance with the National Internal Revenue Code. The return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 4. Sale, Lease, Transfer, Usufruct, etc. - The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest in the grantee be transferred, whether as a whole or in parts and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines. Any person or entity to which this franchise is validly sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act.

SEC. 5. This franchise is subject to amendment or repeal by the Congress of the Philippines when the common good so requires.

SEC. 6. All the other provisions, terms and conditions contained in Republic Act No. 3246, as amended by Republic Act No. 4540, which are otherwise not affected thereby are hereby made integral parts of this Act.

SEC. 7. The grantee shall submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

SEC. 8. This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,

(Sgd.) NEPTALI A. GONZALES (Sgd.) RAMON V. MITRA

President of the Senate Speaker of the House of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on December 17, 1991 and February 4, 1992, respectively.

(Sgd.) ANACLETO D. BADOY, JR. (Sgd.) CAMILO L. SABIO

Secretary of the Senate Secretary General House of Representatives

Approved: April 13 1992

(Sgd.) CORAZON C. AQUINO

President of the Philippines

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