

**[ NTC MEMORANDUM CIRCULAR NO. 02-05-2008,  
May 30, 2008 ]**

**VALUE ADDED SERVICES**

WHEREAS, the 1987 Constitution fully recognizes the vital role of communications in nation building and provides for the emergence of communications structures suitable to the needs and aspirations of the nation;

WHEREAS, the promotion of competition in the telecommunications market is a key objective of Republic Act No. 7925 (RA 7925, for brevity), otherwise known as The Public Telecommunications Policy Act of the Philippines, which mandates that "a healthy competitive environment shall be fostered, one in which telecommunications carriers a free to make business decisions and interact with one another in providing telecommunications services, with the end in view of encouraging their financial viability while maintaining affordable rates."

WHEREAS, RA 7925 further defines the role of the government to "promote a fair, efficient and responsive market to stimulate growth and development of the telecommunications facilities and services";

WHEREAS, the National Telecommunications Commission (Commission) defined "Value Added Services" in MC No. 05-08-2005 as enhanced services beyond those ordinarily provided for by local exchange and inter-exchange operators, and overseas carriers through circuit switched networks.

WHEREAS, the Commission in the same MC also defined "Enhanced Services" as services that improve upon the quality and/or functionality of services ordinarily offered by local exchange and inter-change operators and overseas carriers and "Services Ordinarily provided for by Local Exchange and Inter-Exchange Operators and Overseas Carriers" refer to voice services offered through circuit switched networks.

NOW, THEREFORE, pursuant to RA 7925, Executive Order (EO) No. 546, series of 1979, and pursuant to the decision of the Supreme Court in G.R. No. 143964 dated 26 July 2004 and in order to maintain and foster fair competition in the telecommunications industry, and to bring the benefits of enhanced services to the general public, the National Telecommunications Commission (the Commission/NTC, for brevity) hereby promulgates the following guidelines:

**A. Scope**

1. The following services are classified as value added services:

- a. Messaging services - includes all types of messaging services such as short messaging service (not more than 160 characters), messaging service (more

than 160 characters), Multimedia messaging service (allows the sending and receiving of multimedia messages such as video, graphics and audio clips), and unified messaging service (allows voice messages to be stored in the mailbox along with email and can be accessed through email client or through telephone with telephone user interface).

- b. Audio conferencing - allows conference between two (2) or more participants at different sites by using networks to transmit audio.
  - c. Audio and video conferencing - allows conference between two (2) or more participants at different sites by using networks to transmit audio and video data.
  - d. Voice mail service - refers to email system that supports audio where users can leave spoken messages for one another and listen to the messages by extending appropriate commands in the email system.
  - e. Electronic mail service - is a store and forward method of composing, sending, storing and receiving messages over electronic communications system.
  - f. Information service - includes all types of information delivered to/accessed by the users/subscribers, e.g. road traffic information, financial information, visa application information, and others of similar nature.
  - g. Electronic Gaming Services except gambling - allows a user to play games online.
  - h. Applications service - includes all types of applications delivered to/accessed h the users/subscribers, e.g. mobile banking, electronic payments, point of service, etc.
  - i. Content and Program service - includes all types of contents delivered to/accesed by the users/subscribers such as music, ring tones, logos, video clips, and ^ of similar nature. '
  - j. Audiotext service - is a system where consumers dial a phone number navigate a voicemail-like system to get desired information (such as forecast, horoscope, and others of similar nature).
  - k. Facsimile service-allows a consumer to send and receive documents throu the electronic communications network.
  - l. Virtual Private Network service - is a communications network tunneled through another network and dedicated for a specific network. One common application is a secure communications through the public internet,
  - m. Hosting service - allows a service provided to host in its facilities websites and private branch exchanges (PBX).
2. The foregoing list of value added services may be revised, modified, expanded or shortened by the Commission after due public consultation.