

[REPUBLIC ACT NO. 7396, April 13, 1992]

AN ACT RENEWING THE FRANCHISE GRANTED TO 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, TO ANOTHER TWENTY-FIVE (25) YEARS FROM THE DATE OF THE EFFECTIVITY OF THIS ACT

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Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.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,