Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Bldg. EDSA, Greenhills, Mandaluyong City

OFFICE OF THE GENERAL COUNSEL

27 April 2010

SEC-OGC Opinion No. 10-19

Scope of Globe Telecom, Inc.'s authorized retail activity

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ATTENTION: Attys. Agustin R. Montilla, IV and Carlos Martin M. Tayag

Gentlemen:

This refers to your 02 March 2010 letter requesting confirmation of your view that Globe Telecom, Inc.'s ("Globe," for brevity) proposed sale of devices for the transmission of telecommunications, both mobile or broadband, and peripheral devices and accessories is within Globe's scope of authority.

The Commission has previously opined that "Globe's power to distribute and sell telephone units and accessories to its clients and subscribers is within the corporate authority specified under its charter, congressional franchise and Section 36, paragraphs 7 and 11 of the Corporation Code of the Philippines. The intended activities are necessary, incidental and form an integral component of providing telecommunication services."[1]

[1] 31 May 2001 SEC Opinion addressed to Attys. Rosanno P. Nisce and Bob L. Guinto.

Globe's franchise allows it to operate "communications systems by radio, wire, cable, satellites, and any other means now known to science or which in the future may be developed for the reception and transmission of telecommunications."

Thus in keeping with the Commission's previous opinion and in light of the recent technological developments, it seems that Globe has the authority to distribute and sell devices for the transmission of telecommunications through mobile and broadband technology. In the same vein, the authority of Globe to sell peripheral devices and accessories depends on whether such products are necessary to the transmission of telecommunications. If such products are not vital to the transmission of telecommunications but only serve as embellishments then it is doubtful that the sale of such products still falls within Globe's franchise.

However, we emphasize that the Commission's opinion on this matter is not conclusive. We note that the National Telecommunications Commission ("NTC," for brevity) is the sole body that exercises jurisdiction over the supervision, adjudication and control over all telecommunications services. Thus, it is more appropriate for you to submit the s ubject issue to the NTC fo r consideration.

This *Opinion* is rendered based solely on the facts and circumstances disclosed and relevant solely to the particular issues raised therein and shall not be used in the nature of a standing rule binding upon the Commission in other cases whether of similar or dissimilar circumstances. If, upon investigation, it will be disclosed that the facts relied upon are different, this opinion shall be rendered null and void.

Please be guided accordingly.

VERNETTE G. UMALI-PACO
General Counsel