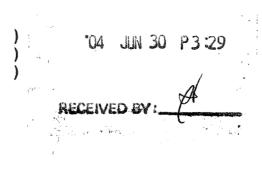
THIRTEENTH CONGRESS OF	THE REPUBLIC
OF THE PHILIPPINES	
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First Regular Session



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s е n а т е s. no. 266

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

The 1987 Constitution mandates that "the state shall protect consumers from trade malpractices and from substandard and hazardous products."

Consistent with such mandate, consumerists had successfully pushed for the passage of the Consumer Act of the Philippines in 1992. The Code was enacted to protect the interests of consumers through the promotion of public health and safety measures, and the prevention of deceptive and unfair acts of unscrupulous businessmen. It consolidated all the relevant laws on consumer protection at that time with new sections on consumer credit transactions and the creation of a National Consumers Affairs Council (NCAC).

The NCAC brought together the DTI, DA, DOH, DECS, NGOs, consumer advocates and business leaders to develop a coherent program for consumer welfare. It was tasked to: 1) coordinate existing consumer protection policies and programs, 2) monitor and evaluate the implementation of these programs, 3) recommend new policies and propose amendments to existing legislation, and 4) undertake research on consumer education and information campaign.

However, by being an attached agency of the DTI, the performance of the NCAC has been very much circumscribed. It has become dependent on the DTI in terms of budgetary allocation for its activities and programs.

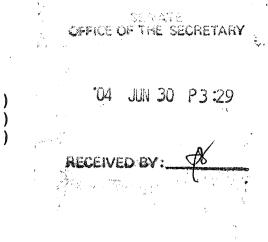
This bill seeks to remedy the situation by making it an independent body under the Office of the President. Likewise, the composition of the Council is being modified to include representatives from the DILG and the Philippine Information Agency because of their important role in consumer protection.

In view of the foregoing, immediate approval of this bill is earnestly sought.

SERGIO OSMEÑA III Senator

THIRTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

First Regular Session



SENATE

s. No. 266

Introduced by Senator S. R. Osmeña III

AN ACT

TO FURTHER STRENGTHEN CONSUMER PROTECTION, AMENDING FOR THIS PURPOSE CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7394, OTHERWISE KNOWN AS THE "CONSUMER ACT OF THE PHILIPPINES," AND FOR OTHER PURPOSES

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

1	SECTION 1. – Article 6 of Republic Act No. 7394, otherwise known as
2	the Consumer Act of the Philippines, is hereby amended to read as follows:
3	"ARTILCE 6. Implementing Agencies The provisions of this
4	Article and its implementing rules and regulations shall be enforced by:
5	a) the Department of Health with respect to food, drugs,
6	cosmetics, devices and substances;
7	b) the Department of Agriculture with respect to products
8	related to agriculture [, and];
9	c) the Department of Trade and Industry with respect to other
10	consumer products not specified above, AND
11	d) "THE BANGKO SENTRAL NG PILIPINAS, WITH RESPECT
12	TO CONSUMER CREDIT TRANSACTIONS."
13	SEC. 2. – Article 8 of the same law is hereby amended to read as follows:
14	"ARTICLE 8. Publication of Consumer Product Standards The
15	concerned departments shall, upon promulgation of the above standards,
16	publish or cause the publication of the same in two (2) newspapers of

general circulation at least once a week for a period of not less than one 1 (1) month: PROVIDED, HOWEVER, THAT CONSUMER PRODUCTS' 2 STANDARDS THAT ARE VOLUMINOUS AND WHICH WILL ENTAIL 3 UNREASONABLY HUGE PUBLICATION EXPENSES NEED NOT BE 4 PUBLISHED IN ITS FULL TEXT BUT MAY BE IN THE FORM OF A 5 NOTICE IN SUCH NEWSPAPERS, GIVING THE ABSTRACT OF THE 6 SUBJECT THEREOF WITH A STATEMENT AS TO HOW AND WHERE 7 COPIES OF THE FULL TEXT THEREOF MAY BE OBTAINED. It may 8 likewise conduct an information campaign through other means deemed 9 effective to ensure the proper guidance of consumers, business, industries 10 and other sectors concerned." 11

12 SEC. 3. – Article 148 of the same law is hereby amended to read as 13 follows:

"ARTICLE 148. National Consumer Affairs Council. – To improve
 the management, coordination and effectiveness of consumer programs, a
 National Consumer Affairs Council is hereby created, hereinafter referred
 to as the "Council" WHICH SHALL BE DIRECTLY UNDER THE OFFICE
 OF THE PRESIDENT."

SEC. 4. – Article 149 of the same law is hereby amended to read as
follows:

"ARTICLE 149. Composition. – The Council shall be composed of
 representatives from the following government agencies and non government agencies:

- a) Department of Trade and Industry;
- b) Department of Education, Culture and Sports;
- c) Department of Health;

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d) Department of Agriculture;

28 e) DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT,

f) PHILIPPINE INFORMATION AGENCY

[e) (G) four (4) representatives from consumer organizations of
 nationwide base to be chosen by the President from among the nominees
 submitted by the various consumer groups in the Philippines;

[f) (H) two (2) representatives from business/industry sector to be
chosen by the President from among the nominees submitted by the
various business organizations:

7 "PROVIDED, THAT FOR AGENCIES DIRECTLY IMPLEMENTING
8 THIS ACT, THEIR REPRESENTATIVES TO THE COUNCIL SHALL
9 HAVE A RANK NOT LOWER THAN ASSISTANT SECRETARY SHALL
10 SIT IN THE COUNCIL."

11 SEC. 5. – Article 152 of the same law is hereby amended to read as 12 follows:

"ARTICLE 152. The [Secretariat] EXECUTIVE DIRECTOR. - The 13 Council shall appoint an Executive Director who shall assist the Chairman 14 and act as Secretary of the Council. [The Department of Trade and 15 Industry shall provide the Secretariat which shall assist the Council in the 16 effective performance of its functions.] THE EXECUTIVE DIRECTOR 17 SHALL BE ASSISTED BY SUCH NUMBER OF PERSONNEL AS HE 18 MAY DEEM NECESSARY FOR THE EFFECTIVE PERFORMANCE OF 19 HIS FUNCTIONS." 20

21 SEC. 6. – Article 153 of the same law is hereby amended to read as 22 follows:

23 "ARTICLE 153. Powers and Functions. – The Council shall have
24 the following powers and functions:

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e) to undertake a continuing education and information
 campaign to provide the consumer with, among others;

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1) facts about consumer products and services;

1 2) consumer rights and the mechanism for redness available to 2 him;

3 3) information on new concepts and developments on
4 consumer protection; and

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 general knowledge and awareness necessary for a critical and better judgement on consumption;

5) such other matters of importance to the consumer's general
8 well-being[.]

F) TO IMPROVE FOR SUBMISSION TO THE DEPARTMENT OF
 BUDGET AND MANAGEMENT THE ANNUAL BUDGET OF THE
 COUNCIL;

G) TO PROMULGATE SUCH RULES AND REGULATIONS AS
MAY BE ESSENTIAL AND NECESSARY TO ATTAIN THE OBJECTIVES
AND PURPOSE OF THIS ACT;

H) TO CREAT ADDITIONAL POSITIONS, BOTH IN THE
CENTRAL AND REGIONAL OFFICES, INCLUDING BUT NOT LIMITED
TO HIRING CONSULTANTS, AS MAY BE NECESSARY TO CARRY.
OUT EFFECITVELY AND EFFICIENTLY TIS FUNCTIONS AND DUTIES;

TO RECEIVE AND UTILIZE, FOR FURTHERANCE OF THE 19 L) COUNCIL'S, FUNDS, GIFTS, DONATIONS AND BEQUESTS FROM 20 21 SOURCES OTHER THAN THE COUNCIL'S BUDGET APPROPRIATIONS. SUCH GIFTS, DONATIONS OR BEQUESTS SHALL 22 BE EXEMPT FROM ALL TAXES, DUTIES, DUES OR FEES 23 24 WHATSOEVER, IMPOSED OR HEREAFTER TO BE IMPOSED BY THE NATIONAL GOVERNMENT, ITS AGENCIES, INSTRUMENTALITIES OR 25 POLITICAL SUBDIVISIONS, AND THE SAME SHALL BE FULLY 26 DEDUCTIBLE FROM THE GROSS INCOME OF THE DONOR OR 27 28 GRANT FOR INCOME TAX PURPOSES:

J) TO PROVIDE FREE LEGAL REPRESENTATION, SUBJECT TO
 GUIDELINES THE COUNCIL MAY APPROVE, TO CONSUMERS WITH
 MERITORIOUS COMPLAINTS; AND

K) GENERALLY, TO UNDERTAKE SUCH OTHER FUNCTIONS
AS MAY BE NECESSARY TO CARRY OUT THE OBJECTIVES AND
PURPOSES OF THIS ACT.

SEC. 7. Separability Clause. - In the event that any provision of this Act
is declared unconstitutional, the validity of the remainder shall not be affected
thereby.

10 SEC. 8. **Repealing Clause.** – All laws, executive orders, letters of 11 instructions, rules and regulations, or provisions thereof which are inconsistent 12 with the provisions of this Act are hereby repealed, amended or modified 13 accordingly.

14 SEC. 9. **Effectivity Clause.** – This Act shall take effect fifteen (15) days 15 after the completion of its publication in at least two (2) newspapers of general 16 circulation.

Approved,