

THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

SENATE
OFFICE OF THE SECRETARY

'04 JUN 30 P3:29

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S E N A T E

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

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**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

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

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

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

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

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

- 24 a) Department of Trade and Industry;
- 25 b) Department of Education, Culture and Sports;
- 26 c) Department of Health;
- 27 d) Department of Agriculture;
- 28 e) DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT,
- 29 f) PHILIPPINE INFORMATION AGENCY

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

4 [f] (H) two (2) representatives from business/industry sector to be
5 chosen by the President from among the nominees submitted by the
6 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:

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

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:

25 X X X

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

28 1) facts about consumer products and services;

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

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

5 4) general knowledge and awareness necessary for a critical
6 and better judgement on consumption;

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

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

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

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

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

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

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

7 SEC. 7. **Separability Clause.** – In the event that any provision of this Act
8 is declared unconstitutional, the validity of the remainder shall not be affected
9 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,