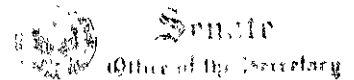
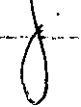


SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Second Regular Session )



15 MAR 16 P5:13

SENATE  
S.B. No. 2699

RECEIVED BY: 

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

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**AN ACT**  
**GRANTING BROADER PROTECTION FOR CONSUMERS ADDING NEW PROVISIONS AND**  
**AMENDING CERTAIN PROVISIONS FOR THE PURPOSE REPUBLIC ACT NO. 7394, OTHERWISE**  
**KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES**

**EXPLANATORY NOTE**

One of the key manifestations of the country's development in the last half-decade is the maturity of industries and its growing consumer base.

Consumers have driven growth and produced the necessary forces that lead to innovation and progress. Moreover, business leaders recognize their customers' vital importance to their sustainability and profitability.

Part of the continued support is to strengthen the consumer rights and responsibilities to not only produce smarter and more strategic buyers, rather, this is to push sellers to improve products and services to better cater to the public and better compete within the marketplace.

Hence, in order to build stronger commercial systems and maintain thriving markets, there is a need to bolster the rights and responsibilities of consumers – and we need to do this at the soonest possible time.

Thus, the measure aims to amend the 1992 Act in order to address the current issues of consumers and markets today.

A particular section of the reforms is directed to the emerging markets, specifically, e-commerce. In June of last year, the Philippines, along with Thailand, was reported to have the highest e-commerce growth in the ASEAN<sup>1</sup>.

E-commerce brings a wealth of opportunities and benefits to consumers such as a variety of choices, ease in comparing prices, and convenience.

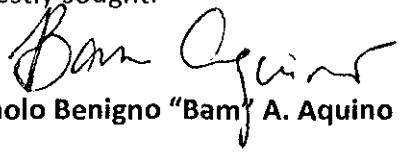
However, there are also disadvantages, which include the inability to experience the product before purchase, risk of fraud, scams, and other security issues.

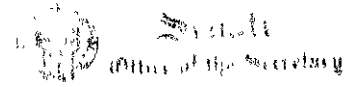
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<sup>1</sup> Bernie Maglikat. Manila Bulletin. June 26, 2014. "PH, Thailand highest eCommerce growth in ASEAN". Last accessed 3.11.2015. <<http://www.mb.com.ph/ph-thailand-highest-ecommerce-growth-in-asean/>>

With the growth of e-commerce in the country and the looming influx of products and services from around the region due to the ASEAN integration, not to mention the expected growth of our locally grown businesses, we must ensure that our consumers are better informed and adequately protected as soon as possible.

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

  
Senator Paolo Benigno "Bam" A. Aquino IV



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

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**CHAPTER 1**

**AMENDMENTS TO TITLE I**  
**(GENERAL PROVISIONS)**

**CHAPTER I**  
**GENERAL PROVISIONS**

**SECTION 1. Short Title.** – This Act shall be known as “The Consumer Act of the Philippines, AS AMENDED”, as amended.

**SECTION 2.** Article 2 is hereby amended to read as follows:

**“Art. 2. Declaration of Policy.** – It is the policy of the State to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry. THE STATE RECOGNIZES THAT CONSUMERS OFTEN FACE IMBALANCES IN ECONOMIC STATUS, EDUCATIONAL LEVELS AND BARGAINING POWER. IT FURTHER RECOGNIZES THAT CONSUMERS SHOULD HAVE THE RIGHT OF ACCESS TO NON-HAZARDOUS PRODUCTS, AS WELL AS THE RIGHT TO PROMOTE JUST, EQUITABLE AND SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT AND ENVIRONMENTAL PROTECTION. Towards this end, the State shall implement measures to attain the following objectives:

- a. TO ACHIEVE AND MAINTAIN ADEQUATE PROTECTION FOR THE POPULATION AS CONSUMERS;
- b. TO FACILITATE PRODUCTION AND DISTRIBUTION PATTERNS RESPONSIVE TO THE NEEDS AND DESIRES OF CONSUMERS;
- c. TO ENCOURAGE HIGH LEVELS OF ETHICAL CONDUCT FOR THOSE ENGAGED IN THE PRODUCTION AND DISTRIBUTION OF GOODS AND SERVICES TO CONSUMERS;
- d. TO CURB ABUSIVE BUSINESS PRACTICES BY ALL ENTERPRISES WHICH ADVERSELY AFFECT CONSUMERS;

- 1 e. TO FACILITATE THE DEVELOPMENT OF INDEPENDENT CONSUMER GROUPS;
- 2 f. TO FOSTER INTERNATIONAL COOPERATION IN THE FIELD OF CONSUMER
- 3 PROTECTION;
- 4 g. TO ENCOURAGE THE DEVELOPMENT OF MARKET CONDITIONS WHICH PROVIDE
- 5 CONSUMERS WITH GREATER CHOICE AT LOWER PRICES; AND
- 6 h. TO PROMOTE SUSTAINABLE CONSUMPTION."

- 7 [a] Protection against hazards to health and safety;
- 8 b) Protection against deceptive, unfair and unconscionable sales acts and practices;
- 9 c) Provision of information and education to facilitate sound choice and the proper
- 10 exercise of rights by the consumer;
- 11 d) Provision of adequate rights and means of redress; and
- 12 e) Involvement of consumer representatives in the formulation of social and economic
- 13 policies.]

14 **SECTION 3.** A new Article to denominated as Article 2-A is hereby added after Article 2 of the

15 same Act to read as follows:

16 "ART. 2-A. CONSUMER RIGHTS –THE CONSUMER RIGHTS ARE:

- 17
- 18 a) RIGHT TO BASIC NEEDS – THE CONSUMER SHALL HAVE ACCESS TO FOOD,
- 19 CLOTHING, SHELTER, HEALTH CARE, EDUCATION AND SANITATION IN
- 20 ACCORDANCE WITH HIS ECONOMIC STATUS.
- 21 b) RIGHT TO CHOOSE – THE CONSUMER SHALL HAVE ACCESS TO CHOOSE
- 22 PRODUCTS AT COMPETITIVE PRICES WITH AN ASSURANCE OF SATISFACTORY
- 23 QUALITY.
- 24 c) RIGHT TO REPRESENTATION – THE CONSUMER SHALL BE ENTITLED TO EXPRESS
- 25 CONSUMER INTERESTS AND BE INVOLVED IN THE MAKING AND EXECUTION OF
- 26 GOVERNMENT POLICIES.
- 27 d) RIGHT TO REDRESS – THE CONSUMER SHALL HAVE ACCESS TO THE
- 28 APPROPRIATE REMEDIES FOR MISREPRESENTATION, SUBSTANDARD OR
- 29 DEFECTIVE GOODS OR UNSATISFACTORY SERVICES.
- 30 e) RIGHT TO CONSUMER EDUCATION – THE CONSUMER SHALL HAVE ACCESS TO
- 31 ACQUIRE THE KNOWLEDGE AND SKILLS NECESSARY TO MAKE AN INFORMED
- 32 CHOICE.
- 33 f) RIGHT TO SAFETY – THE CONSUMER SHALL BE ENTITLED TO PROTECTION
- 34 AGAINST THE MARKETING OF GOODS OR PROVISION OF SERVICES THAT ARE
- 35 HAZARDOUS TO HEALTH AND LIFE.
- 36 g) RIGHT TO A HEALTHY ENVIRONMENT. – THE CONSUMER SHALL HAVE ACCESS TO
- 37 LIVE AND WORK IN AN ENVIRONMENT WHICH IS NEITHER THREATENING NOR
- 38 DANGEROUS AND WHICH PERMITS A LIFE OF DIGNITY AND WELL-BEING."
- 39 h) RIGHT TO INFORMATION – THE CONSUMER SHALL HAVE ACCESS TO
- 40 PROTECTION AGAINST DISHONEST OR MISLEADING ADVERTISING OR LABELING
- 41 AND SHOULD BE PROVIDED WITH THE FACTS AND INFORMATION NEEDED TO
- 42 MAKE AN INFORMED CHOICE."

43 **SECTION. 4.** A new Article denominated as Article 2-B is hereby added after the new Article 2-A

44 of the same Act which shall read as follows:

45 "ART. 2-B. CONSUMER RESPONSIBILITIES. –THE CONSUMER RESPONSIBILITIES ARE:

- 46 a) CRITICAL AWARENESS – THE CONSUMER SHALL BE ALERT AND INQUISITIVE
- 47 ABOUT THE USE OF, THE PRICE AND QUALITY OF GOODS AND SERVICES;
- 48 b) ACTION – THE CONSUMER SHALL ASSERT AND ACT TO ENSURE THAT
- 49 CONSUMERS WILL ALWAYS GET A FAIR DEAL TAKING INTO CONSIDERATION

- 1 THAT AS LONG AS A CONSUMER REMAINS PASSIVE, CONSUMERS WILL  
 2 CONTINUE TO BE EXPLOITED;
- 3 c) SOCIAL CONCERN – THE CONSUMER SHALL BE MORE AWARE OF THE IMPACT  
 4 OF ONE’S CONSUMPTION ON OTHER CITIZENS, ESPECIALLY DISADVANTAGED  
 5 OR POWERLESS GROUPS, WHETHER IN THE LOCAL, NATIONAL, OR  
 6 INTERNATIONAL COMMUNITY;
- 7 d) ENVIRONMENTAL AWARENESS – THE CONSUMER SHALL UNDERSTAND THE  
 8 ENVIRONMENTAL CONSEQUENCES OF ONE’S CONSUMPTION. THE  
 9 CONSUMER SHOULD RECOGNIZE INDIVIDUAL AND SOCIAL RESPONSIBILITY  
 10 TO CONSERVE NATURAL RESOURCES AND PROTECT THE EARTH FOR FUTURE  
 11 GENERATIONS; AND
- 12 e) SOLIDARITY – THE CONSUMER SHALL ORGANIZE INTO AN ASSOCIATION TO  
 13 DEVELOP THEIR STRENGTH AND INFLUENCE THE PROMOTION AND  
 14 PROTECTION OF THEIR INTERESTS.”

15 **SECTION. 5.** Article 4 of the same Act is hereby amended to read as follows:

16  
 17

“ART. 4. Definition of Terms. – For purposes of this Act, the term:

18 xxx xxx xxx

19 n) "Consumer" means a natural person who is a purchaser, lessee,  
 20 recipient or prospective purchaser, lessor or recipient of consumer products,  
 21 services, [or] credit, TECHNOLOGY, ADVERTISING OR PROMOTION, AND  
 22 OTHER ITEMS IN COMMERCE.

23 xxx xxx xxx

24 q) "Consumer products and services" means goods, services and credits,  
 25 debts or obligations, which are primarily for personal, family,  
 26 household or agricultural purposes, which shall include but not limited  
 27 to food, drugs, cosmetics, [and] devices, AND TECHNOLOGY.

28 xxx xxx xxx

29 w) "Credit card" means any card for USE UPON PRESENTATION TO PAY  
 30 FOR CONSUMER PRODUCTS AND SERVICES.

31 xxx xxx xxx

32 at) "Mass media" refers to any means or methods used to convey  
 33 advertising messages to the public such as television, radio, INTERNET,  
 34 MOBILE PHONES AND SIMILAR ELECTRONIC DEVICES, magazines, cinema,  
 35 billboards, posters, streamers, hand bills, leaflets, mails and the like.

36 xxx xxx xxx

37 bm) "Sales Promotion" means techniques INTENDED TO PROMOTE  
 38 AND/OR INCREASE THE SALES, PATRONAGE, AND/OR GOODWILL OF A  
 39 PRODUCT OR SERVICE AND intended for broad consumer participation which  
 40 contain promises of gain such as prizes, in cash or in kind, OR AN  
 41 OPPORTUNITY TO WIN ANY PRIZES OR FREE SERVICES, OR GIFT, OR ANY  
 42 SIMILAR SCHEME, as reward for TRANACTING FOR, RECEIVING, OR

1 PURCHASING [the purchase of] a product, security, service or winning in  
2 contest, game, tournament and other similar competitions OR CHALLENGES  
3 which involve determination of winner/s and which utilize mass media or  
4 other widespread media of information such as INFORMATION AND  
5 COMMUNICATIONS TECHNOLOGY.

6 xxx xxx xxx

7 bn) "Seller" means a person engaged in the business of selling consumer  
8 products AND SERVICES directly to consumers. It shall include a supplier or  
9 distributor if (1) the seller is a subsidiary or affiliate of the supplier or  
10 distributor; (2) the seller interchanges personnel or maintains common or  
11 overlapping officers or directors with the supplier or distributor; or (3) the  
12 supplier or distributor provides or exercises supervision, direction or control  
13 over the selling practices of the seller.

14 xxx xxx xxx

15 br) "Standard" means a set of conditions to be fulfilled to ensure the  
16 quality and safety of a product AND SERVICE;

17 xxx xxx xxx

18 **CHAPTER 2**  
19 **AMENDMENTS TO TITLE II**  
20 **(CONSUMER PRODUCT QUALITY AND SAFETY)**  
21 **CHAPTER I**  
22 **CONSUMER PRODUCT QUALITY AND SAFETY**

23 **SECTION 6.** Article 8 of the Consumer Act is hereby amended to read as follows:

24 "ART. 8 Publications of Consumer Product Standards. – The concerned department  
25 shall, upon promulgation of the above standards, publish or cause the publication of the  
26 same EITHER in a newspaper of general circulation, in the OFFICIAL GAZETTE, OR IN THE  
27 DEPARTMENT'S/AGENCY'S OFFICIAL WEB PORTAL. It may likewise conduct an  
28 information campaign through other means deemed effective to ensure the proper  
29 guidance of consumers, businesses, industries and other sectors concerned."

30 **SECTION 7.** Article 10 of the Consumer Act of the Philippines is hereby amended to read as  
31 follows:

32 "ART. 10. Injurious, Dangerous and Unsafe Products. - Whenever the departments find,  
33 by their own initiative or by petition of a consumer, that a consumer product is found to  
34 be injurious, unsafe or dangerous, it shall, after due notice and hearing, make the  
35 appropriate order for its recall, prohibition or seizure from public sale or distribution:  
36 Provided, That, in the sound discretion of the department it may declare a consumer  
37 product to be imminently injurious, unsafe or dangerous, and order is immediate recall,  
38 ban or seizure from public sale or distribution, in which case, the seller, distributor,  
39 manufacturer or producer thereof shall be afforded a hearing within forty-eight (48)  
40 hours from such order: PROVIDED, FURTHER, ANY ESTABLISHMENT CAUGHT IN THE ACT

1 OF SELLING, DISTRIBUTING, MANUFACTURING, PRODUCING, DISPLAY OR  
2 IMPORTATION OF SUBSTANDARD AND HAZARDOUS PRODUCTS SHALL AUTHORIZE THE  
3 IMPLEMENTING AGENCIES TO CLOSE AND SHUT DOWN THE BUSINESS PREMISES.

4 The ban on the sale and distribution of a consumer product adjudged injurious, unsafe  
5 or dangerous, or imminently injurious, unsafe or dangerous under the preceding  
6 paragraph shall stay in force until such time that its safety can be assured or measures  
7 to ensure its safety have been established.”

8 **SECTION 8.** Article 11 of the Consumer Act is hereby amended to read as follows:

9 “ART. 11. Amendment and Revocation of Declaration of the Injurious, Unsafe or  
10 Dangerous Character of a Consumer Product. – Any interested person may petition  
11 the appropriate department to commence a proceeding for the issuance of an  
12 amendment or revocation of a consumer product safety rule or an order declaring a  
13 consumer product injurious, dangerous and unsafe.

14 In case the department, upon petition by an interested party or its own initiative and  
15 after due notice and hearing, determines a consumer product to be substandard or  
16 materially defective, it shall so notify the manufacturer, distributor or seller thereof of  
17 such finding and order such manufacturer, distributor or seller to WITHOUT DELAY:

18 a) ISSUE PRODUCT RECALL AND give notice to the public of the defect or failure  
19 to comply with the product safety standards;

20 b) Give notice to each distributor or seller of such product; and

21 c) GIVE NOTICE TO EVERY PERSON TO WHOM SUCH CONSUMER PRODUCT  
22 WAS DELIVERED OR SOLD.”

23 The department shall also direct the manufacturer, distributor or seller of such product  
24 to extend WITHIN REASONABLE TIME any or all of the following remedies to the  
25 injured person:

26 a) To bring such product into conformity with the requirements of the applicable  
27 consumer product standards or to repair the defect in order to conform with the  
28 same;

29 b) To replace the product with a like or equivalent product which complies with  
30 the applicable consumer product standards which does not contain the defect;

31 c) To refund the purchase price of the product less a reasonable allowance for  
32 use; and

33 d) To pay the consumer reasonable damages as may be determined by the  
34 department.

35 The manufacturer, distributor or seller shall not charge a consumer who avails himself  
36 of the remedy as provided above of any expense and cost that may be incurred.”

37 **CHAPTER 3**

38 **AMENDMENTS TO TITLE III**

1 (PROTECTION AGAINST DECEPTIVE, UNFAIR AND UNCONSCIONABLE SALES ACTS OR  
2 PRACTICES)

3 CHAPTER I  
4 DECEPTIVE, UNFAIR AND UNCONSCIONABLE SALES ACTS OR PRACTICES  
5 REGULATION OF SALES ACTS AND PRACTICES

6 SECTION 9. Article 52 of the Consumer Act of the Philippines is hereby amended to read as  
7 follows:

8 "ART. 52. *Unfair or Unconscionable Sales Act or Practice.* – An unfair or unconscionable sales  
9 act or practice by a seller or supplier in connection with a consumer transaction violates this  
10 Chapter whether it occurs before, during or after the consumer transaction. An act or  
11 practice shall be deemed unfair or unconscionable whenever the producer, manufacturer,  
12 distributor, supplier or seller, by taking advantage of the consumer's physical or mental  
13 infirmity, ignorance illiteracy, lack of time or the general conditions of the environment or  
14 surroundings, induces the consumer to enter into a sales or lease transaction inimical to the  
15 interests of the producer, manufacturer, distributor, supplier or seller.

16 In determining, whether an act or practice is unfair and unconscionable, the following  
17 circumstances shall be considered:

- 18 a) That the producer, manufacturer, distributor, supplier or seller took advantage of  
19 the inability of the consumer to reasonably protect his interest because of inability  
20 to understand the language of an agreement, or similar factors;
- 21 b) That when the consumer transaction was entered into, the price grossly exceeded  
22 the price at which similar products or services were readily obtainable in similar  
23 transaction by like consumers;
- 24 c) That when the consumer transaction was entered into the consumer was unable to  
25 receive a substantial benefit from the subject of transaction;
- 26 d) That when the consumer transaction was entered into, the seller or supplier was  
27 aware that there was no reasonable probability or payment of the obligation in full  
28 by the consumer;
- 29 e) That the transaction that the seller or supplier induced the consumer to enter into  
30 was excessively one-sided in favor of the seller or supplier SUCH AS BUT NOT  
31 LIMITED TO:

32 1) THAT WHEN THE CONSUMER TRANSACTION WAS ENTERED INTO,  
33 THE SELLER OR SUPPLIER IMPOSES UPON THE CONSUMER TERMS  
34 AND CONDITIONS GROSSLY DISADVANTAGEOUS TO THE LATTER  
35 WHO IS REDUCED TO THE ALTERNATIVE OF ACCEPTING THE  
36 CONTRACT OR LEAVING IT, COMPLETELY DEPRIVED OF THE  
37 OPPORTUNITY TO BARGAIN ON EQUAL FOOTING; AND

38 2) THE SELLER OR SUPPLIER EMPLOYS AN AGGRESSIVE MARKETING  
39 PRACTICE THAT SIGNIFICANTLY CONSTRAINS OR IMPAIRS OR IS  
40 LIKELY TO SIGNIFICANTLY CONSTRAIN OR IMPAIR THE AVERAGE  
41 CONSUMER'S FREEDOM OF CHOICE OR CONDUCT WITH REGARD TO  
42 THE PURCHASE OF A PRODUCT OR SERVICE THAT CAUSES HIM/HER



1 OR IS LIKELY TO CAUSE HIM/HER TO ENTER INTO A CONSUMER  
2 TRANSACTION DIFFERENT FROM THE ONE HE/SHE WOULD HAVE  
3 INTENDED, OR HE/SHE WOULD NOT HAVE DONE OTHERWISE.”

4 **CHAPTER II**  
5 **REGULATION OF PRACTICES RELATIVE TO WEIGHT AND MEASURES**

6  
7 **SECTION 10.** Article 62 of the Consumer Act of the Philippines is hereby amended to read as  
8 follows:

9 “ART. 62. Sealing and Testing of Instruments of Weights and Measure. – All  
10 instruments for determining weights and measures in all consumer and consumer  
11 related transactions shall be tested, calibrated and sealed every six (6) months by the  
12 official sealer who shall be the Provincial or City or Municipal Treasurer or his  
13 authorized representative SUCH AS THE MARKET ADMINISTRATOR upon payment of  
14 fees required under existing law: *Provided*, That all instruments of weights and  
15 measures shall continuously be inspected for compliance with the provisions of this  
16 Chapter.

17 **CHAPTER III**  
18 **CONSUMER PRODUCT AND SERVICE WARRANTIES**

19 **SECTION 11.** Article 68 of the Consumer Act of the Philippines is hereby amended to read as  
20 follows:

21 “ART. 68. Additional Provisions on Warranties. – In addition to the Civil Code provisions  
22 on sale with warranties, the following provisions shall govern the sale of consumer  
23 products with warranty:

24 x x x

25 (f) Breach of warranties. -

26 x x x

27 **(3) MANUFACTURERS OR DISTRIBUTORS MUST MAINTAIN A CONSUMER**  
28 **HOTLINES OR SERVICE CENTERS THAT CONSUMERS CAN EASILY REACH FOR**  
29 **COMPLAINTS AND INQUIRIES BY PHONE, EMAIL, OR OTHER EFFECTIVE MEANS.**  
30 **CONSUMERS MUST NOT BE MADE TO SUFFER GREAT INCONVENIENCES IN**  
31 **CONTACTING MANUFACTURERS TO CLAIM WARRANTIES AND OTHER NEEDED**  
32 **SERVICES.”**

33 x x x

34 **CHAPTER IV**  
35 **LABELING AND FAIR PACKAGING**

36 **SECTION 12.** A new Article denominated as Article 77-A is hereby inserted after Article 77 of  
37 the same Act which shall read as follows:

38 “ART. 77-A. ENGLISH OR FILIPINO TRANSLATION OF PRODUCT LABELS WRITTEN IN  
39 FOREIGN CHARACTERS/LANGUAGES. – CONSUMER PRODUCTS WITH PRODUCT LABELS

1 WRITTEN IN FOREIGN CHARACTERS/LANGUAGE SHALL BE ALLOWED ENTRY INTO THE  
2 COUNTRY AND INTRODUCED INTO COMMERCE PROVIDED THEY HAVE A  
3 CORRESPONDING ENGLISH OR PILIPINO TRANSLATION TO ENABLE THE AUTHORITIES TO  
4 DETERMINE WHETHER THE PRODUCT HAS COMPLIED WITH ALL THE OTHER LABELING  
5 REQUIREMENTS AS WELL AS PROVIDE THE CONSUMERS PROPER GUIDANCE ON THE  
6 CONTENTS AND SOURCE / ORIGIN OF THE PRODUCT.”

7 **SECTION 13.** Article 79 of the Consumer Act is hereby amended to read as follows:

8 “ART 79. Authority of the Concerned Department to Provide for Additional Labeling and  
9 Packaging Requirements. - Whenever the concerned department determines that  
10 regulations covering requirements other than those prescribed in Section 77 hereof are  
11 necessary to prevent the deception of the consumer or to facilitate value comparisons  
12 as to any consumer product, it may issue such rules and regulations to:

13 a) Establish and define standards for characterization of the size of a package  
14 enclosing any consumer product which may be used to supplement the label  
15 statement of net quality, of contents of packages containing such products but this  
16 clause shall not be construed as authorizing any limitation on the size, shape,  
17 weight, dimensions, or number of packages which may be used to enclose any  
18 product;

19 b) Regulate the placement upon any package containing any product or upon any  
20 label affixed to such product of any printed matter stating or representing by  
21 implication that such product is offered for retail at a price lower than the ordinary  
22 and customary retail price or that a price advantage is accorded to purchases  
23 thereof by reason of the size of the package or the quantity of its contents;

24 c) Prevent the non-functional slack-fill of packages containing consumer products.

25 d.) THE CONCERNED DEPARTMENT MAY LIKEWISE ISSUE SUCH OTHER  
26 REQUIREMENTS AS MAY BE PRESCRIBED BY REGULATIONS TO ENSURE THE SAFETY,  
27 EFFICACY AND QUALITY OF HEALTH PRODUCTS”

28 For purposes of paragraph (c) of this Article, a package shall be deemed to be  
29 nonfunctionally slack-filled if it is filled to substantially less than its capacity for reasons  
30 other than (1) protection of the contents of such package, (2) the requirements of  
31 machines used for enclosing the contents in such package, or (3) inherent  
32 characteristics of package materials or construction being used.

33 **CHAPTER V**  
34 **LIABILITY FOR PRODUCTS AND SERVICES**

35 **SECTION 14.** Article 103 of the Consumer Act of the Philippines is hereby amended to read as  
36 follows:

37 “ART. 103. Repair Service Obligation. When services are provided for the repair of any  
38 product, the supplier shall be considered implicitly bound to use adequate, new,  
39 original replacement parts, or those that maintain the manufacturer's technical  
40 specifications unless, otherwise authorized, as regards to the latter by the consumer.

41 IN PROVIDING SERVICE OR REPAIR AS REQUIRED UNDER THIS ARTICLE, THE  
42 MANUFACTURER MUST INFORM THE CONSUMER ABOUT WHICH PARTICULAR PARTS

1 OF THE GOODS ARE DAMAGED AND HAVE TO BE REPAIRED. THE CONSUMER SHALL BE  
2 GIVEN THE OPTION TO REPLACE ONLY THE DAMAGED PARTS.”

3 **CHAPTER VI**  
4 **FALSE, DECEPTIVE AND MISLEADING ADVERTISEMENT**

5 **SECTION 15.** Article 110 of the Consumer Act of the Philippines is hereby amended to read as  
6 follows:

7 “ART. 110. False, Deceptive or Misleading Advertisement. – It shall be unlawful for any  
8 person to disseminate or to cause the dissemination of any false, deceptive or  
9 misleading advertisement by Philippine mail or in commerce by print, radio, television,  
10 outdoor advertisement, INTERNET, MOBILE PHONE, or other medium for the purpose of  
11 inducing or which is likely to induce directly or indirectly the purchase of consumer  
12 products or services.

13 x x x

14 **PROMOTION OF SALES OF CONSUMER PRODUCTS AND SERVICES**

15 **SECTION 16.** Article 116 of the Consumer Act of the Philippines is hereby amended to read as  
16 follows:

17 “ART. 116. Permit to Conduct Promotion. — No person shall conduct any sales  
18 campaigns, including beauty contest, national in character, sponsored and promoted by  
19 PRODUCERS, RETAILERS, SELLERS, DISTRIBUTORS, SUPPLIERS, IMPORTERS, OR  
20 manufacturing enterprises without first securing a permit from the concerned  
21 department AND SUCH APPLICATION SHALL IMMEDIATELY BE APPROVED UPON THE  
22 FILING OF THE APPLICATION. IN CERTAIN SALES PROMOTION APPLICATION THAT MAY  
23 REQUIRE EVALUATION prior to the commencement thereof, the same shall be deemed  
24 approved and the promotion campaign or activity SHALL BE COMMENCED WITHIN FIVE  
25 (5) DAYS FROM ITS FILING: Provided, That any sales promotion campaign using medical  
26 prescriptions or any part thereof or attachment thereto for raffles or a promise of  
27 reward shall not be allowed, nor a permit be issued thereof.  
28 ALL HOLDERS OF SALES PROMOTION PERMIT SHALL PROVIDE TO THE CONCERNED  
29 DEPARTMENT A COPY OF ITS PROMOTIONAL MATERIALS FOR POST AUDIT NOT LATER  
30 THAN THE PUBLICATION, RELEASE, OR LAUNCH DATE, WHICHEVER IS EARLIER.”

31 **CHAPTER 4**  
32 **AMENDMENTS TO TITLE IV**  
33 **(CONSUMER CREDIT TRANSACTION)**  
34

35 **SECTION 17.** A new Article denominated as Article 131-A is hereby inserted after Article 131 of  
36 the same Act which shall read as follows:

37 “ART. 131-A. IMPLEMENTING AGENCY. – THE BANGKO SENTRAL NG PILIPINAS (BSP)  
38 SHALL IMPLEMENT AND ENFORCE THE PROVISIONS OF THIS CHAPTER AND ITS  
39 IMPLEMENTING RULES AND REGULATIONS EXCEPT AS OTHERWISE PROVIDED BY LAW”

40 **CHAPTER 5**



1 "Article 164. Sanctions. – After investigation, any of the following administrative  
2 penalties may be imposed even if not prayed for in the complaint:

3 x x x

4 i) the imposition of administrative fines in such amount as deemed reasonable by the  
5 Secretary, which shall in no case be less than FIFTY THOUSAND PESOS (Php 50,000)  
6 NOR MORE THAN TEN MILLION PESOS (Php 10,000,000) AND WHICH AMOUNT OF  
7 FINES SHALL BE COMPUTED ON THE FIVE PERCENT (5%) OF THE GROSS VALUE OF  
8 SALES OF THE CONSUMER PRODUCT AND SERVICES SUBJECT OF A CONSUMER  
9 COMPLAINT.

10 **CHAPTER 6**

11 **AMENDMENTS TO TITLE VI**  
12 **(TRANSITORY AND FINAL PROVISIONS)**

13 **SECTION 23.** Separability Clause. If any part or parts of this Act should, for any reason, be  
14 declared invalid or unconstitutional, the part or parts thereof unaffected shall thereby continue  
15 to remain in full force and effect.

16 **SECTION 24.** Repealing Clause. All laws, decrees, executive order, rules and regulations and  
17 other issuances consistent with this Act is hereby repealed or amended accordingly.

18 **SECTION 25.** Effectivity. This Act shall take effect fifteen (15) days from the date of publication  
19 in at least two (2) newspapers of general circulation.

20 Approved,