


**EIGHTEENTH CONGRESS OF THE** )  
**REPUBLIC OF THE PHILIPPINES** )  
*Second Regular Session* )

'21 FEB 22 P2:48

**SENATE**  
S. No. 2064

FILED 

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**Introduced by Senator Aquilino "Koko" Pimentel III**

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**AN ACT AMENDING REPUBLIC ACT NO. 10642  
OTHERWISE KNOWN AS THE "PHILIPPINE LEMON  
LAW" AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Owning a motor vehicle is now a necessity for many Filipinos to address their need to be mobile in this complex and modern world, given the absence in many parts of the Philippines of safe and efficient mass transportation. The purchase of a motor vehicle is also a major financial investment or expenditure for the average Filipino family.

Thus, the welfare and safety of motor vehicle buyers should be a paramount concern of the State.

Republic Act No. 10642, otherwise known as the "Philippine Lemon Law of 2013," was signed into law on July 15, 2014, to provide protection to buyers who acquire vehicles that are defective or nonconforming to the manufacturer's or distributor's standards of quality and specifications. However, complaining buyers continue to experience great difficulty in availing of their rights under the Lemon Law due to its cumbersome provisions, among which is the numerous repair attempts required before a defective unit is to be replaced by the manufacturer or dealer.

Furthermore, there are cases of motor vehicles with safety critical defects or those that cause potential loss of vehicle control resulting to injury of the people inside or outside the vehicle. Buyers of said vehicles do not feel confident using them even after many repairs are done to the same. Immediate replacement thereof should be their remedy.

This bill seeks to make it easier for buyers of motor vehicles to avail of their rights under the Lemon Law by reducing the number of repair attempts required under the law and obligating the manufacturer, distributor, authorized dealer or retailer to immediately replace the motor vehicle if it shall be found to have critical nonconformity issues which threaten the safety of its users.


For the buyer's convenience, this bill mandates the immediate availability of parts, components or assemblies for the defective vehicle that is up for repair. This bill also provides penalties for failure of the manufacturer, distributor, authorized dealer or retailer to provide either a reasonable transportation allowance or a service vehicle to the buyer whenever a defective one is undergoing repairs.

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

  
**AQUILINO "KOKO" PIMENTEL III**

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**S. No. 2064**

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**AN ACT AMENDING REPUBLIC ACT NO. 10642 OTHERWISE  
KNOWN AS THE "PHILIPPINE LEMON LAW" AND FOR  
OTHER PURPOSES**

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

1           **SECTION 1.** Section 3 of Republic Act No. 10642 or the  
2 "Philippine Lemon Law" is hereby amended to read as follows:

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X X X

**"(F) CRITICAL NONCONFORMITY ISSUE  
REFERS TO ANY DEFECT WHICH COULD AFFECT  
THE CONTROL OR DIRECTIONAL STABILITY OF  
THE VEHICLE, OR CAUSE INJURY TO THE PEOPLE  
INSIDE OR OUTSIDE THE VEHICLE;**

11           ~~[(F)]~~ **(G) Distributor** refers to any person, natural or juridical,  
12 authorized by the manufacturer to sell brand new motor  
13 vehicles to duly authorized dealers or retailers;

14           ~~[(g)]~~ **(H) Implementing agency** refers to the Department of  
15 Trade and Industry (DTI), reorganized under Title X, Book IV

1 of Executive Order No. 292, series of 1987, otherwise known  
2 as the "Administrative Code of 1987";

3 ~~[(h)]~~ (I) *Lemon Law rights period* refers to the period ending  
4 twelve (12) months after the date of the original delivery of a  
5 brand new motor vehicle to a consumer or the first twenty  
6 thousand (20,000) kilometers of operation after such delivery,  
7 whichever comes first. This shall be the period during which  
8 the consumer can report any nonconformity, as defined in  
9 paragraph (k) herein, to the standards and specifications of the  
10 manufacturer, authorized distributor, authorized dealer or  
11 retailer, and pursue any right as provided for under this Act;

12 ~~[(i)]~~ (J) *Manufacturer* refers to any person, natural or juridical,  
13 engaged in the business of manufacturing or assembling motor  
14 vehicles;

15 ~~[(j)]~~ (K) *Motor vehicle* refers to any self-propelled, four (4)  
16 wheeled road vehicle designed to carry passengers including,  
17 but not limited to, sedans, coupes, station wagons,  
18 convertibles, pick-ups, vans, sports utility vehicles (SUVs)  
19 and Asian Utility Vehicles (AUVs) but excluding  
20 motorcycles, delivery trucks, dump trucks, buses, road rollers,  
21 trolley cars, street sweepers, sprinklers, lawn mowers and  
22 heavy equipment such as, but not limited to, bulldozers,  
23 payloaders, graders, forklifts, amphibian trucks, cranes, and  
24 vehicles which run only on rails or tracks, and tractors, trailers  
25 and traction engines of all kinds used exclusively for  
26 agricultural purposes. Trailers having any number of wheels,  
27 when propelled or intended by attachment to a motor vehicle,  
28 shall be classified as separate motor vehicle with no power  
29 rating;

30 ~~[(k)]~~ (L) *Nonconformity* refers to any defect or condition that  
31 substantially impairs the use, value or safety of a brand new  
32 motor vehicle which prevents it from conforming to the  
33 manufacturer's or distributor's standards or specifications,  
34 which cannot be repaired, but excluding conditions resulting

1 from noncompliance by the consumer of his or her obligations  
2 under the warranty, modifications not authorized by the  
3 manufacturer or distributor, abuse or neglect, and damage due  
4 to accident or *force majeure*;

5 ~~[(H)]~~ (M) *Purchase price* refers to the invoice price or the  
6 amount of money which the dealer or retailer actually received  
7 for the brand new motor vehicle, in consideration of the sale  
8 of such brand new motor vehicle;

9 ~~[(H)]~~ (N) *Warranty* refers to the written assurance, so labeled,  
10 of the manufacturer of a brand new motor vehicle including  
11 any term or condition precedent to the enforcement of  
12 obligations under the warranty; and

13 ~~[(H)]~~ (O) *Warranty rights period* refers to the period provided  
14 for under the contract of sale when the manufacturer would  
15 guarantee the materials used, the workmanship and the  
16 roadworthiness of a brand new motor vehicle for ordinary use  
17 or reasonable intended purposes.

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19 **SEC. 2.** Section 5 of the same Act is hereby amended to read as  
20 follows:

21 “Section 5. *Repair Attempt.* – At any time within the  
22 Lemon Law rights period, and after at least **ONE (1)** repair  
23 attempt by the same manufacturer, distributor, authorized  
24 dealer or retailer for the same complaint, and the  
25 nonconformity issue remains unresolved, the consumer may  
26 invoke his or her rights under this Act. **PROVIDED, THAT**  
27 **WHEN A CRITICAL NONCONFORMITY ISSUE**  
28 **SURFACES DURING THE FIRST 1,000 KILOMETERS**  
29 **OF OPERATION AFTER DELIVERY OF THE**  
30 **VEHICLE, THE MANUFACTURER, DISTRIBUTOR,**  
31 **AUTHORIZED DEALER OR RETAILER, SHALL**  
32 **REPLACE SUCH VEHICLE WITH A BRAND NEW**  
33 **MOTOR VEHICLE OF COMPARABLE**  
34 **SPECIFICATIONS AND VALUE, WITHOUT THE**

1           **NEED TO COMPLY WITH THE ONE REPAIR**  
2           **ATTEMPT REQUIREMENT.**

3           The repair may include replacement of parts  
4           components, or assemblies.”

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6           **SEC. 3.** A new section is hereby inserted to read as follows:

7           **“SECTION 6. AVAILABILITY OF PARTS,**  
8           **COMPONENTS OR ASSEMBLIES. – THE**  
9           **MANUFACTURER, DISTRIBUTOR, AUTHORIZED**  
10           **DEALER OR RETAILER SHOULD ENSURE THE**  
11           **AVAILABILITY OF PARTS, COMPONENTS AND**  
12           **ASSEMBLIES WITHIN THE PERIOD OF**  
13           **AVAILMENT OF THE LEMON LAW RIGHTS.**  
14           **FAILURE TO PROVIDE THE NECESSARY PARTS,**  
15           **COMPONENTS OR ASSEMBLIES WITHIN TEN (10)**  
16           **DAYS SHALL ENTITLE THE CONSUMER TO A**  
17           **REPLACEMENT WITH A BRAND NEW MOTOR**  
18           **VEHICLE OF COMPARABLE SPECIFICATIONS AND**  
19           **VALUE, WITHOUT THE NEED TO COMPLY WITH**  
20           **THE ONE REPAIR ATTEMPT REQUIREMENT.”**

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22           **SEC. 4.** Section 6 shall be re-numbered as Section 7.

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24           **SEC. 5.** Section 7 of Republic Act No. 10642 is hereby amended to  
25 read as follows:

26           **“SECTION 8. [Availment of Lemon Law Rights. –**  
27           **Subsequent to filing the notice of availment referred to in the**  
28           **preceding section, the consumer shall bring the vehicle to the**  
29           **manufacturer, distributor, authorized dealer or retailer from**  
30           **where the vehicle was purchased for a final attempt to address**  
31           **the complaint of the consumer to his or her satisfaction.]**  
32           **DUTY OF THE MANUFACTURER, DISTRIBUTOR,**  
33           **AUTHORIZED DEALER OR RETAILER — It shall be**  
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1 the duty of the manufacturer, distributor, authorized dealer or  
2 retailer, upon receipt of the motor vehicle and the notice of  
3 nonconformity required under Section [6] 7 hereof, to attend  
4 to the complaints of the consumer including, as may be  
5 necessary, making the repair and undertaking such actions to  
6 make the vehicle conform to the standards or specifications of  
7 the manufacturer, distributor, authorized dealer or retailer for  
8 such vehicle.

9 X X X

10 To compensate for the non-usage of the vehicle while under  
11 repair and during the period of availment of the Lemon Law  
12 rights, the consumer shall be provided **WITH EITHER** a  
13 reasonable daily transportation allowance, an amount which  
14 covers the transportation of the consumer from his or her  
15 residence to his or her regular workplace or destination and  
16 vice versa, equivalent to air-conditioned taxi fare, [as  
17 evidenced by official receipt,] or in such amount to be agreed  
18 upon by the parties, or a service vehicle, at the option of the  
19 [~~manufacturer, distributor, authorized dealer or retailer.~~]  
20 **AFFECTED CONSUMER.** Any disagreement on this matter  
21 shall be resolved by the DTI [-] **WITHIN FIVE (5)**  
22 **WORKING DAYS FROM REFERRAL OF THE ISSUE.**

23 **FAILURE OF THE MANUFACTURER,**  
24 **DISTRIBUTOR, AUTHORIZED DEALER OR**  
25 **RETAILER TO PROVIDE ANY OF THE ABOVE-**  
26 **MENTIONED REMEDIES FOR NON-USAGE OF**  
27 **VEHICLE WHILE UNDER REPAIR, SHALL MAKE**  
28 **THEM LIABLE FOR EXEMPLARY DAMAGES IN**  
29 **THE AMOUNT OF FIFTY THOUSAND PESOS (PhP**  
30 **50,000.00) IN ADDITION TO ACTUAL DAMAGES**  
31 **SUFFERED BY THE CONSUMER.**

32 Nothing herein shall be construed to limit or impair the rights  
33 and remedies of a consumer under any other law.”

1           **SEC. 6.** Next sections shall be re-numbered accordingly.

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3           **SEC. 7. *Separability Clause.*** – Should any provision or part of this  
4 Act be declared unconstitutional or invalid, the other provisions and parts  
5 hereof, insofar as they are separable from the invalid ones, shall remain in  
6 full force and effect.

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8           **SEC. 8. *Repealing Clause.*** – All laws, decrees, orders, issuances  
9 rules and regulations or parts thereof which are inconsistent with this Act  
10 are hereby repealed or modified accordingly.

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12           **SEC. 9. *Effectivity.*** – This Act shall take effect fifteen (15) days  
13 after its publication in the *Official Gazette* or in at least two (2)  
14 newspapers of general circulation.

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*Approved,*