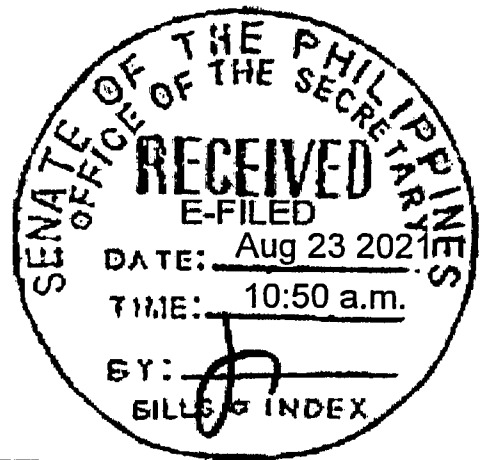


EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Third Regular Session

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SENATE



COMMITTEE REPORT No. 285

Submitted by the Committee on Trade, Commerce and Entrepreneurship on
Aug 23 2021.

Re: Senate Bill No. 2356 Prepared by the Committee

Recommending its approval in substitution of Senate Bill No. 2064

Sponsor: Senator Aquilino "Koko" Pimentel III

MR. PRESIDENT:

The Committee on Trade, Commerce and Entrepreneurship, to which was referred **Senate Bill No. 2064**, introduced by Senator Pimentel III, *entitled*:

"AN ACT

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

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached **Senate Bill No. 2356** prepared by the Committee, entitled:

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

be approved in substitution of Senate Bill No. 2064, with Senator Pimentel III, as author thereof.

Respectfully submitted:

Chairperson:

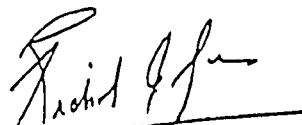

SEN. AQUILINO "KOKO" PIMENTEL III

Vice-Chairpersons:

SEN. WIN GATCHALIAN


SEN. GRACE POE

Members:



SEN. RICHARD J. GORDON


SEN. CYNTHIA A. VILLAR


SEN. SONNY ANGARA

SEN. MARIA LOURDES NANCY S. BINAY


SEN. LEILA M. DE LIMA


SEN. FRANCIS "KIKO" N. PANGILINAN

Ex-Officio Members:



SEN. RALPH G. RECTO
President Pro-Tempore



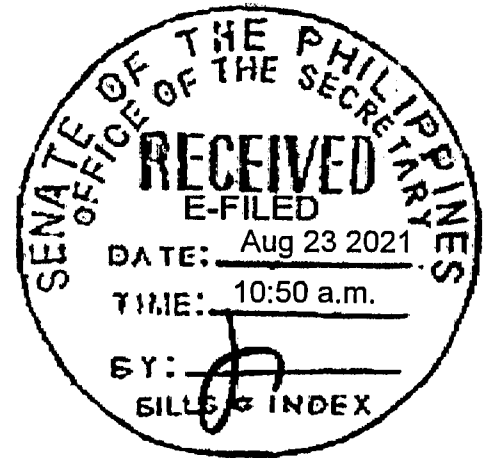
SEN. JUAN MIGUEL F. ZUBIRI
Majority Floor Leader



SEN. FRANKLIN M. DRILON
Minority Floor Leader

HON. VICENTE C. SOTTO III
Senate President
Senate of the Philippines
Pasay City

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE
S. No. 2356

(In Substitution of SB No. 2064)

Prepared by the Committee on Trade, Commerce and Entrepreneurship with Senator
Pimentel III, as author thereof.

**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 5 of the Republic Act No. 10642 or the Philippine Lemon
2 Law is hereby amended to read as follows:

3 "Section 5. *Repair Attempts.* – At any time within the Lemon Law
4 rights period, and after at least [~~four (4)~~] **TWO (2)** separate repair
5 attempts by the same manufacturer, distributor, authorized dealer or
6 retailer for the same complaint, and the nonconformity issue remains
7 unresolved, the consumer may invoke his or her rights under this Act.

8 The repair may include replacement of parts components, or
9 assemblies."

10 **SEC. 2.** Section 6 of the Republic Act No. 10642 is hereby amended as follows:

1 "Section 6. [~~Notice of Availment of Lemon Law Rights.~~— Before
2 availing of any remedy under this Act and subject to compliance with
3 the provisions of Section 5 hereof, the consumer shall, in writing, notify
4 the manufacturer, distributor, authorized dealer or retailer of the
5 unresolved complaint, and the consumer's intention to invoke his or her
6 rights under this Act within the Lemon Law rights period.

7 The warranty booklet issued by the manufacturer, distributor, authorized
8 dealer or retailer shall clearly state the manner and form of such notice
9 to constitute a valid and legal notice to the manufacturer, distributor,
10 authorized dealer or retailer. It shall also clearly state the responsibility
11 of the consumer under this section.] **AVAILABILITY OF PARTS,**

12 **COMPONENTS OR ASSEMBLIES. – THE MANUFACTURER,**
13 **DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER SHOULD**
14 **ENSURE THE AVAILABILITY OF PARTS, COMPONENTS AND**
15 **ASSEMBLIES OF THE MOTOR VEHICLE SOLD. FAILURE TO**
16 **PROVIDE THE NECESSARY PARTS, COMPONENTS OR**
17 **ASSEMBLIES WITHIN FOURTEEN (14) DAYS FROM THE TIME**
18 **THE VEHICLE WAS TAKEN FOR REPAIR DURING THE LEMON**
19 **LAW RIGHTS PERIOD, SHALL ENTITLE THE CONSUMER TO FILE**
20 **A COMPLAINT BEFORE THE DTI WITHOUT THE NEED TO**
21 **COMPLY WITH THE TWO-REPAIR ATTEMPT REQUIREMENT."**

22 **SEC. 3.** Section 7 of Republic Act No. 10642 is hereby amended to read as
23 follows:

24 "Section 7. [~~Availment of Lemon Law Rights.~~— Subsequent to
25 filing the notice of availment referred to in the preceding section, the
26 consumer shall bring the vehicle to the manufacturer, distributor,
27 authorized dealer, or retailer from where the vehicle was purchased for
28 a final attempt to address the complaint of the consumer to his or her
29 satisfaction.] **DUTY OF THE MANUFACTURER, DISTRIBUTOR,**
30 **AUTHORIZED DEALER OR RETAILER —** It shall be the duty of the
31 manufacturer, distributor, authorized dealer or retailer, upon receipt of

1 the motor vehicle **FOR ITS FIRST REPAIR ATTEMPT** ~~[and the notice~~
2 ~~of nonconformity required under Section 6 hereof]~~, to attend to the
3 complaints of the consumer including, as may be necessary, making the
4 repair and undertaking such actions to make the vehicle conform to the
5 standards or specifications of the manufacturer, distributor, authorized
6 dealer or retailer for such vehicle.

7 In case the nonconformity issue remains unresolved despite the
8 manufacturer, distributor, authorized dealer or retailer's efforts to repair
9 the vehicle **FOR THE SECOND TIME**, pursuant to the consumer's
10 avilment of his or her Lemon Law rights, the consumer may file a
11 complaint before the DTI as provided for under this Act: *Provided,*
12 *however,* That if the vehicle is not returned for repair, based on the same
13 complaint, within ~~[thirty (30)]~~ **SIXTY (60)** calendar days from the date
14 of ~~[notice of]~~ release of the motor vehicle to the consumer following this
15 repair attempt within the Lemon Law rights period, the repair is deemed
16 successful: *Provided, finally,* That, in the event that the nonconformity
17 issue still exists or persists after the ~~[thirty (30)-day]~~ **SIXTY (60) -DAY**
18 period but still within the Lemon Law rights period, the consumer may
19 be allowed to avail of the same remedies under Sections ~~[5 and 6]~~ **5, 6**
20 **AND 7** hereof.

21 To compensate for the non-usage of the vehicle while under **THE**
22 **FIRST OR SECOND** repair **ATTEMPT** ~~[and during the period of~~
23 ~~avilment of the Lemon Law rights]~~ **UNDER THIS ACT**, the consumer
24 shall be provided **WITH EITHER** a reasonable daily transportation
25 allowance, an amount which covers the transportation of the consumer
26 from his or her residence to his or her regular workplace or destination
27 and vice versa, equivalent to air-conditioned taxi fare, ~~[as evidenced by~~
28 ~~official receipt,]~~ or in such amount to be agreed upon by the parties, or
29 a service vehicle, at the option of the ~~[manufacturer, distributor,~~
30 ~~authorized dealer or retailer.]~~ **AFFECTED CONSUMER.** Any
31 disagreement on this matter shall be resolved by the DTI ~~[.]~~ **WITHIN**
32 **FIVE (5) WORKING DAYS FROM REFERRAL OF THE ISSUE.**

FAILURE OF THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER TO PROVIDE ANY OF THE ABOVE-MENTIONED REMEDIES FOR NON-USAGE OF VEHICLE WHILE UNDER REPAIR, SHALL MAKE THEM LIABLE FOR DAMAGES IN THE AMOUNT OF FIFTY THOUSAND PESOS (PhP 50,000.00).

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

SEC. 4. Section 8 of Republic Act No. 10642 is hereby amended to read as follows:

“Section 8. *Remedies for Dispute Resolution.* – The DTI shall exercise exclusive and original jurisdiction over disputes arising from the provisions of this Act. All disputes arising from the provisions of this Act shall be settled by the DTI in accordance with the following dispute resolution mechanisms:

X X X

c) Adjudication

X X X

(2) In case a finding of nonconformity is arrived at **OR WHEN IT IS FOUND THAT THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER FAILED TO PROVIDE THE NECESSARY PARTS, COMPONENTS AND ASSEMBLIES OF THE MOTOR VEHICLE WITHIN FOURTEEN (14) DAYS FROM THE TIME THE VEHICLE WAS TAKEN FOR REPAIR DURING THE LEMON LAW RIGHTS PERIOD**, the DTI shall rule in favor of the consumer and direct the manufacturer, distributor, authorized dealer or retailer to grant either of the following remedies to the consumer:

(i) Replace the motor vehicle with a similar or comparable

1 motor vehicle in terms of specifications and values, subject
2 to availability; or

- 3 (ii) Accept the return of the motor vehicle and pay the
4 consumer the purchase price plus the collateral charges.

5
6 X X X

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

10
11 **SEC. 6. *Repealing Clause.*** – All laws, decrees, orders, issuances rules and
12 regulations or parts thereof which are inconsistent with this Act are hereby repealed
13 or modified accordingly.

14
15 **SEC. 7. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
16 publication in the *Official Gazette* or in at least two (2) newspapers of general
17 circulation.

18
Approved,