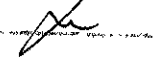


FOURTEENTH CONGRESS OF THE)
 REPUBLIC OF THE PHILIPPINES)
 First Regular Session)

2017 MAR 14 PM 1:00

SENATE

RECEIVED BY: 

S. No. 2195

Introduced by Senator JUAN MIGUEL F. ZUBIRI

EXPLANATORY NOTE

Section 13, Article XII of the 1987 Constitution mandates that "the State shall pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity."

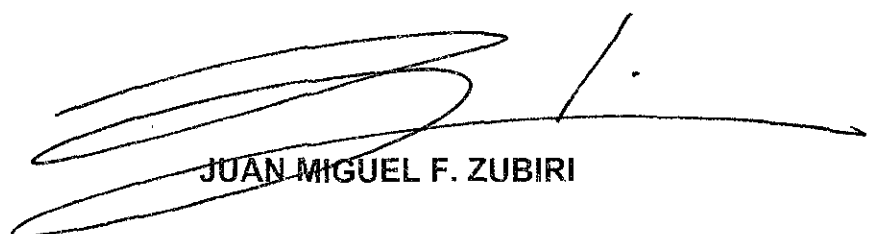
In pursuance of such mandate, Congress has enacted RA 7394 or the Consumer Act of the Philippines in 1992. The Law was enacted to protect the interests of consumers through the promotion of public health and safety measures, and the prevention of deceptive and unfair acts of unscrupulous businessmen. 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, DepEd, NGOs, consumer advocates and business leaders to develop a coherent program for consumer welfare and protection. 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 restricted. It has become dependent on the DTI in terms of budgetary allocation for its activities and program implementation.

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 and information dissemination.


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


 JUAN MIGUEL F. ZUBIRI

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

15 03 20 11 11

SENATE

RECEIVED BY: 

S. No. 2195

Introduced by Senator JUAN MIGUEL F. ZUBIRI

**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 the House of Representatives of the Philippines in
Congress assembled:*

1 **SECTION 1.** - Article 6 of Republic Act No. 7394, otherwise known as the
2 Consumer Act of the Philippines, is hereby amended to read as follows:

3 **ARTICLE 6. *Implementing Agencies.*** - The provisions of this Article and its
4 implementing rules and regulations shall be enforced by:

5 a) the Department of Health with respect to food, drugs, cosmetics,
6 devices and substances;

7 b) the Department of Agriculture with respect to products related to
8 agriculture [, and];

9 c) the Department of Trade and Industry with respect to other consumer
10 products not specified above, AND

11 D) "THE BANGKO SENTRAL NG PILIPINAS, WITH RESPECT TO
12 CONSUMER CREDIT TRANSACTIONS."

13
14 **SEC. 2.** - Article 8 of the same law is hereby amended to read as follows:

15 "ARTICLE 8. *Publication of Consumer Product Standards.* - The
16 concerned departments shall, upon promulgation of the above standards, publish
17 or cause the publication of the same in two (2) newspapers of general circulation
18 at least once a week for a period of not less than one (1) month: PROVIDED,
19 HOWEVER, THAT CONSUMER PRODUCTS STANDARDS THAT ARE
20 VOLUMINOUS AND WHICH WILL ENTAIL UNREASONABLY HUGE
21 PUBLICATION EXPENSES NEED NOT BE PUBLISHED IN ITS FULL TEXT
22 BUT MAY BE IN THE FORM OF A NOTICE IN SUCH NEWSPAPERS, GIVING
23 THE ABSTRACT OF THE SUBJECT THEREOF WITH A STATEMENT AS TO

1 HOW AND WHERE COPIES OF THE FULL TEXT THEREOF MAY BE
2 OBTAINED. It may likewise conduct an information campaign through other
3 means deemed effective to ensure the proper guidance of consumers, business,
4 industries and other sectors concerned.”

5
6 **SEC. 3.** - Article 148 of the same law is hereby amended to read as follows:

7 “ARTICLE 148. *National Consumer Affairs Council.* - To improve the
8 management, coordination and effectiveness of consumer programs, a National
9 Consumer Affairs Council is hereby created, hereinafter referred to as the
10 “Council” WHICH SHALL BE DIRECTLY UNDER THE OFFICE OF THE
11 PRESIDENT.”

12
13 **SEC. 4.** - Article 149 of the same law is hereby amended to read as follows:

14 “ARTICLE 149. *Composition.* - The Council shall be composed of
15 representatives from the following government agencies and non-government
16 agencies:

- 17 a) Department of Trade and Industry;
18 b) Department of Education, Culture and Sports;
19 c) Department of Health;
20 d) Department of Agriculture;
21 e) DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT,
22 f) PHILIPPINE INFORMATION AGENCY

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

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

29 “PROVIDED, THAT FOR AGENCIES DIRECTLY IMPLEMENTING THIS
30 ACT, THEIR REPRESENTATIVES TO THE COUNCIL SHALL HAVE A RANK
31 NOT LOWER THAN ASSISTANT SECRETARY SHALL SIT IN THE COUNCIL.”

32
33 **SEC. 5.** - Article 152 of the same law is hereby amended to read as follows:

34 “ARTICLE 152. *The [Secretariat] EXECUTIVE DIRECTOR.* - The Council
35 shall appoint an Executive Director who shall assist the Chairman and act as
36 Secretary of the Council. [The Department of Trade and industry shall provide
37 the Secretariat which shall assist the Council in the effective performance of its
38 functions.] THE EXECUTIVE DIRECTOR SHALL BE ASSISTED BY SUCH

1 NUMBER OF PERSONNEL AS HE MAY DEEM NECESSARY FOR THE
2 EFFECTIVE PERFORMANCE OF HIS FUNCTIONS.”

3
4 **SEC. 6.** - Article 153 of the same law is hereby amended to read as follows:

5 “ARTICLE 153. *Powers and Functions.* - The Council shall have the
6 following powers and functions:

7 xxx

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

10 1) facts about consumer products and services;

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

13 3) information on new concepts and developments on consumer
14 protection; and

15 4) general knowledge and awareness necessary for a critical and
16 better judgement on consumption;

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

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

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

24 H) TO CREATE ADDITIONAL POSITIONS, BOTH IN THE CENTRAL
25 AND REGIONAL OFFICES, INCLUDING BUT NOT LIMITED TO HIRING
26 CONSULTANTS, AS MAY BE NECESSARY TO CARRY OUT EFFECTIVELY
27 AND EFFICIENTLY ITS FUNCTIONS AND DUTIES;

28 I) TO RECEIVE AND UTILIZE, FOR FURTHERANCE OF THE
29 COUNCIL'S, FUNDS, GIFTS, DONATIONS AND BEQUESTS FROM SOURCES
30 OTHER THAN THE COUNCIL'S BUDGET APPROPRIATIONS. SUCH GIFTS,
31 DONATIONS OR BEQUESTS SHALL BE EXEMPT FROM ALL TAXES,
32 DUTIES, DUES OR FEES WHATSOEVER, IMPOSED OR HEREAFTER TO BE
33 IMPOSED BY THE NATIONAL GOVERNMENT, ITS AGENCIES,
34 INSTRUMENTALITIES OR POLITICAL SUBDIVISIONS, AND THE SAME
35 SHALL BE FULLY DEDUCTIBLE FROM THE GROSS INCOME OF THE
36 DONOR OR 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 AS MAY
5 BE NECESSARY TO CARRY OUT THE OBJECTIVES AND PURPOSES OF
6 THIS ACT.

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

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

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

15 Approved,