

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

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10 JUL 15 A9:13

SENATE

S. No. 1446

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Introduced by Senator JUAN MIGUEL F. ZUBIRI

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### 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 Republic Act no. 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

10 JUL 15 19:43

SENATE

S. No. 1446

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Introduced by Senator JUAN MIGUEL F. ZUBIRI

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

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

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

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

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

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

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22 PUBLICATION EXPENSES NEED NOT BE PUBLISHED IN ITS FULL TEXT

1 BUT MAY BE IN THE FORM OF A NOTICE IN SUCH NEWSPAPERS, GIVING  
2 THE ABSTRACT OF THE SUBJECT THEREOF WITH A STATEMENT AS TO  
3 HOW AND WHERE COPIES OF THE FULL TEXT THEREOF MAY BE  
4 OBTAINED. It may likewise conduct an information campaign through other  
5 means deemed effective to ensure the proper guidance of consumers, business,  
6 industries and other sectors concerned.”

7  
8 **SEC. 3.** - Article 148 of the same law is hereby amended to read as follows:

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

14  
15 **SEC. 4.** - Article 149 of the same law is hereby amended to read as follows:

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

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

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

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

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

34  
35 **SEC. 5.** - Article 152 of the same law is hereby amended to read as follows:

36 “ARTICLE 152. *The [Secretariat] EXECUTIVE DIRECTOR.* - The Council  
37 shall appoint an Executive Director who shall assist the Chairman and act as  
38 Secretary of the Council. [The Department of Trade and industry shall provide

1 the Secretariat which shall assist the Council in the effective performance of its  
2 functions.] THE EXECUTIVE DIRECTOR SHALL BE ASSISTED BY SUCH  
3 NUMBER OF PERSONNEL AS HE MAY DEEM NECESSARY FOR THE  
4 EFFECTIVE PERFORMANCE OF HIS FUNCTIONS.”

5  
6 **SEC. 6.** - Article 153 of the same law is hereby amended to read as follows:

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

9 xxx

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

12 1) facts about consumer products and services;

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

15 3) information on new concepts and developments on consumer  
16 protection; and

17 4) general knowledge and awareness necessary for a critical and  
18 better judgement on consumption;

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

21 F) TO IMPROVE FOR SUBMISSION TO THE DEPARTMENT OF  
22 BUDGET AND MANAGEMENT THE ANNUAL BUDGET OF THE COUNCIL;

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

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

30 L) TO RECEIVE AND UTILIZE, FOR FURTHERANCE OF THE  
31 COUNCIL'S, FUNDS, GIFTS, DONATIONS AND BEQUESTS FROM SOURCES  
32 OTHER THAN THE COUNCIL'S BUDGET APPROPRIATIONS. SUCH GIFTS,  
33 DONATIONS OR BEQUESTS SHALL BE EXEMPT FROM ALL TAXES,  
34 DUTIES, DUES OR FEES WHATSOEVER, IMPOSED OR HEREAFTER TO BE  
35 IMPOSED BY THE NATIONAL GOVERNMENT, ITS AGENCIES,  
36 INSTRUMENTALITIES OR POLITICAL SUBDIVISIONS, AND THE SAME  
37 SHALL BE FULLY DEDUCTIBLE FROM THE GROSS INCOME OF THE  
38 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,