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SENATE
S. No. 1527

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

A product recall is a request to return to the maker a batch or an entire production run of a product, usually due to the discovery of safety issues. The recall is an effort to limit liability for corporate negligence (which can cause costly legal penalties) and to improve or avoid damage to publicity. Recalls are costly to a company because they often entail replacing the recalled product or paying for damages caused in use, albeit possibly less costly than indirect cost following damages to brand name and reduced trust in the manufacturer.¹

Product recall in developed countries, like the United States, is a common occurrence. But in the Philippines, it comes very few and far between. The reason is not that the products sold here are compliant with quality and safety standards. Rather, we have yet to develop an effective system for monitoring the quality and safety of products being sold in the market. Thus, many substandard and potentially dangerous products proliferate and consumer complaints about them simply fall between the cracks.²

According to some news reports, China has recently pulled all dairy products more than a month old from shops across the country in one of the biggest steps taken by authorities to end a deadly scandal over contaminated milk.

China had said earlier that the products of at least 22 milk companies, or nearly 12 percent of products tested, had been found to contain melamine.


¹ http://en.wikipedia.org/wiki/Product_recall.

² Justice Edgardo P. Cruz.

http://ca.suprecourt.gov.ph/index.php?ac=mnactual_contents&ap=j7080.

Countries around the world have issued recalls and bans of Chinese-made dairy products after high melamine levels were detected in exported goods.³

Republic Act No. 7394, otherwise known as “The Consumer Act of the Philippines,” only prohibits the failure to comply with an order issued by the Department of Health to recall, repair, replacement or refund of unsafe products. Thus, this bill seeks to amend the law to make it unlawful to sell a recalled product.⁴

ccr 
MIRIAM DEFENSOR SANTIAGO

³ <http://newsinfo.inquirer.net/breakingnews/world/view/20081016-166653/China-broadens-dairy-product-recall>.

⁴ This bill was originally filed in the Fourteenth Congress, Second Regular Session

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1 AN ACT
2 TO AMEND REPUBLIC ACT NO. 7394 ALSO KNOWN AS THE CONSUMER ACT OF
3 THE PHILIPPINES TO MAKE IT UNLAWFUL TO SELL A RECALLED PRODUCT
4

5 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
6 *Congress assembled:*
7

8 SECTION 1. Article 18 of Republic Act No. 7394 also known as "The Consumer Act of
9 the Philippines" is hereby amended to read as follows:

10 Art. 18. *Prohibited Acts.* - It shall be unlawful for any person to:

11
12 (a) manufacture for sale, offer for sale, distribute in commerce, or import into the
13 Philippines any consumer product which is not in conformity with an applicable
14 consumer product quality or safety standard promulgated in this Act;

15 (b) manufacture for sale, offer for sale, distribute in commerce, or import into the
16 Philippines any consumer product which has been declared as banned consumer product
17 by a rule in this Act;

18 (c) refuse access to or copying of pertinent records or fail or refuse to permit entry
19 of or inspection by authorized officers or employees of the department;

20 (d) fail to comply with an order issued under Article II relating to notifications of
21 substantial product hazards and to recall, repair, replacement or refund of unsafe
22 products;

23 (e) fail to comply with the rule prohibiting stockpiling.

24 (F) SELL A PRODUCT THAT IS SUBJECT TO VOLUNTARY CORRECTIVE
25 ACTION TAKEN BY THE MANUFACTURER, IN CONSULTATION WITH THE
26 DEPARTMENT, AND DETERMINED BY THE DEPARTMENT TO BE UNSAFE;
27 OR DESIGNATED A BANNED HAZARDOUS SUBSTANCE.

1 THE MANUFACTURER OF A CONSUMER PRODUCT, WITHOUT
2 REGARD TO WHETHER IT IS SUBJECT TO A CONSUMER PRODUCT QUALITY
3 OR SAFETY STANDARD, SHALL PLACE DISTINGUISHING MARKS ON THE
4 PRODUCT TO THE GREATEST EXTENT FEASIBLE, AND ON ITS PACKAGING,
5 THAT WILL ENABLE THE ULTIMATE PURCHASER TO DETERMINE THE
6 SOURCE, DATE, AND COHORT (INCLUDING THE BATCH, RUN NUMBER, OR
7 OTHER IDENTIFYING CHARACTERISTIC) OF PRODUCTION OF THE PRODUCT
8 BY REFERENCE TO THOSE MARKS.

9 SECTION 2. *Separability Clause.* – If any provision or part hereof, is held invalid or
10 unconstitutional, the remainder of the Act or the provision not otherwise affected shall remain
11 valid and subsisting.

12 SECTION 3. *Repealing Clause.* – Any law, presidential decree or issuance, executive
13 order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent
14 with the provisions of this Act is hereby repealed, modified or amended accordingly.

15 SECTION 4. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
16 publication in at least two (2) newspapers of general circulation.

17
18 Approved,