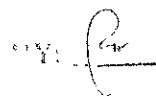


12 MAY -8 15:11

SENATE
P.S. RES. NO. 768



Introduced by Senator Manny B. Villar

RESOLUTION

RECOMMENDING TO THE SENATE COMMITTEE ON TRADE AND COMMERCE AND CONGRESSIONAL OVERSIGHT COMMITTEE ON E-COMMERCE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON COMMERCIAL TRANSACTIONS IN THE INTERNET AND ONLINE SALES PROMOTIONS INVOLVING PHILIPPINE GOODS AND SERVICES, INCLUDING BUSINESS ACTIVITIES IN GROUP BUYING SITES, WITH THE END IN VIEW OF CREATING A POLICY THAT WILL PROTECT THE BUYING PUBLIC FROM UNSCRUPULOUS MERCHANTS AND ONLINE GROUP BUYING SITES.

Whereas, Article XVI Section 9 of the Constitution states that “[t]he State shall protect consumers from trade malpractices and from substandard or hazardous products”;

Whereas, Article 2 of Republic Act (RA) 7394 otherwise known as the Consumer Act of the Philippines declared that it is a policy of the State “to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry”;

Whereas, recently sales promotion has taken different forms, particularly in the form of online group buying also known as collective buying, or coupon sites, which offers products and services at significantly reduced prices on the condition that a minimum number of buyers would make the same purchase on a particular offering;

Whereas, many of these group-buying sites work by negotiating deals with local merchants while promising to deliver crowds in exchange of discounts for their patrons;

Whereas, the popularity of group buying sites have soared recently;

Whereas, corollarily, there are reports that the number of unscrupulous merchants and fly-by-night partners have likewise sprouted and abounded;

Whereas, there are reports that significant number of Filipino consumers have fallen prey to group-buying sites’ partner merchants who are allegedly unwilling, or refusing or making it difficult for purchasing consumers to redeem their vouchers;

Whereas, there are also reports that some of the merchants are allegedly in cahoots with the group-buying sites wherein both parties are purportedly inflating the

original prices of the service or items being sold to make it seem that there is a steep discount in the deal;

Whereas, on the other hand, there are consumers who attest by the savings they experience when purchasing vouchers from these group buying sites;

Whereas, to protect the consuming public from scams, and/or fraudulent transactions and/or misrepresentations of *allegedly unscrupulous* merchants and/or group sites, it is necessary that the public be given guidance and sufficient protection when they enter into such transactions;

RESOLVED AS IT IS HEREBY RESOLVED, to recommend to the Senate Committee on Trade and Commerce and Congressional Oversight Committee on E-Commerce to conduct an inquiry in aid of legislation on commercial transactions in the internet and online sales promotions involving Philippine goods and services, including business activities in group buying sites, with the end in view of creating a policy that will protect the buying public from unscrupulous merchants and online group buying sites.

Adopted.


Manny Villar