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REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

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SENATE  
Senate Bill No. 145

RECEIVED BY: *Jia*

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Introduced by Senator Cynthia A. Villar

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### EXPLANATORY NOTE

In pursuance with the fundamental law of the land that "the State shall protect the consumers from trade malpractices and from substandard or hazardous products" (Section 9, Article XVI, 1987 Constitution), and taking into consideration the evolving interests and needs of consumers in the modern age, the Executive Department has identified as priority the amendment of Republic Act 7394 otherwise known as "Consumer Act of the Philippines".

The amendment includes but not limited to the following: (1) Consumer Bill of Rights, namely: basic needs, choose products, representation, redress, consumer education, safety, healthy environment, and sanitation; (2) Consumer Responsibilities, viz: critical awareness, action, social concern, environmental awareness, and solidarity; (3) English or Filipino Translation of Product Labels written in Foreign Characters or Languages; (4) Permanent Ban on Suppliers engaged in the Importation of Defective Goods; (5) Expansion of Coverage on Advertising and Promotion; (6) Protection against aggressive marketing promotions; (7) Increased penalties for violation of the provisions of the act; (9) Longer period of prescription for claims relative to deceptive, unfair and unconscionable practice.

The afore-mentioned provisions are intended to strengthen consumer protection and promote high standards in trade practices.


Henceforth, the urgent passage of this legislation is sought.

  
CYNTHIA A. VILLAR



'13 JUL -1 P2 :46

SENATE  
Senate Bill No. 145

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Introduced by Senator Cynthia A. Villar

AN ACT  
GRANTING BROADER PROTECTION FOR CONSUMERS,  
REPEALING FOR THE PURPOSE REPUBLIC ACT 7394, OTHERWISE  
KNOWN AS "THE CONSUMER ACT OF THE PHILIPPINES

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

1 **SECTION 1. Short Title.** - This Act shall be known as "*The Revised Consumer Act of the*  
2 *Philippines.*"  
3

4 **Sec. 2. Declaration of Policy.** - It is the policy of the State to protect the interests of the  
5 consumer, promote the general welfare and to establish standards of conduct for business and  
6 industry. The State recognizes that consumers often face imbalances in economic status,  
7 educational levels and bargaining power. It further recognizes that consumers should have the  
8 right of access to non-hazardous products, as well as the right to promote just, equitable and  
9 sustainable economic and social development and environmental protection. Towards this end,  
10 the State shall implement measures to attain the following objectives:  
11

- 12 (a) To achieve and maintain adequate protection for the population as consumers;  
13 (b) To enhance production and distribution patterns responsive to the needs and desires of  
14 consumers;  
15 (c) To encourage high levels of ethical conduct for those engaged in the production and  
16 distribution of goods and services to consumers;  
17 (d) To curb abusive business practices by all enterprises which adversely affect  
18 consumers;  
19 (e) To facilitate the development of independent consumer groups;  
20 (f) To foster international cooperation in the field of consumer protection;  
21 (g) To encourage the development of market conditions which provide consumers with  
22 better quality goods and services, and greater choices at reasonable prices; and  
23 (h) To promote sustainable consumption.  
24

25 **Sec. 3. Construction in Favor of the Best Interest of the Consumer.** - All doubts in the  
26 implementation and interpretation of the provisions of this Act, including its implementing rules  
27 and regulations, shall be resolved in favor of the best interest of the consumer.  
28

29 **Sec. 4. Guiding Principles** - To further enhance and strengthen consumer protection, the State  
30 shall be guided by the following principles:  
31

- 32 (1) Consumer protection, especially of the poor should be provided by the State. The  
33 State shall provide and maintain adequate infrastructure to develop, implement and  
34 monitor consumer protection policies. Special care should be taken to ensure that  
35 measures for consumer protection are implemented for the benefit of all sectors of the  
36 population, particularly the rural population and people living in poverty.

- 1  
2 (2) The State should be consulted in the development of consumer protection policies  
3  
4 (3) The protection of consumer rights must be consistent with international trade  
5 obligation and care must be taken that they do not become barriers to international  
6 trade  
7  
8 (4) As the arbiter of the public good, the State shall develop, strengthen or maintain, as  
9 the case may be, measures which shall control restrictive and other abusive business  
10 practices that may be harmful to consumers, and those that shall enhance its  
11 capability to such measures.  
12  
13 (5) Goods should meet reasonable standards of durability, utility and reliability, and  
14 should be suited to the purpose for which they are intended. For this purpose, the  
15 seller should see that these requirements are met. Similar policies should apply to the  
16 provision of services.  
17  
18 (6) The fairness of contracts shall be a basic tenet that shall be observed by all. The State  
19 shall protect consumers from such contractual abuses as one-sided contracts,  
20 exclusion of essential rights in contracts and unconscionable conditions of credit by  
21 sellers.  
22  
23 (7) Manufacturers, distributors or retailers shall ensure the availability of adequate and  
24 reliable after-sales service and spare parts.  
25  
26 (8) Promotional marketing and sales practices shall be guided by the principle of fair  
27 treatment of consumers and shall meet legal requirements. Therefore, the necessary,  
28 accurate information shall be made available to enable consumers to make  
29 independent and informed decisions.  
30  
31 (9) Protective truth in advertising shall be observed and enforced at all times. Pursuant  
32 thereto, the State shall take measures regarding misleading claims or information in  
33 advertising and other marketing activities. The development of appropriate  
34 advertising codes and standards for the regulation and verification of environmental  
35 claims should be encouraged.  
36  
37 (10) The State shall encourage the formulation and implementation by business, in  
38 cooperation with consumer organizations, of codes of marketing and other business  
39 practices to ensure adequate consumer protection. Voluntary agreements may also be  
40 established jointly by business, consumer organizations and other interested parties.  
41 These codes shall receive adequate publicity.  
42  
43 (11) The State shall formulate and promote the elaboration and implementation of  
44 voluntary or other standards for safety and quality of goods and services at the  
45 national and international levels, and give them appropriate publicity. National  
46 standards and regulations for product safety and quality shall be reviewed from time  
47 to time in order to ensure that they conform, where possible, to generally accepted  
48 international standards.  
49  
50 (12) The State shall encourage and ensure the availability of facilities to test and  
51 certify the safety, quality and performance of essential consumer goods and services.  
52  
53 (13) The State shall promote and encourage development and implementation of  
54 consumer protection, education and information programs such as, but not limited to,  
55 redress mechanism, dispute resolution and inclusion of basic consumer information  
56 on products and services, impact studies on environment, consumer choices and  
57 behavior in the educational curricula, with support from consumer organizations,

1 business, and other interests groups.

2  
3 (14) The State shall endeavor to establish and publicly disseminate policies which may  
4 seek to enable consumers to obtain optimum benefit from their economic resources.  
5 Toward this end, the concerned government agencies shall be guided by the following  
6 in their consumer protection and empowerment programs:  
7

- 8 (a) the goals of satisfactory production and performance standards;  
9 (b) adequate distribution methods;  
10 (c) fair business practices;  
11 (d) informative marketing and effective protection against practices which could  
12 adversely affect the economic interests of consumers and the exercise of choice in  
13 the market place.  
14

15 **Sec. 5. Definition of Terms.** - For purposes of this Act, the following terms are hereby defined:  
16

- 17 (1) *Advertisement* means a form of communication or any paid announcement or public notice  
18 about consumer products or goods (including a property for sale), services or credit,  
19 especially in print (such as newspapers, magazines and flyers) by broadcast (radio or  
20 television), through out-of-home media (neon/lighted signs, billboards and projection  
21 systems) and using any other media intended to persuade an audience or the public at large  
22 to purchase or take some actions;  
23  
24 (2) *Advertising* means the business of conceptualizing, presenting or making available to the  
25 public, through any form of mass media or otherwise, fact, data or information about the  
26 attributes, features, quality or availability of consumer products, services or credit;  
27  
28 (3) *Advertising agency or Agent* means a service organization or enterprise creating, conducting,  
29 producing, implementing or giving counsel on promotional campaigns or programs through  
30 any medium for and in behalf of any advertiser;  
31  
32 (4) *Advertiser* means the client of the advertising agency or the sponsor of the advertisement on  
33 whose account the advertising is conceptualized, prepared, presented or disseminated;  
34  
35 (5) *Agricultural purpose* means a purpose related to the production, harvest, processing,  
36 manufacture, distribution, storage, transportation, marketing, exhibition or disposition of  
37 agricultural, fishery or marine products;  
38  
39 (6) *Amount financed* means the cash price plus non-finance charges in a consumer credit sale less  
40 the amount of any down payment whether made in cash or in property traded in, or in a  
41 consumer loan the amount paid to, receivable by or paid or payable to the buyer or to  
42 another person in his behalf;  
43  
44 (7) *Banned hazardous substance* means household/urban hazardous substance or other hazardous  
45 substance which the implementing agency by regulation or advisory, classifies as "*banned*  
46 *hazardous substance*" notwithstanding the existence of cautionary labels, to safeguard  
47 public health and safety: *Provided*, That the implementing agency may, by regulation,  
48 exempt from this Act articles which by reason of their functional purpose require the  
49 inclusion of the hazardous substance involved and which bear appropriate labels giving  
50 adequate directions and warnings for their safe use.  
51

52 Procedures for the issuance, amendment or repeal of regulations pursuant to this Section  
53 shall be governed by the rules and regulations to be promulgated by the Department of  
54 Health (DOH): *Provided*, That if the DOH finds that the distribution for household use of  
55 the hazardous substance involved presents imminent hazard to public health, it may publish  
56 in a newspaper of general circulation a notice of such finding and such substance shall be  
57 deemed as "*banned hazardous substance*" pending the issuance of regulation formally

1 banning such substance.  
2

- 3 (8) *Basic Necessities* mean goods vital to the needs of consumers for their sustenance and  
4 existence in times of any of the cases provided under Section 6 and 7 of Republic Act  
5 7581, otherwise known as "The Price Act", such as but not limited to rice, corn, root crops,  
6 bread; fresh, dried or canned fish and other marine products; fresh pork, beef and poultry  
7 meat; fresh eggs; potable water in bottles and containers; fresh and processed milk; fresh  
8 vegetable and fruits; noodles; coffee; sugar; cooking oil; salt; laundry soap and detergents;  
9 firewood; charcoal; household liquefied petroleum gas (LPG) and kerosene; candles; drugs  
10 classified as essential by the Department of Health and such other goods as may be  
11 included under Section 4 of RA 7581;  
12
- 13 (9) *Batch* means a quantity of any product or goods produced during a given cycle of  
14 manufacturing-or processing;  
15
- 16 (10) *Business name, firm name, or style* means any name or designation other than the true  
17 name of a person, partnership, corporation or association which is used in connection with  
18 ones' business or in any written or printed receipt, including receipt for tax or business; any  
19 written or printed contract not verified by a notary public; any written or printed evidence  
20 of any agreement or business transaction; and in announcing a firm name or business name  
21 or style;  
22
- 23 (11) *Cash price or delivered price* means, in the case of trade transaction, the amount of money  
24 which would constitute full payment upon receipt, delivery of the property (except money)  
25 or service purchased at the creditor's place of business. In the case of financial transactions,  
26 cash price represents the amount received by the debtor from the creditor upon  
27 consummation of the credit transaction, net of finance charges collected at the time the  
28 credit is extended, if any;  
29
- 30 (12) *Chain distribution plans or pyramid sales schemes* mean sales mechanisms whereby a  
31 person, upon condition that he makes an investment, is granted by the manufacturer or  
32 one's representative a right to recruit for profit one or more additional persons who will  
33 also be granted such right to recruit upon condition of making similar investments:  
34 *Provided*, That the profits of the person employing such a plan are derived directly from  
35 the recruitment of other persons into the plan rather than from the sale of consumer  
36 products, services and credit: *Provided further*, That the limitation on the number of  
37 participants does not change the nature of the plan;  
38
- 39 (13) *Closing out sale* means a sales activity which a seller announces the willingness to give  
40 large discounts on merchandise in order to reduce, dispose or close out his inventory and  
41 business;  
42
- 43 (14) *Commerce* means the sale, lease, exchange, traffic or distribution of goods, commodities,  
44 productions, services or properties, tangible or intangible;  
45
- 46 (15) *Consumer* means a natural person who is a purchaser, lessee, recipient or prospective  
47 purchaser, lessee or recipient of consumer products, services, credit, technology,  
48 advertising or promotion, and other items in commerce;  
49
- 50 (16) *Consumer credit* means any credit extended by a creditor to a consumer for the sale or  
51 lease of any consumer product or service under which part or all of the prices or payments  
52 therefore are payable at some future time, whether in full or in installments;  
53
- 54 (17) *Consumer loan* means a sum of money tendered by the lender to a person which is  
55 payable in installments for which a finance charge may or may not be imposed, including  
56 credit transactions pursuant to an open-end-credit plan other than a seller credit card;  
57

- 1 (18) *Consumer products and services* mean goods, services and credits, debts or obligations,  
2 which are primarily for personal, family, household or agricultural purposes;  
3
- 4 (19) *Consumer product safety rule* means a consumer product safety standard described in  
5 Section 15 or a rule under this Act declaring a consumer product as banned hazardous  
6 product;  
7
- 8 (20) *Consumer transaction*" means: (1) (i) a sale, lease, assignment, award by chance, or  
9 other disposition of consumer products, including chattels that are intended to be affixed to  
10 land, or of services, or of any right, title, or interest therein, except securities as defined in  
11 the Securities Act and contracts of insurance under the Insurance Code; or (ii) a grant of  
12 provision of credit to a consumer for purposes that are primarily personal, family,  
13 household or agricultural; or (2) a solicitation or promotion by a supplier with respect to a  
14 transaction referred to in clause (1) herein;  
15
- 16 (21) *Cosmetics* means any substance intended to be placed in contact with the various  
17 external parts of the human body or of animals or with the teeth and the mucous  
18 membranes of the oral cavity, with a view exclusively or mainly to clean them, perfume  
19 them, enhance or change their appearance or correcting body odor, and/or protecting the  
20 body or keeping them in good condition;  
21
- 22 (22) *Counterfeit product* means any consumer product or preparation having a container, label  
23 or any likeness thereof, without authorization from the lawful manufacturer, processor,  
24 packer, distributor, and retailer;  
25
- 26 (23) *Country of origin* means either the country where the good has been wholly obtained or,  
27 when more than one country is concerned in the production of the good, the country where  
28 the last substantial transformation has been carried out;  
29
- 30 (24) *Credit card* means any card, plate, coupon book or other device bearing an account  
31 number existing for the purpose of being used from time to time upon presentation to  
32 obtain money, property, labor or services on credit;  
33
- 34 (25) *Credit sale* means the sale of a product, service or an interest in land on credit where a  
35 debt is payable in installments or a finance charge is imposed with an agreement in the  
36 form of a bailment of products or lease of products or real property if the bailee or lessee  
37 pays or agrees to pay compensation in a sum substantially equivalent to or in excess of the  
38 aggregate value of the products or real property involved and the bailee or lessee for no  
39 other or a nominal consideration' has the option to become the owner of the products or  
40 real property upon full compliance with the terms of the agreement;  
41
- 42 (26) *Credit transaction* means a transaction between the natural person and a creditor in  
43 which real or personal property, services or money acquired on credit and the person's  
44 obligation is payable in installment;  
45
- 46 (27) *Creditor* means any person, natural or juridical, engaged in the business of extending  
47 credit and shall include any person, natural or juridical, who as a regular business practice  
48 makes loans or sells or rents property or services on a time, credit or installment basis,  
49 either as principal or as agent who requires as an incident to the extension of credit, the  
50 payment of a finance charge;  
51
- 52 (28) *Default or delinquency charge* means, with respect to a consumer credit transaction, the  
53 penalty charge payable by the consumer-debtor for failure to pay an amount or installment  
54 in full on the date the same becomes due and demandable, on or before the period specified  
55 for the purpose in the consumer credit sale documents;  
56
- 57 (29) *Device* means medical devices, radiation devices and health-related devices.

1  
2 (1) Medical device means any instrument, apparatus, implement, machine, appliance,  
3 implant, in-vitro diagnostic reagent or calibrator, software, material, or other similar or  
4 related article intended by the manufacturer to be used alone, or in combination, for  
5 human beings for one or more of the specific purpose of: diagnosis, prevention,  
6 monitoring, treatment or alleviation of disease; diagnosis, monitoring, treatment,  
7 alleviation of, or compensation for an injury; investigation, replacement, modification,  
8 or support of the anatomy or of a physiological process; supporting or sustaining life;  
9 preventing infection; control of conception; disinfection of medical devices; and  
10 providing information for medical or diagnostic purposes by means of in-vitro  
11 examination of specimens derived from the human body. This device does not achieve  
12 its primary intended action in or on the human body by pharmacological,  
13 immunological, or metabolic means but which may be assisted in its intended function  
14 by such means;

15  
16 (2) Radiation device means an electrical or electronic apparatus emitting any ionizing or  
17 non-ionizing electromagnetic or particulate radiation; or any sonic; infrasonic, or  
18 ultrasonic wave. It includes ionizing radiation emitting equipment which is not  
19 intentionally designed to produce radioactive materials;

20  
21 (3) Health-related device means any device not used in health care but has been determined  
22 by the Food and Drug Administration (FDA) to affect the health of the people;

23  
24 (30) *Distributor* means any person or business entity who delivers, sells and distributes the  
25 product or products of a manufacturer, importer, repacker to another person or entity;

26  
27 (31) *Drugs* mean: (1) articles recognized in official pharmacopeias and formularies, including  
28 official homeopathic pharmacopeias, or any documentary supplement to any of them,  
29 which are recognized and adopted by the FDA; (2) articles intended for use in the  
30 diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; (3)  
31 articles (other than food) intended to affect the structure of any function of the body of  
32 humans or animals; or (4) articles intended for use as a component of any articles specified  
33 in clauses (1), (2), or (3) but do not include devices or their components, parts or  
34 accessories;

35  
36 The term "*drug*" when used in this Act shall include herbal or traditional drug. They are  
37 articles from indigenous plant or animal origin used in folk medicine which are: (1)  
38 recognized in the Philippine National Formulary; (2) intended for use in the treatment or  
39 cure, mitigation, of disease symptoms, injury or bodily defect for use in man; (3) other than  
40 food, intended to affect the structure of any function of the body of man; (4) put into  
41 finishes, ready to use form by means of formulation, dosage or dosage directions; and (5)  
42 intended for use as a component of any of the articles specified in clauses (1), (2), (3) and  
43 (4) of this paragraph;

44  
45 (32) *Expiry or expiration date* means the date stated on the label of food, drug, cosmetic,  
46 device or hazardous substance after which they are not expected to retain their claimed  
47 safety, efficacy and quality or potency and after which it is no longer permissible to sell  
48 them;

49  
50 (33) *Extremely flammable* means any substance which has a flash point at or below negative  
51 six and six-tenths degrees centigrade as determined by the Tagliabue Open Cub Tester; and  
52 term "*combustible*" shall apply to any substance which has a flash point of above twenty-  
53 six and six-tenths degrees to sixty-five and five-tenths degrees centigrade as determined by  
54 the Tagliabue Open Cub Tester: *Provided*, That the flammability or combustibility of solids  
55 and of the contents of self-pressurized containers shall be determined through methods  
56 found by the implementing agency to be generally applicable to such materials or  
57 containers, respectively, and established by regulations issued by it;

1  
2 (34) *Fast-food restaurant or Quick service restaurant* means any restaurant offering food  
3 usually prepared and served quickly;  
4

5 (35) *Food* means any substance, whether processed, semi-processed or raw, intended for  
6 human consumption and includes chewing gum, drinks and beverages and any substance  
7 which has been used as an ingredient or a component in the manufacture, preparation or  
8 treatment of food. The term also means any material, usually of plant or animal origin,  
9 containing or consisting of essential nutrients that must be taken in or assimilated by a  
10 person as nourishment to maintain life and growth.  
11

12 It also includes those being processed, distributed and offered either in disposable or non-  
13 disposable packages or containers;  
14

15 (36) *Food additive* means any substance, the intended use of which results or may reasonably  
16 be expected to result, directly or indirectly, in its becoming a component of or otherwise  
17 affecting the characteristics of any food (including any substance intended for use in  
18 producing, manufacturing, packing, processing, preparing, treating, packaging,  
19 transporting, storing or preserving food), if such substance is generally recognized as safe  
20 among experts qualified as having been adequately shown through scientific studies;  
21

22 (37) *Food establishment* means a sole proprietorship, a partnership, a corporation, an  
23 institution, an association, or an organization engaged in the manufacture, importation,  
24 exportation, sale, offer for sale, distribution, donation transfer, use testing, promotion,  
25 advertising, or sponsorship of food products, including the facilities and installation needed  
26 for its activities. It includes, among others, restaurants, food courts, food carts, food stalls,  
27 and other similar food services where meals can be bought and consumed;  
28

29 (38) *Generic name* means the identification of drugs and medicines by their scientifically and  
30 internationally recognized active ingredients or by their official generic name as  
31 determined by the FDA;  
32

33 (39) *Government body* means any executive agency, such as the Department of Agriculture  
34 (DA), Department of Health (DOH), Bangko Sentral ng Pilipinas (BSP) and Department of  
35 Trade and Industry (DTI); Congress, the Judiciary or the constitutional bodies of the  
36 Government of the Republic of the Philippines, including local government units, the  
37 Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP),  
38 government financial institutions and government-owned and controlled corporations,  
39 whether created by its own charter or by registration with the Securities and Exchange  
40 Commission (SEC), and all such other entities where the government has substantial  
41 interest in;  
42

43 (40) *Goods* means any manufactured or processed article of whatever nature or kind and any  
44 base or raw materials in unprocessed form;  
45

46 (41) *Guarantee* means an expressed or implied assurance of the real quality, cost, price,  
47 promotion of the consumer products and services offered for sale or length of satisfactory  
48 use, result, outcome, effects, promotional promise, detailed ingredients, itemized costs or  
49 other similar matters to be expected from such consumer products or services based on  
50 applicable and actual documents in accordance with law, morals, good faith and public  
51 policy;  
52

53 (42) *Household hazardous substance or Urban hazardous substance* means:  
54

55 (1) (i) any substance or mixture of substances which is toxic, corrosive, irritant, a strong  
56 sensitizer, flammable or combustible, or generates pressure through decomposition, heat or  
57 other means; if such substance or mixture of substances may cause strong allergic reactions,



1 burning sensations, substantial injury, illness during or as a proximate result of any  
2 customary or reasonably foreseeable ingestion by children, but shall not include agricultural  
3 fertilizers, agricultural pesticides, and agricultural insecticides and other economic poisons,  
4 radioactive substances, or substances intended for use as fuels, coolants, refrigerants and the  
5 like; (ii) any substance which the DOH finds to be under the categories enumerated in clause  
6 (1) (i) of this paragraph; (iii) any radioactive substance, if, with respect to such substance as  
7 used in a particular class of article or as packaged, and which the DOH, upon its approval,  
8 determines by regulation that the substance is sufficiently hazardous to require labeling in  
9 accordance with this Section in order to protect public health;

10  
11 (2) any toy or other articles intended for use by children which the FDA may, by regulation,  
12 inspect to determine the presence of an electrical, mechanical or thermal hazard. For this  
13 purpose "Toys and other articles intended for use by children" shall refer to those toys and  
14 articles specified to be for children less than fourteen (14) years of age;

15  
16 Provided, that the term '*Household hazardous substance or Urban hazardous substance*'  
17 shall not apply to food, drugs, cosmetics, and devices nor to substances intended for use as  
18 fuels when stored in containers and used in the heating, cooking or refrigeration system of a  
19 house.

20  
21 (3) any article which is not in itself an agricultural pesticide but which is a hazardous  
22 substance, as construed in clause (1) of paragraph (i), by reason of bearing or containing such  
23 harmful substances described therein;

24  
25 (43) *Health products* means food, drugs, cosmetics, devices, biologicals, vaccines, in-vitro  
26 diagnostic reagents and household-or urban hazardous substances or a combination of  
27 and/or a derivative thereof. It also refers to products that may have an effect on human  
28 health, which require regulations as determined by the FDA;

29  
30 (44) *Highly toxic* means any substance which has any of the following effects: (1) produces  
31 death within fourteen days to one-half or more than one-half of a group of ten or more  
32 laboratory white rats each weighing between two hundred (200) and three hundred (300)  
33 grams, at a single dose of fifty (50) milligrams or less per kilogram of body weight, when  
34 orally administered; or (2) produces death within fourteen (14) days to one-half or more of  
35 a group of ten (10) or more laboratory white rats each weighing between two hundred (200)  
36 and three hundred (300) grams, when inhaled continuously for a period of one hour (1) or  
37 less at an atmospheric concentration of two hundred (200) parts per million by volume or  
38 less of gas or vapor or two (2) milligrams per liter by volume or less of mist or dust,  
39 provided such concentration is likely to be encountered by man when the substance is used  
40 in any reasonably foreseeable manner, or (3) produces death within fourteen days to one-  
41 half or more of a group of ten (10) or more rabbits, when tested in a dosage of two hundred  
42 (200) milligrams or less per kilogram of body weight, or when administered through  
43 continuous contact with the bare skin for twenty-four (24) hours or less;

44  
45 (45) *Home solicitation sale* means consumer sales or leases which are personally solicited by  
46 any person or organization by telephone, person-to-person contact or by written or printed  
47 communication other than general advertising or consummated at the buyer's residence or a  
48 place of business, at the seller's transient quarters, or away from a seller's regular place of  
49 business;

50  
51 (46) *Ionizing radiation* means energy released by a radioactive substance or by a device which  
52 is capable of removing an electron from an originally electrically neutral atom or molecule;

53  
54 (47) *Immediate container or primary packaging* means the container, wrapper or package  
55 which immediately carries, covers, protects and comes in direct contact with the product or  
56 substance, including the materials that come in direct contact with the product;

57

- 1 (48) *Imminently hazardous product* means a consumer product which presents an unreasonable  
2 risk of death, serious illness or severe personal injury;  
3  
4
- 5 (49) *In-vitro diagnostic reagent* -- means a reagent and system intended for use in the diagnosis  
6 of disease or other conditions, including a determination of the state of health in order to  
7 cure, mitigate, treat or prevent disease or its sequel;  
8
- 9 (50) *Irritant* means any substance not corrosive within the meaning of paragraph (u) of this  
10 Section which, on immediate, prolonged or repeated contact with normal living tissue will  
11 induce a local inflammatory reaction:  
12
- 13 (51) *Label or labeling* means the display of written, printed or graphic matter on any consumer  
14 product, its immediate container, tag, literature or other suitable material affixed thereto for  
15 the purpose of giving information as to identify, components, ingredients, attributes,  
16 directions for use, specifications and such other information as may be required by law or  
17 regulations;  
18
- 19 (52) *Manufacture* means any and all operations involved in the production, including  
20 preparation, propagation, processing, formulating, filling, packing, repacking, altering,  
21 ornamenting, finishing or otherwise changing the container, wrapper or labeling of a  
22 consumer product in the furtherance of the distribution of the same from the original place  
23 of manufacture to the person who makes the final delivery or sale to the ultimate consumer;  
24
- 25 (53) *Manufacturer* means any person who manufactures, assembles or processes consumer  
26 products, except that if the goods are manufactured, assembled or processed for another  
27 person who attaches his own brand name to the consumer products, the latter shall be  
28 deemed the manufacturer. In case of imported products, the manufacturer's representatives  
29 or, in his absence, the importer, shall be deemed the manufacturer;  
30
- 31 (54) *Mass media* refers to any means or methods used to convey promotional and advertising  
32 messages to the public, such as but not limited to print (e.g., newspapers, tabloids,  
33 magazines, posters, hand bills, leaflets, mails, etc.), television (including cinema), radio,  
34 outdoor media (e.g., billboards, digital media), and new media (e.g., internet, mobile  
35 phones, and similar electronic devices);  
36
- 37 (55) *Materially defective product* means a product which fails to offer the safety rightfully  
38 expected of it, taking relevant circumstances into consideration, including but not limited  
39 to: (a) presentation of product; (b) use and hazards reasonably expected of it; and (c) the  
40 time it was put into circulation;  
41
- 42 (56) *Mislabeled household hazardous substance or mislabeled urban hazardous substance or*  
43 *other mislabeled hazardous substances* means any household hazardous substance or urban  
44 hazardous substance the packaging or labeling of which is in violation of the special  
45 packaging regulation issued by the concerned department or government body under this  
46 Act or if such substance fails to bear a label which: (1) states conspicuously: (i) the name  
47 and the exact address of the manufacturer, packer, distributor, or seller; (ii) the common or  
48 usual name of the hazardous substance or of each component which contributes  
49 substantially to the harmfulness of the substance, unless the concerned department, by  
50 regulation permits or requires the use of the recognized generic name; (iii) the signal word  
51 "*danger*" on substances which are extremely flammable, corrosive, or highly toxic; (iv) the  
52 signal word "*warning*" or "*caution*" on all other hazardous substances; (v) a frank  
53 statement of the principal hazard or hazards involved, as "*flammable*", "*vapor harmful*",  
54 "*causes burns*", "*absorbed through skin*", or similar wording describing the action to be  
55 followed or avoided, except when modified by regulation by the Department pursuant to;  
56 (vi) instructions, when necessary or appropriate, for first aid treatment; (vii) the word  
57 "poison" for any hazardous substance which is defined as highly toxic; (viii) instructions

1 for handling and storage of packages which require special care in handling or storage; and  
2 (ix) the statement "keep out of the reach of children", or its practical equivalent, if the  
3 article is intended for use by children and is not a banned hazardous substance, with  
4 adequate directions for the protection of children from the hazard involved. The  
5 aforementioned signal words, affirmative statements, description of precautionary  
6 measures, necessary instructions or other words or statements may be in the English  
7 language or its equivalent in Filipino; and (2) on which any statement required under clause  
8 (1) of this paragraph are located prominently on the label and in contrast by typography  
9 layout, to other printed matters thereon;

10  
11 (57) *New Drugs* mean (1) any drug the composition of which is such that said drug is not  
12 generally recognized among experts qualified by scientific training and experience to  
13 evaluate the safety, efficacy and quality of drugs as safe, efficacious and of good quality for  
14 use under the conditions prescribed, recommended, or suggested in the labeling thereof; or  
15 (2) any drug the composition of which is such that said drug, as a result of its previous  
16 investigations to determine its safety, efficacy and good quality for use under certain  
17 conditions, has become so recognized but which has not, otherwise than in such  
18 investigations, been used to a material extent or for a material time under new conditions;

19  
20 "New Drugs" shall include drugs (a) containing a newly discovered active ingredient; (b)  
21 containing a new fixed combination of drugs, either by molecular or physical combination;  
22 (c) intended for new indications; (d) an additional new mode of administration; or (e) in an  
23 additional dosage or strength of the dosage form, which meets the conditions as defined  
24 under the new drug.

25  
26 The definition of "new drugs" covers to the extent applicable, new devices.

27  
28 (58) *New product* means a newly-registered consumer product which incorporates a design,  
29 material or form of energy exchange which has not previously been used substantially in  
30 consumer products and where there exists a lack of adequate information to determine the  
31 quality and safety of such product if used by the consumers;

32  
33 (59) *Open-end credit plan* means a consumer credit extended on an account pursuant to a plan  
34 under the following circumstances:

- 35  
36 (1) the creditor may permit the person to make purchases or obtain loans, from time to time,  
37 directly from the creditor or indirectly with the use of credit card, check or other devices;  
38 (2) a person has the privilege of pre-paying or advancing the balance; or  
39 (3) a finance charge may be computed by the creditor from time to time on an outstanding  
40 unpaid balance;

41  
42 (60) *Package or packaging* means any container or wrapping in which any consumer product  
43 is enclosed for use in the delivery or display of that consumer product to retail purchasers,  
44 but which does not include:

- 45  
46 (1) shipping containers or wrappings used solely for the transportation of any consumer  
47 product in bulk or in big quantities by manufacturers, packers, or processors to wholesale  
48 retail distributors thereof;  
49 (2) shipping containers or outer wrappings used by retailers to ship or deliver any product to  
50 retail costumers if such containers and wrappings bear no printed matter pertaining any  
51 particular product;

52  
53 (3) the wrappers or containers of consumer products sold in small quantities by small retail  
54 stores to the consumer which by tradition are wrapped with ordinary paper;

55  
56 (61) *Person* means any individual, partnership, corporation or association, trust, government or  
57 governmental subdivision or any other legal entity;

- 1  
2 (62) *Pharmacovigilance* means the science and activities relating to the detection, assessment,  
3 understanding, and prevention of adverse effects or any other possible drug-related  
4 problems;  
5  
6 (63) *Poisonous substance* means any substance capable of destroying life or seriously  
7 endangering health when applied externally or introduced internally even in moderate  
8 doses;  
9  
10 (64) *Preservation* means a method or process of prolonging the shelf life of products using  
11 such means including, but not limited, to adding chemicals or additives, exposing to  
12 ionizing radiation, and undergoing freezing, heating or canning;  
13  
14 (65) *Price comparison* means the direct comparison in any advertisement of a seller's  
15 current price for consumer products or services with any other price or statement of value  
16 for such property or services expressed in pesos, centavos, fractions or percentages;  
17  
18 (66) *Price tag* means any device, written, printed, affixed or attached to a consumer product or  
19 displayed in a consumer repair or service establishment for the purpose of indicating the  
20 retail price per unit or service;  
21  
22 (67) *Prime commodities* mean commodities that are goods not considered as basic necessities  
23 but are essential to consumers in times of any of the cases provided under Section 7 of RA  
24 7581, such as, but not limited to, flour; dried, processed or canned pork, beef and poultry  
25 meat; dairy products not falling under basic necessities; onions, garlic, vinegar, patis, soy  
26 sauce; fertilizer, pesticides and herbicides; poultry, livestock and fishery feeds and  
27 veterinary products; paper; school supplies; nipa; shingles; sawali; cement; clinker; GI  
28 sheets; hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies;  
29 light bulbs; steel wire; all drugs not classified as essential drugs by the DOH and such other  
30 goods as may be included under Section 4 of RA 7581;  
31  
32 (68) "*Principal display panel*" means that part of the label that is most likely to be displayed,  
33 presented, shown or examined under normal and customary conditions of display for retail  
34 or sale;  
35  
36 (69) "*Private labeler*" means an owner of a brand or trademark on the label of consumer  
37 product other than a manufacturer of the product ;  
38  
39 A consumer product bears a private label if: (1) the product or its container is labeled with a  
40 brand or trademark of a person other than its manufacturer; or (2) the brand or trademark of  
41 the manufacturer of such product does not appear on such label.  
42  
43 (70) "*Radioactive substance*" means any solid, liquid, or gas with *unstable nuclei* which during  
44 the process of decay emits ionizing radiation;  
45  
46 (71) "*Referral selling*" means the sales device employed by the sellers wherein the buyer is  
47 induced to acquire goods or services by presenting that after the acquisition of the goods or  
48 services, where a rebate, commission or other benefits will be received in return for the  
49 submission of names of potential customers or otherwise helping the seller enter into other  
50 sales, if the receipt of such benefit is contingent on an event occurring after the sale is  
51 made;  
52  
53 (72) *Repair and service firm* means any business establishment, engaged directly or indirectly,  
54 in the repair, service or maintenance of any consumer product;  
55  
56 (73) *Requesting person* means a natural person, whether on his own or as a representative of  
57 another natural person or a juridical person, who makes a request to obtain, have a copy of

1 or have access to information from any government body as defined in this Section;

2  
3 (74) *Retailer* means a person engaged in the business of selling consumer products directly to  
4 consumers;

5  
6 (75) *Sale or distribution* means an act made by a manufacturer or seller, or their respective  
7 representative or agent, to make available consumer products, services or credit to the end  
8 consumers under a consumer sale transaction. It shall not include sampling or any  
9 distribution not for sale;

10  
11 (76) *Sales promotion* means techniques intended for broad consumer participation which  
12 contain promises of gain such as prizes, in cash or in kind, or an opportunity to win any  
13 prizes or free services, or gift, or any similar schemes, as reward for transacting for,  
14 receiving, or purchasing of a product, security, service or winning in contests, games,  
15 tournaments and other similar competitions or challenges which involve determination of  
16 winner or winners and which utilize mass media or other widespread media of information  
17 such as information and communications technology. It also means techniques intended to  
18 increase the sales, patronage, or goodwill of transaction for purchasing or receiving of  
19 consumer products and services;

20  
21 (77) *Seller* means a person engaged in the business of selling consumer products and services  
22 directly to consumers such as, but not limited to, restaurants and fastfood establishments. It  
23 shall include a supplier or distributor or any other similar arrangements if: (1) the seller is a  
24 subsidiary or affiliate of the supplier or distributor; (2) the seller interchanges personnel or  
25 maintains common or overlapping officers or directors with the supplier or distributor; or  
26 (3) the supplier or distributor provides or exercises supervision, direction or control over  
27 the selling practices of the seller;

28  
29 (78) *Service or Services* mean services rendered, offered, promised, promoted, advertised,  
30 transacted, received, or made a price or reward or any other similar arrangements in  
31 connection with construction, maintenance, repair, processing, treatment or cleaning of  
32 goods or of fixtures on land, distribution or transportation of goods, or any other practices  
33 in commerce, trade, industry, business ventures, skills, vocation or career;

34  
35 (79) *Safety packaging* means packaging that is designed or constructed to be significantly  
36 difficult for children five(5) years of age and below to open or to obtain a toxic or harmful  
37 amount of the substance contained therein within a reasonable time and not difficult for  
38 normal adults to use properly;

39  
40 (80) *Standard* means a set of conditions to be fulfilled to ensure the quality, efficacy and/or  
41 safety of product and services;

42  
43 (81) *Strong sensitizer* means any substance which will cause on normal living tissue, an allergy  
44 or photodynamic quality of hypersensitivity which becomes evident on reapplication of the  
45 same substance, to be classified as such by the implementing agency. Before classifying  
46 any substance as a strong sensitizer, the implementing agency, upon consideration of the  
47 frequency of occurrence and severity of the reaction, should find out whether the substance  
48 has a significant capacity to cause hypersensitivity;

49  
50 (82) *Substandard product* means a product which fails to comply with the standards  
51 prescribed under existing regulations or as set forth by the concerned industry;

52  
53 (83) *Supplier* means a person, other than a consumer, who in the course of his business,  
54 solicits, offers, advertises, or promotes the disposition or supply of a consumer product or  
55 who other than the consumer, engages in, enforces, or otherwise participates in a consumer  
56 transaction, whether or not a contract actually exists between that person and the consumer,  
57 and includes the successor to, or assignee of, any right or obligation of the supplier;

1  
2 (84) *Technical personnel of repair and service enterprise* means a machinist, technician, or any  
3 technically skilled or qualified person who works or renders diagnosis or advice in  
4 connection with repair, service and maintenance of the consumer products in a repair and  
5 service firm;

6  
7 (85) *Toxic substance* means any substance other than a radioactive substance which can cause  
8 injury, illness or death to human beings through ingestion, inhalation or absorption through  
9 anybody surface or cavity;

10  
11 (86) *Trade name or trademark* means a word or words, name, title, symbol, emblem, sign or  
12 device or any combination thereof used as an advertisement, sign, label, poster or otherwise  
13 for the purpose of enabling the public to distinguish the business of the person who owns  
14 and uses said trade name or trademark;

15  
16 (87) *Trade secret* means any information, including a formula, pattern, compilation, program,  
17 device, product, method, technique or process, that is used, or may be used, in business or  
18 for any commercial advantage from where a business entity derives independent economic  
19 value, actual or potential, from not being generally known to the public or to persons who  
20 can obtain economic value from its disclosure or use.

21  
22 **Sec. 6. The Basic Consumer Rights** – The government, in maintaining and strengthening the  
23 promotion of the interest and welfare of the consumers in their relation to businesses and  
24 industry practice, as well as to the production and distribution of consumer products, shall adopt  
25 measures and formulate polices taking into account the following basic consumer rights:

26  
27 (1) **Right to Basic Needs** –The consumer shall be entitled to affordable and safe food,  
28 clothing, shelter, health care, education and sanitation. In fulfilling this right, the  
29 government shall ensure that basic and prime commodities shall be made accessible,  
30 available, affordable and of safe quality, to the consumers.

31  
32 (2) **Right to Choose** – The consumer shall be entitled to choose products at competitive  
33 prices with an assurance of safe and satisfactory quality.

34  
35 (3) **Right to Representation** –The consumer shall be entitled to express consumer interests  
36 in the formulation and execution of government policies.

37  
38 (4) **Right to Redress** –The consumer shall be entitled to compensation for  
39 misrepresentation, substandard or defective goods or unsatisfactory services.

40  
41 (5) **Right to Consumer Education** –The consumer shall be entitled to acquire the  
42 knowledge and skills necessary to be an informed consumer. To fulfill this right, the  
43 appropriate government agency shall ensure, among others, the availability of nutrition  
44 information in the label or labeling of food, and, dissemination of the information on  
45 maintaining healthy dietary practices.

46  
47 (6) **Right to Safety** –The consumer shall be entitled to protection against the marketing of  
48 goods or provision of services that are hazardous to health and life and damaging to  
49 property.- The undertaking of comprehensive safety and performance testing of  
50 products before being sold, and the placing of labels and proper product information  
51 about the product's use and operation, and warnings about precautions to be taken, if  
52 any, are enjoined on manufacturers and sellers.

53  
54 (7) **Right to a Healthy Environment.** – The consumer shall be entitled to live and work in  
55 an environment which is neither threatening nor dangerous and which permits a  
56 sustainable life of dignity and well-being.

57

- 1 (8) **Right to Information** – The consumer shall be entitled to protection against dishonest  
2 or misleading advertising or promotion and labeling and be given the facts and  
3 information needed to make an informed choice. In particular, consumers of food and  
4 beverage products shall be guaranteed the right to be assisted by government, working  
5 together with manufacturers and distributors, on the significance of adequate labeling  
6 and in the interpretation of information and data contained on such labels.  
7

8 **Sec. 7. The Basic Consumer Responsibilities.**– In connection with the entitlement of the basic  
9 rights stated in the preceding Section, the consumer shall exercise the following responsibilities:  
10

- 11 (1) **Critical Awareness** – The consumer shall make oneself knowledgeable on usage of  
12 consumer products and services and be vigilant regarding prices and quality of goods  
13 and services.  
14  
15 (2) **Take Action** – The consumer shall refrain from being a passive consumer and assert  
16 oneself and take action to ensure that one's rights as a consumer are amply protected.  
17  
18 (3) **Social Concern** – The consumer shall be more aware of the negative impact of one's  
19 consumption on other citizens especially the disadvantaged or powerless groups,  
20 whether in the local, national, or international community.  
21  
22 (4) **Environmental Awareness** – The consumer shall understand the environmental  
23 consequences of one's consumption, recognize individual and social responsibility to  
24 conserve natural resources, protect the earth for future generations and adopt  
25 sustainable consumption patterns.  
26  
27 (5) **Solidarity** – The consumer shall organize themselves to develop collective strength  
28 and influence to promote and protect their interest.  
29

30 **Sec. 8. Implementing Agency.** – The provisions of this Act and its implementing rules and  
31 regulations shall be enforced by the:  
32

- 33 (a) Department of Health (DOH) with respect to processed food, drugs, cosmetics, devices  
34 and hazardous substances;  
35 (b) Department of Agriculture (DA) with respect to products related to agriculture and  
36 fisheries;  
37 (c) Bangko Sentral ng Pilipinas (BSP) for credit transactions;  
38 (d) Department of Trade and Industry (DTI) with respect to other consumer products not  
39 specified above.  
40

41 **Sec. 9. Price Monitoring.** -All factors considered in determining the reasonable price of  
42 consumer goods shall be in accordance with Republic Act 7581 otherwise known as "The Price  
43 Act".  
44

45 **Sec.10. Establishment of Timbangan ng Bayan Centers.** - The State shall regularly review  
46 legislation pertaining to weights and measures and assess the adequacy of the machinery for its  
47 enforcement. In this regard, all local government units, through their provincial, city or  
48 municipal treasurers, shall establish a *Timbangan ng Bayan* center in all public markets  
49 nationwide where instruments for determining weights and measures shall be open for and  
50 accessible to anyone who wants to verify the accuracy of the quantity and measurement of the  
51 products that they purchased.  
52

53 **Sec. 11. Sealing and Testing of Instruments of Weights and Measure.** - All instruments for  
54 determining weights and measures in all consumer and consumer related transactions shall be  
55 tested, calibrated and sealed every six (6) months by the official sealer who shall be the  
56 Provincial or City or Municipal Treasurer or the authorized representative upon payment of fees  
57 required under existing law: *Provided*, That all instruments of weights and measures shall

1 continuously be inspected for compliance with the provisions of this Section.  
2

3 The safekeeping and maintenance of said instruments shall be under the control and  
4 supervision of the market supervisor who shall likewise be in charge of keeping a record of every  
5 product found to be wanting in quantity or substandard in dimension as well as the circumstances  
6 surrounding the sale thereof, including but not limited to, the name of the buyer, the price paid,  
7 and the name of the establishment where the same was bought including the name of the  
8 proprietor or manager thereof. A certification duly issued by the market supervisor or the  
9 authorized representative reflecting the contents of such record shall be *prima facie* evidence of  
10 violation of the prohibited acts as provided herein.  
11

12 **Sec.12. Use of Metric System.** - The system of weights and measures to be used for all products,  
13 commodities, materials, utilities, services and commercial transactions, in all contracts, deeds  
14 and other official and legal instruments and documents shall be the metric system, in accordance  
15 with existing laws and their implementing rules and regulations.  
16

17 The Department of Trade and Industry shall also adopt standard measurements for  
18 garments, shoes and other similar consumer products.  
19

20 **Sec. 13. Physical Safety.** - The State shall adopt or encourage the adoption of appropriate  
21 measures, including legal systems, safety regulations, national or international standards,  
22 voluntary standards and the maintenance of safety records to ensure that products are safe for  
23 either intended or normally foreseeable use.  
24

25 Appropriate policies shall ensure that if manufacturers or distributors become aware of  
26 unforeseen hazards after products are placed on the market, they shall notify the relevant  
27 authorities and, as appropriate, the public without delay. The State shall also consider ways of  
28 ensuring that consumers are properly informed of such hazards.  
29

30 **Sec. 14. Minimum Labeling Requirements for Consumer Products.** - All consumer products  
31 domestically sold, whether manufactured locally or imported, shall indicate the following in their  
32 respective labels of packaging:  
33

- 34 (a) its correct and registered trade name or brand name;
- 35 (b) its duly registered trademark;
- 36 (c) its duly registered business name;
- 37 (d) the address of the manufacturer, importer, repacker of the consumer product in the  
38 Philippines;
- 39 (e) its general make or active ingredients;
- 40 (f) the net quantity of contents, in terms of weight, measure or numerical count rounded of to  
41 at least the nearest tenths in the metric system;
- 42 (g) country of manufacture, if imported; and
- 43 (h) if a consumer product is manufactured, refilled or repacked under license from a  
44 principal, the label shall so state the fact.  
45

46 The following may be required by the concerned department in accordance with the rules  
47 and regulations they will promulgate under authority of this Act:  
48

- 49 (a) whether it is flammable or inflammable;
- 50 (b) directions for use, if necessary;
- 51 (c) warning of toxicity;
- 52 (d) wattage, voltage or amperes; or
- 53 (e) process of manufacture used if necessary.  
54

55 Any word, statement or other information required by or under authority of the preceding  
56 paragraph shall appear on the label or labeling with such conspicuousness as compared with  
57 other words, statements, designs or devices therein, and in such terms as to render it likely to be



1 read and understood by the ordinary individual under customary conditions of purchase or use.

2  
3 The above requirements shall form an integral part of the label without danger of being  
4 erased or detached under ordinary handling of the product.

5  
6 **Sec. 15. Legibility.** - It shall be ensured that labeling of food and beverage products are legible  
7 and easily understood by consumers.

8  
9 For the benefit of those who are unable to read for reasons of illiteracy or of deficiency in  
10 reading due to eye-sight problem, labeling information shall be done through the use of graphic  
11 symbols.

12  
13 **Sec. 16. Philippine Product Standard Mark.** - The label shall contain the Philippine Product  
14 Standard Mark if it is certified to have passed the consumer product standard prescribed by the  
15 concerned department.

16  
17 **Sec. 17. Authority of the Concerned Department to Provide for Additional Labeling and**  
18 **Packaging Requirements.** - Whenever the concerned department determines that regulations  
19 covering requirements other than those prescribed in Section 13 hereof are necessary to prevent  
20 the deception of the consumer or to facilitate value comparisons as to any consumer product, it  
21 may issue such rules and regulations to:

- 22  
23 (a) establish and define standards for characterization of the size of a package  
24 enclosing any consumer product which may be used to supplement the label  
25 statement of net quantity, of contents of packages containing such products but this  
26 clause shall not be construed as authorizing any limitation on the size, shape,  
27 weight, dimensions, or number of packages which may be used to enclose any  
28 product;
- 29  
30 (b) regulate the placement upon any package containing any product or upon any label  
31 affixed to such product of any printed matter stating or representing by implication  
32 that such product is offered for retail at a price lower than the ordinary and  
33 customary retail price or that a price advantage is accorded to purchases thereof by  
34 reason of the size of the package or the quantity of its contents;
- 35  
36 (c) prevent the nonfunctional slack-fill of packages containing consumer products.

37  
38 For purposes of paragraph (c) of this Section, a package shall be deemed to be non-  
39 functionally slack-filled if it is filled to substantially less than its capacity for reasons other than:

- 40 (i) protection of the contents of such package;  
41 (ii) the requirements of machines used for enclosing the contents in such package; or  
42 (iii) inherent characteristics of package materials or construction being used.

43  
44 The concerned department may likewise issue such other requirements as may be  
45 prescribed by regulations to ensure the safety, efficacy and quality of health products.

46  
47 **Sec. 18. Special Packaging of Consumer Products for the Protection of Children.** - The  
48 concerned department may establish standards for the special packaging of any consumer  
49 product if it finds that:

- 50  
51 (a) the degree or nature of the hazard to children in the availability of such product, by  
52 reason of its packaging, is such that special packaging is required to protect children  
53 from serious personal injury or serious illness resulting from handling and use of such  
54 product; and  
55 (b) the special packaging to be required by such standard is technically feasible,  
56 practicable and appropriate for such product.

1 In establishing a standard under this Section, the concerned department shall consider:

- 2
- 3 (1) the reasonableness of such standard;
- 4 (2) available scientific, medical and engineering data concerning special packaging and
- 5 concerning accidental, ingestions, illnesses and injuries caused by consumer product;
- 6 (3) the manufacturing practices of industries affected by this Act; and
- 7 (4) the nature and use of consumer products.
- 8

9 **Sec. 19. English or Filipino Translation of Product Labels Written in Foreign Characters**  
10 **or Languages.** – Consumer products with product labels written in foreign characters or  
11 language shall be allowed entry into the country and introduced into commerce only if they  
12 bear a corresponding English or Filipino translation to enable the authorities to determine  
13 whether the product has complied with all the other labeling requirements as well as  
14 provide the consumers proper guidance on the contents and source or origin of the product.  
15

16 All imported products brought into the country which shall be repacked, labeled or  
17 relabeled shall bear the name of the product, ingredients, place of manufacture and nutrient  
18 contents of the products before they can be sold domestically.  
19

20 **Sec. 20. Prohibited Acts on Labeling and Packaging.** - It shall be unlawful for any person who  
21 is engaged in the labeling or packaging of any consumer product, either as principal or agent, to  
22 display or distribute or to cause to be displayed or distributed for commercial purpose any  
23 consumer product whose package or label does not conform to the provisions of this Act.  
24

25 The prohibition in this Act shall apply to persons engaged in the business of wholesale or  
26 retail distributors of consumer products including, but not limited to, such persons who:  
27

- 28 (a) are engaged in the packaging or labeling of such products;
- 29 (b) prescribe or specify by any means the manner in which such products are packaged or
- 30 labeled;
- 31 (c) having knowledge of mislabeling or mispackaging, refuse to disclose the source of the
- 32 mislabeled or mispackaged products.
- 33

34 **Sec. 21. Mislabeled Food.** – The following circumstances shall be construed to be cases of  
35 mislabeling of food products:  
36

- 37 (a) if its labeling or advertising is false or misleading in any way;
- 38
- 39 (b) if its label contains claims which are not scientifically proven
- 40
- 41 (c) if it is offered for sale under the name of another food;
- 42
- 43 (d) if it is an imitation of another food, unless its label bears in type of uniform size and
- 44 prominence, the word "imitation" and, immediately thereafter, the name of the food
- 45 imitated;
- 46
- 47 (e) its containers is so made, formed, or filled as to be misleading;
- 48
- 49 (f) if in package form unless it bears a label conforming to the requirements of this Act:
- 50 Provided, That reasonable variation on the requirements of labeling shall be permitted
- 51 and exemptions as to small packages shall be established by the regulations
- 52 prescribed by the concerned department;
- 53
- 54 (g) if any word, statement or other information required by or under authority of this Act
- 55 to appear on the principal display panel of the label or labeling is not prominently
- 56 placed thereon with such conspicuousness as compared with other words, statements,
- 57 designs or devices in the labeling and in such terms as to render it likely to be read

1 and understood by the ordinary individual under customary conditions of purchase  
2 and use;

3  
4 (h) if it purports to be or is represented as a food for which a definition or standard of  
5 identity has been prescribed unless:

6  
7 (1) it conforms to such definition and standard; and

8  
9 (2) its labels bear the name of the food specified in the definition or standards, and  
10 insofar as may be required by such regulations, the common names of optional  
11 ingredients other than spices, flavoring and coloring, present in such food;

12  
13 (i) if it purports to be or represented as:

14  
15 (1) a food for which a standard of quality has been prescribed by regulations as  
16 provided in this Act and its quality fall below such standard, unless its label bears in  
17 such manner and form as such regulations specify, a statement that it falls below  
18 such standard; or

19  
20 (2) a food for which a standard or standards or fill of container have been prescribed by  
21 regulations as provided by this Act and it falls below the standard of fill of container  
22 applicable thereto, unless its label bears, in such manner and form as such  
23 regulations specify, a statement that it falls below such standard;

24  
25 (j) if it is not subject to the provisions of paragraph (g) of this Article unless its label  
26 bears:

27  
28 (1) the common or usual name of the food, if there be any; and

29  
30 (2) in case it is manufactured or processed from two or more ingredients, the common  
31 or usual name of such ingredient; except the spices, flavorings and colorings other  
32 than those sold as such, may be designated as spices, flavorings and colorings  
33 without naming each: Provided, That to the extent that compliance with the  
34 requirement of clause (2) of this paragraph is impracticable or results in deception  
35 or unfair competition, exemptions shall be established by regulations promulgated  
36 by the concerned Department of Health;

37  
38 (k) if it purports to be or is represented for special dietary uses, unless its label bears such  
39 information concerning its vitamin or mineral or other dietary properties as the  
40 concerned department determines to be, or by regulations prescribed as necessary in  
41 order fully to inform purchasers as its value for such uses;

42  
43 (l) if it bears or contains any artificial flavoring, artificial coloring, or chemical  
44 preservative, unless it bears labeling, stating that fact: Provided, That to the extent  
45 that compliance with the requirements of this paragraph is impracticable, exemptions  
46 shall be established by regulations promulgated by the concerned department. The  
47 provisions of this paragraph or paragraphs (g) and (i) with respect to the artificial  
48 coloring shall not apply in the case of butter, cheese or ice cream.

49  
50 Foods or food products offered by restaurants and fast-foods chains shall likewise  
51 conform with the foregoing regulations.

52  
53 In cases of foods not contained in any disposable package or container, restaurant  
54 operators must provide customers with a flyer or leaflet containing the prescribed nutritional  
55 information when requested accordingly.

56  
57 **Sec. 22. Labeling of Drugs.** – In addition to Section 14 hereof, the provisions of Republic Act

1 No. 6675 or the Generics Act and other applicable labeling requirements under Republic Act No.  
2 3720 as amended by Republic Act No. 9711, otherwise known as "The Food and Drug  
3 Administration Act of 2009," shall apply in the labeling of drugs.

4  
5 **Sec. 23. Mislabeled Hazardous Substances.** - Hazardous substances shall be deemed mislabeled  
6 when:

7  
8 (a) having been intended or packaged in a form suitable for use in households, especially for  
9 children, the packaging or labeling thereof is in violation of the special packaging regulations  
10 issued by the concerned department;

11  
12 (b) it fails to bear a label which states conspicuously the following important information:

13 (i) the name and the place of business of the manufacturer, packer, distributor seller;

14  
15 (ii) the common or usual name or the chemical name, if there be no common or usual  
16 name, of the hazardous substance or of each component which contributes  
17 substantially to the harmfulness of the substance, unless the concerned department  
18 by regulation permits or requires the use of the recognized generic name;

19  
20 (iii) the signal word "danger" on substances which are extremely flammable, corrosive or  
21 highly toxic;

22  
23 (iv) the signal word "warning" or "caution" with a bright red or orange color with a black  
24 symbol on all other hazardous substances;

25  
26 (v) a clear statement as to the possible injury it may cause if used improperly;

27  
28 (vi) precautionary measures describing the action to be followed or avoided;

29  
30 (vii) instructions when necessary or appropriate for first-aid treatment;

31  
32 (viii) the word "poison" for any hazardous substance which is defined as highly toxic;

33  
34 (ix) instructions for handling and storage of packages which require special care in  
35 handling and storage; and

36  
37 (x) the statement "keep out of the reach of children", or its practical equivalent, if the  
38 article is not intended for use by children and is not a banned hazardous substance,  
39 with adequate directions for the protection of children from the hazard involved. The  
40 aforementioned signal words, affirmative statements, description of precautionary  
41 measures, necessary instructions or other words or statements may be in English  
42 language or its equivalent in Filipino; and

43  
44 (c) the statement required under clause (b) of this paragraph is not located prominently in bright  
45 red and orange color with a black symbol in contrast typography, layout or color with the  
46 other printed matters on the label.

47  
48 **Sec. 24. Price Tag Requirement.** - It shall be unlawful to offer any consumer product or service  
49 for retail sale to the public without an appropriate price tag, label, or marking, or with more than  
50 one price, or different price tags, labels, or markings publicly displayed to indicate the price of  
51 each article. Said products shall not be sold at a price higher than that stated therein and without  
52 discrimination to all buyers: *Provided*, That it shall be unlawful for any retailer, including  
53 merchandising store or service establishment to charge the customers more than the actual cash  
54 retail price of the goods or services purchased when such purchase is done with the use of credit  
55 card or to limit bargain sale items and services to cash purchases: *Provided Further*, That lumber  
56 sold, displayed or offered for sale to the public shall be tagged or labeled by indicating thereon  
57 the price and the corresponding official name of the wood: *Provided*, finally, that if consumer

1 products for sale are too small or the nature of which makes it impractical to place a price tag  
2 thereon price list placed at the nearest point where the products are displayed indicating the retail  
3 price of the same may suffice.

4  
5 **Sec. 25. Manner of Placing Price Tags.** - Price tags, labels or markings must be written clearly,  
6 indicating the price of the consumer product per unit in pesos and centavos.

7  
8 **Sec. 26. Regulations for Price Tag Placement.** - The concerned department shall prescribe rules  
9 and regulations for the visible placement of price tags for specific consumer products and  
10 services. There shall be no erasures or alterations of any sort of price tags, labels or markings  
11 unless such products or services shall be the subject of a promotional sale markdown.

12  
13 **Sec. 27. Ensuring Safety of Goods** – The State shall ensure that goods produced by  
14 manufacturers are safe for either intended or normally foreseeable use. Those responsible for  
15 bringing goods to the market, in particular suppliers, exporters, importers, retailers and the like  
16 hereinafter referred to as distributors, should ensure that while in their care these goods are not  
17 rendered unsafe through improper handling or storage and that while in their care they do not  
18 become hazardous through improper handling or storage. Consumers should be instructed in the  
19 proper use of goods and should be informed of the risks involved in intended or normally  
20 foreseeable use. Vital safety information should be conveyed to consumers by internationally  
21 understandable symbols wherever possible.

22  
23 **Sec. 28. Regulation on Imported Consumer Products.** - (a) Any consumer product offered for  
24 importation into Philippine territory shall be refused admission if such product:

- 25  
26 (1) fails to comply with an applicable consumer product quality and safety standard or  
27 rule;  
28 (2) is or has been determined to be injurious, unsafe and dangerous;  
29 (3) is substandard;  
30 (4) is defective; or  
31 (5) has been banned for distribution or declared unsafe by other countries.

32  
33 (b) Samples of consumer products being imported into the Philippines in a quantity necessary  
34 for purposes of determining the existence of any of the above causes for non-admission may  
35 be obtained by the concerned department or agency without charge from the owner or  
36 consignee thereof. The owner or consignee of the imported consumer product under  
37 examination shall be afforded an opportunity to a hearing with respect to the importation of  
38 such products into the Philippines. If it appears from examination of such samples or  
39 otherwise that an imported consumer product does not conform to the consumer product  
40 safety rule or is injurious, unsafe and dangerous, is substandard or has a material defect, such  
41 product shall be refused admission unless the owner or the consignee thereof manifests under  
42 bond that none of the above ground for non-admission exists or that measures have been taken  
43 to cure them before they are sold, distributed or offered for sale to the general public.

44  
45 (c) If it appears that any consumer product which may not be admitted pursuant to paragraph  
46 (a) of this Section can be so modified that it can already be acceptable for sale or use, the  
47 concerned department may defer final examination as to the admission of such product for a  
48 period not exceeding ten (10) days, and in accordance with such regulations as the  
49 Department and the Commissioner of Customs shall jointly promulgate, such product may be  
50 released from customs custody under bond for the purpose of permitting the owner or  
51 consignee an opportunity to so modify such product.

52  
53 (d) All modifications taken by an owner or consignee for the purpose of securing admission of  
54 an imported consumer product under paragraph (c) shall be subject to the supervision of the  
55 concerned department. If the product cannot be so modified, or if the owner or consignee is  
56 not proceeding to satisfactorily modify such product, it shall be refused admission and the  
57 department may direct redelivery of the product into customs custody, and seize the product if

1 not so redelivered.

2  
3 (e) Imported consumer products not admitted must be exported, except that upon application,  
4 the Commissioner of Customs may permit the destruction of the product if, within a  
5 reasonable time, the owner or consignee thereof fails to export the same.

6  
7 (f) All expenses in connection with the destruction mandated in this Section, and all expenses  
8 in connection with the storage, cartage or labor with respect to any consumer product refused  
9 admission under this Article, shall be paid by the owner or consignee and, in case of default of  
10 such payment, shall constitute a lien against any future importation made by such owner or  
11 consignee.

12  
13 (g) It shall be prohibited for any person, corporation or entity, to import, sell or use goods, the  
14 manufacture, sale or use of which is prohibited in the country of origin of such goods.

15  
16 **Sec. 29. Regulation on Consumer Products for Export.** - The preceding Section on safety  
17 standards imposed on imported products does not apply to any consumer product if: (a) it can be  
18 shown that such product is manufactured, sold or held for sale for export from the Philippines, or  
19 that such product was imported for export, unless such consumer product is in fact distributed in  
20 commerce for use in the Philippines; and (b) such consumer product or the packaging thereof  
21 bears a stamp or label stating that such consumer product is intended for export and actually  
22 exported: *Provided*, however, that consumer products intended for exports shall comply with the  
23 safety standards enforced by the importing country, whenever applicable.

24  
25 **Sec. 30. Recall, Ban or Seizure of Injurious, Dangerous and Unsafe Products.** - Whenever any  
26 department or government agency find by their own initiative or by petition of a consumer, that a  
27 consumer product is found to be injurious, unsafe or dangerous, it shall, after due notice and  
28 hearing, make the appropriate order for its recall, prohibition or seizure from public sale or  
29 distribution: *Provided*, That in their sound discretion, such department or agency, may declare a  
30 consumer product to be imminently injurious, unsafe or dangerous, and order its immediate  
31 recall, ban or seizure from public sale or distribution, in which case, the seller, distributor,  
32 manufacturer or producer thereof shall be afforded a hearing within forty-eight (48) hours from  
33 such order: *Provided further*, That any establishment caught *in flagrante delicto* selling,  
34 distributing, manufacturing, producing, or importing substandard and hazardous products shall  
35 be automatically closed and shut down.

36  
37 The ban on the sale and distribution of a consumer product adjudged injurious, unsafe or  
38 dangerous, or imminently injurious, unsafe or dangerous under the preceding paragraph shall  
39 stay in force until such time that its safety can be assured or measures to ensure its safety have  
40 been established.

41  
42 **Sec. 31. Amendment and Revocation of Declaration of the Injurious, Unsafe or Dangerous**  
43 **Character of a Consumer Product.** - Any interested person may petition the appropriate  
44 department to commence a proceeding for the issuance of an amendment or revocation of a  
45 consumer product safety rule or an order declaring a consumer product injurious, dangerous and  
46 unsafe.

47  
48 In case the department, upon petition by an interested party or its own initiative and after  
49 due notice and hearing, determines a consumer product to be substandard or materially defective,  
50 it shall so notify the manufacturer, distributor or seller thereof of such finding and order such  
51 manufacturer, distributor or seller to, without delay :

- 52  
53 (a) give notice to the public of the defect or failure to comply with the product safety  
54 standards;  
55 (b) give notice to each distributor or retailer of such product; and  
56 (c) give notice to every person to whom such consumer product was delivered or sold.  
57

1 The department shall also direct the manufacturer, distributor or seller of such product to  
2 extend within reasonable time any or all of the following remedies to the injured person:

- 3  
4 (i) to bring such product into conformity with the requirements of the applicable  
5 consumer product standards or to repair the defect in order to conform with the same;  
6 (ii) to replace the product with a like or equivalent product which complies with the  
7 applicable consumer product standards which does not contain the defect;  
8 (iii) to refund the purchase price of the product less a reasonable allowance for use; and  
9 (iv) to pay the consumer reasonable damages as may be determined by the department.

10  
11 The manufacturer, distributor or seller shall not charge a consumer who avails himself of  
12 the remedy as provided above of any expense and cost that may be incurred.

13  
14 **Sec. 32. Effectivity of Amendments and Revocation of Consumer Product Safety Rule.** - Any  
15 amendment or revocation of a consumer product safety rule made by the concerned department  
16 shall specify the date on which it shall take effect which shall not exceed ninety days from the  
17 date of amendment or revocation is published unless the concerned department finds, for a good  
18 cause shown, that a later effective date is in the public interest and publishes its reasons for such  
19 finding. The department shall promulgate the necessary rules for the issuance, amendment or  
20 revocation of any consumer product safety rule.

21  
22 **Sec. 33. Official Sources of Information for Imported Consumer Products.** - Import data from  
23 the Bureau of Customs under the Department of Finance and the Bureau of Import Services  
24 under the DTI shall be recognized as official sources of information to validate the following  
25 information relative to a particular imported consumer product:

- 26  
27 (a) country of manufacturer;  
28 (b) name and address of manufacturer / exporter;  
29 (c) name and address of importer/consignee;  
30 (d) value and volume of shipment;  
31 (e) date of arrival, and;  
32 (f) other information relevant to the shipment in question.

33  
34 **Sec. 34. Coverage and Exemptions of Sales Promotion of Consumer Products and Services.**

35  
36 (a) **Coverage**- The provisions on sales promotions of the consumer products and services shall  
37 apply to all promotional campaigns/announcements for consumer products, services, credit  
38 facilities, as well as beauty contests, nationwide in character. It shall also include promotional  
39 campaigns for television shows and other similar activities.

40  
41 The provisions of sales promotion of consumer products and services shall likewise apply  
42 to similar activities such as but not limited to in-store promotions offering reduced prices, special  
43 offers, product demonstration, product samples, rebates, discounts, premium-in-pack, and expert  
44 advice.

45  
46 The coverage of sales promotions should also include promotional campaigns for  
47 television shows and other similar activities.

48  
49 (b) **Exemption**- The provisions of sales promotion of consumer products and services shall not  
50 apply to the following promotional campaigns or activities:

- 51  
52 (i) those conducted by government or any of its agencies or instrumentalities, when  
53 the same is conducted in the exercise of their governmental functions;  
54 (ii) those conducted by private entities in joint project/s with any government  
55 agency under the preceding paragraph;  
56 (iii) those conducted by social, civic, political, religious, educational, professional  
57 and other similar organizations which conduct promotional activities among their

1 members.: *Provided*, That the promotional activity is not considered sales  
2 promotional campaign as defined under this Act.  
3

4 **Sec. 35. Permit to Conduct Promotion.** - No person shall conduct any sales campaigns including  
5 beauty contests, national in character, sponsored and promoted by manufacturing enterprises  
6 without first securing a permit from the concerned department at least thirty (30) calendar days  
7 prior to the commencement thereof. Unless an objection or denial is received within fifteen (15)  
8 days from filing of the application, the same shall be deemed approved and the promotion  
9 campaign or activity may be conducted: *Provided*, That any sales promotion campaign using  
10 medical prescriptions or any part thereof or attachment thereto for raffles or a promise of reward  
11 shall not be allowed, nor a permit issued thereof.  
12

13 **Sec. 36. Suspension of Publication or Dissemination of Information.** - The concerned  
14 department may, after due notice, suspend the publication and dissemination of any information  
15 accompanying a sales promotion campaign, if it finds the campaign to be in violation of the  
16 provisions of this Act or its implementing rules and regulations.  
17

18 **Sec. 37. Conduct of Sales Promotion.** - A sales promotion which is intended for broad consumer  
19 participation and utilizes mass media shall indicate the duration, commencement and termination  
20 of the promotion, the deadline for submission of entries and the governing criteria or procedure  
21 to be followed therein.  
22

23 **Sec. 38. Packaging of Products Under Promotion.** - The packaging of the products covered by  
24 the sales promotion shall not be changed or tampered with, unless so authorized by the  
25 sponsoring agency or the owner or manufacturer of the product.  
26

27 **Sec. 39. Change in Starting and Termination Dates of Promotion.** - The concerned department  
28 shall be advised of any delay of starting dates or termination dates and details of any change in  
29 the conduct of a sales promotion. Any change in the termination dates shall be published in a  
30 newspaper of general circulation before the expiration of the original schedule or the termination  
31 date, whichever comes first.  
32

33 **Sec. 40. Determination of Winners.** - The winners in any sales promotion shall be determined at  
34 a definite time and place and shall be verified by a representative of the concerned department  
35 and the sponsor. Immediately after the winners are selected or determined, a list with their  
36 addresses and corresponding prizes shall be submitted to the concerned department. All winners  
37 shall be announced or published in the same manner that the sales promotion was announced or  
38 published: *Provided*, That publication in a newspaper of general circulation shall be done in a  
39 legible manner at least once, if the sales promotion is national in scope: *Provided further*, That  
40 such announcement and publication shall be done not later than two (2) weeks after the  
41 determination of winners. In all cases where the amount of the prize is Five Hundred Pesos  
42 (Php500.00) or more, the winners shall also be notified in writing by registered mail or any  
43 communication wherein proof of notice or service can be verified.  
44

45 **Sec. 41. Promulgation and Adoption of Consumer Product Standards.** - Pursuant to this  
46 objective, the State shall intensify efforts to prevent practices which are damaging to the  
47 economic interests of consumers by ensuring that manufacturers, distributors and others involved  
48 in the provision of goods and services adhere to established laws and mandatory product  
49 standards. Consumer organizations shall be encouraged to monitor adverse practices, such as the  
50 adulteration of foods, false or misleading claims in marketing and service frauds. The concerned  
51 department shall establish consumer product quality and safety standards which shall consist of  
52 one or more of the following:  
53

- 54 (a) requirements to performance, composition, contents, design, construction, finish,  
55 packaging of a consumer product;  
56 (b) requirements as to kind, class, grade, dimensions, weights, material;  
57 (c) requirements as to the methods of sampling, tests and codes used to check the quality of



- 1 the products;
- 2 (d) requirements as to precautions in handling, storage, packaging, and transporting;
- 3 (e) requirements that a consumer product be marked with or accompanied by clear and
- 4 adequate safety warnings or instructions, or requirements respecting the form of
- 5 warnings or instructions.
- 6

7 For this purpose, the concerned department shall adopt existing government domestic

8 product quality and safety standards: *Provided*, That in the absence of such standards, the

9 concerned department shall form specialized technical committees composed of equal number of

10 representatives from each of the government, business and consumer sectors to formulate,

11 develop and propose consumer product quality and safety standards. The said technical

12 committees shall consult with the private sector, which may, *motu proprio*, develop its own

13 quality and safety standards that shall be subjected to further review and evaluation by the

14 concerned agencies after public hearings have been conducted for that purpose; and shall

15 likewise consider existing international standards recognized by the Philippine Government.

16

17 **Sec. 42. Publication of Consumer Product Standards.** - The concerned department shall, upon

18 promulgation of the above standards, publish or cause the publication of the same either in a

19 newspaper of general circulation, in the Official Gazette and in its online edition, or in the

20 department's or agency's official web portal. It may likewise conduct an information campaign

21 through other means deemed effective to ensure the proper guidance of consumers, businesses,

22 industries and other sectors concerned.

23

24 **Sec. 43. Certification of Conformity to Consumer Product Standards.** - The concerned

25 department shall aim at having consumer product standards established for every consumer

26 product so that consumer products shall be distributed in commerce only after inspection and

27 certification of its quality and safety standards by the department. The manufacturer shall avail of

28 the Philippine Standard Certification Mark which the department shall grant after determining

29 the product's compliance with the relevant standard in accordance with the implementing rules

30 and regulations.

31

32 **Sec. 44. Effectivity of Rules.** - (a) Each consumer product standard or safety rule shall specify

33 the date such rule is to take effect, which shall not exceed ninety (90) days from the date

34 promulgated unless the concerned department finds, for good cause shown, that a later effective

35 date is in the public interest and publishes its reasons for such finding. Thereafter, it shall no

36 longer be legal to, or cause to, sell or distribute the consumer product not complying with the

37 standards or rules.

38

39 (b) The department may, by regulation, prohibit a manufacturer from stockpiling consumer

40 products so as to prevent such manufacturer from circumventing the purposes of this paragraph.

41 The term "stockpiling" means manufacturing or importing a product between the date of

42 promulgation of its consumer product safety rule and its effective date, at a rate which is

43 significantly greater than the rate at which such product was produced or imported during a base

44 period as prescribed in the regulation under this paragraph, ending before the date of

45 promulgation of consumer product safety rule.

46

47 **Sec. 45. Deceptive, Unfair and Unconscionable Sales Acts or Practices.** - The State shall

48 encourage fair and effective competition in order to provide consumers with the greatest range of

49 choice among products and services at the lowest cost. Pursuant to this objective, a deceptive act

50 or practice by a seller or supplier in connection with a consumer transaction violates this Act

51 whether it occurs before, during or after the transaction. An act or practice shall be deemed

52 deceptive whenever the producer, manufacturer, supplier or seller, through concealment or false

53 representation of fraudulent manipulation, induces a consumer to enter into a sales or lease

54 transaction of any consumer product or service.

55

56 Without limiting the scope of the above paragraph, the act or practice of a seller or

57 supplier is deceptive when it represents that:

- 1  
2 (a) a consumer product or service has the sponsorship, approval, performance,  
3 characteristics, ingredients, accessories, uses, or benefits it does not have;  
4 (b) a consumer product or service is of a particular standard, quality, grade, style, or model  
5 when in fact it is not;  
6 (c) a consumer product is new, original or unused, when in fact, it is in a deteriorated, altered,  
7 reconditioned, reclaimed or second-hand state;  
8 (d) a consumer product or service is available to the consumer for a reason that is different  
9 from the fact;  
10 (e) a consumer product or service has been supplied in accordance with the previous  
11 representation when in fact it is not;  
12 (f) a consumer product or service can be supplied in a quantity greater than the supplier  
13 intends;  
14 (g) a service, or repair of a consumer product is needed when in fact it is not;  
15 (h) a specific price advantage of a consumer product exists when in fact it does not;  
16 (i) the sales act or practice involves or does not involve a warranty, a disclaimer of  
17 warranties, particular warranty terms or other rights, remedies or obligations if the  
18 indication is false;  
19 (j) it has a sponsorship, approval, or affiliation it does not have;  
20 (k) it has adequate after sales parts and services it does not have.  
21

22 **Sec. 46. Deceptive Sales Act or Practices by Regulation.** - The concerned department shall, after  
23 due notice and hearing, promulgate regulations declaring as deceptive any sales act, practice or  
24 technique which is a misrepresentation of facts other than those enumerated in Section 45 of this  
25 Act.  
26

27 **Sec. 47. Unfair or Unconscionable Business Practices.** - An unfair or unconscionable sales act  
28 or practice by a seller or supplier retailer in connection with a consumer transaction may be  
29 committed whether it occurs before, during or after the consumer transactions. An act or practice  
30 shall be deemed unfair or unconscionable whenever the producer, manufacturer, distributor,  
31 supplier or seller, by taking advantage of the consumer's physical or mental infirmity, ignorance,  
32 illiteracy, lack of time or the general conditions of the environment or surroundings, induces the  
33 consumer to enter into a sales or lease transaction grossly inimical to the interests of the  
34 consumer or grossly one-sided in favor of the producer, manufacturer, distributor, supplier or  
35 seller.  
36

37 In determining whether an act or practice is unfair and unconscionable, the following  
38 circumstances shall be considered:  
39

- 40 (a) the producer, manufacturer, distributor, supplier retailer or seller took advantage of the  
41 inability of the consumer to reasonably protect his interest because of his inability to  
42 understand the language of an agreement, or similar factors;  
43 (b) when the consumer transaction was entered into, the price grossly exceeded the price at  
44 which similar products or services were readily obtainable in similar transactions by  
45 like consumers;  
46 (c) when the consumer transaction was entered into, the consumer was unable to receive a  
47 substantial benefit from the subject of the transaction;  
48 (d) when the consumer was entered into, the seller or supplier was aware that there was no  
49 reasonable probability or payment of the obligation in full by the consumer; and  
50 (e) the transaction that the seller or supplier induced the consumer to enter into was  
51 excessively one-sided in favor of the seller or supplier such as but not limited to:  
52

- 53 1. when the consumer transaction was entered into, the seller or supplier imposes  
54 upon the consumer terms and conditions grossly disadvantageous to the latter who  
55 is reduced to the alternative of accepting the contract or leaving it, completely  
56 deprived of the opportunity to bargain on equal footing; and  
57

- 1           2. the seller or supplier employs an aggressive marketing practice that significantly  
2           constrains or impairs or is likely to significantly constrain or impair the average  
3           consumer's freedom of choice or conduct with regard to the purchase of a product  
4           or service that causes him/her or is likely to cause him/her to enter into a  
5           consumer transaction or into one that is different from the one he/she would have  
6           intended.  
7

8 **Sec. 48. Chain Distribution Plans or Pyramid Sales Schemes.** - Chain distribution plans or  
9 pyramid sales schemes as defined in this Act are prohibited.  
10

11 **Sec.49. Home Solicitation Sales.** - No business entity shall conduct any home solicitation sale of  
12 any consumer product or service without first obtaining a permit from the concerned department.  
13 Such permit may be denied suspended or revoked upon cause as provided in the rules and  
14 regulations promulgated by the department, after due notice and hearing. Home solicitation sales  
15 may be conducted only between the hours of nine o'clock in the morning (9:00 A.M.) and seven  
16 o'clock in the evening (7:00 P.M.) of each working day: *Provided*, That solicitation sales may be  
17 made at a time other than the prescribed hours where the person solicited has previously agreed  
18 to the same. Home solicitation sales shall only be conducted by a person who has the proper  
19 identification and authority from his principal to make such solicitations. Sales generated from  
20 home solicitation sales shall be properly receipted as per existing laws, rules and regulations on  
21 sale transactions.  
22

23 **Sec. 50. Prohibited Representations.** - A home solicitation sale shall not represent that:  
24

- 25           (a) the buyer has been specially selected;  
26           (b) a survey, test or research is being conducted; or  
27           (c) the seller is making a special offer to a few persons only for a limited period of time.  
28

29 **Sec. 51. Referral Sales.** - Referral selling plans shall not be used in the sale of consumer  
30 products unless the seller executes in favor of the buyer a written undertaking that will grant a  
31 specified compensation or other benefits to said buyer in return for each and every transaction  
32 consummated by said seller with the persons referred by said buyer or for subsequent sales that  
33 said buyers has helped the seller enter into.  
34

35 **Sec. 52. Measures Enabling Consumers to Obtain Redress** - The State shall establish and  
36 maintain legal or administrative measures to enable consumers or, as appropriate, relevant  
37 organizations to obtain redress through formal or informal procedures that are expeditious, fair,  
38 inexpensive and accessible. Such procedures should take particular account of the needs of low-  
39 income consumers.  
40

41 **Sec. 53. Liability for the Defective Products.** - Any manufacturer, producer, or importer, shall be  
42 liable for redress, independently of fault, for damages caused to consumers by defects resulting  
43 from design, manufacture, construction, assembly and erection, formulas and handling and  
44 making up, presentation or packing of their products, as well as for the insufficient or inadequate  
45 information on the use and hazards thereof.  
46

47           A product shall be deemed defective when it does not offer the safety and utility  
48 rightfully expected of it, taking relevant circumstances into consideration, including but not  
49 limited to:  
50

- 51           (a) presentation of product;  
52           (b) use and hazards reasonably expected of it;  
53           (c) the time it was put into circulation.  
54

55           A product can not be considered defective when another better quality product has been placed in  
56 the market.  
57

58           The manufacturer, builder, producer or importer shall not be held liable when it evidences:

- 1  
2 (a) that it did not place the product on the market;  
3 (b) that although it did place the product on the market such product has no defect;  
4 (c) that the consumer or a third party is solely at fault.  
5

6 **Sec. 54. Liability of Tradesman or Seller.** - The tradesman or seller is liable, pursuant to the  
7 preceding article when:  
8

- 9 (a) it is not possible to identify the manufacturer, builder, producer or importer;  
10  
11 (b) the product is supplied, without clear identification of the manufacturer, producer,  
12 builder or importer;  
13  
14 (c) he/she does not adequately preserve perishable goods.  
15

16 The party making payment to the damaged party may exercise the right to recover a part  
17 of the whole of the payment made against the other responsible parties, in accordance with their  
18 part or responsibility in the cause of the damage effected.  
19

20 **Sec. 55. Liability for Defective Services.** - The service supplier is liable for redress,  
21 independently of fault, for damages caused to consumers by defects relating to the rendition of  
22 the services, as well as for insufficient or inadequate information on the fruition and hazards  
23 thereof.  
24

25 The service is defective when it does not provide the satisfactory repair and/or safety the  
26 consumer may rightfully expect of it, taking the relevant circumstances into consideration,  
27 including but not limited to:  
28

- 29 (a) the manner in which it is provided;  
30  
31 (b) the result of hazards which may reasonably be expected of it;  
32  
33 (c) the time when it was provided.  
34  
35 (d) the time and inconvenience the service has caused the consumer  
36

37 A service is not considered defective because of the use or introduction of new  
38 techniques.

39 The supplier of the services shall not be held liable when it is proven that:  
40

- 41 (a) there is no defect in the service rendered;  
42 (b) the consumer or third party is solely at fault.  
43

44 **Sec. 56. Liability for Product and Service Imperfection.** - The suppliers of durable or  
45 nondurable consumer products are jointly liable for imperfections in quality that render the  
46 products unfit or inadequate for consumption or use for which they are designed, or those that  
47 decreased their value, and for those resulting from inconsistency with the information provided  
48 on the container, packaging, labels or publicity messages/advertisement, with due regard to the  
49 variations resulting from their nature or possibility of the consumer being able to demand  
50 replacement to the imperfect parts.  
51

52 If the imperfection is not corrected within thirty (30) days, the consumer may  
53 alternatively demand at his option for:  
54

- 55 (a) the replacement of the product by another of the same kind, in a perfect state of use;  
56 (b) the immediate reimbursement of the amount paid, with monetary updating, without  
57 prejudice to any losses and damages;

1 (c) a proportionate price reduction.

2  
3 The parties may agree to reduce or increase the term specified in the immediately  
4 preceding paragraph; but such shall not be less than seven (7) nor more than one hundred and  
5 eighty (180) days.

6  
7 The consumer may make immediate use of the alternatives under the second paragraph of  
8 this Article when by virtue of the extent of the imperfection, the replacement of the imperfect  
9 parts may jeopardize the product quality or characteristics, thus decreasing its value.

10  
11 If the consumer opts for the alternative under sub-paragraph (a) herein, and replacement  
12 of the product is not possible, it may be replaced by another of a different kind, mark or model:  
13 *Provided*, That any difference in price which may result thereof shall be supplemented or  
14 reimbursed by the party which caused the damage, without prejudice to the provisions of the  
15 second, third and fourth paragraphs herein.

16  
17 **Sec. 57. Liability for Product Quantity Imperfection.** - Suppliers are jointly liable for  
18 imperfections in the quantity of the product when, in due regard for variations inherent thereto,  
19 their net content is less than that indicated on the container, packaging, labeling or advertisement,  
20 the consumer having powers to demand, alternatively, at his own option:

21 (a) the proportionate price;

22 (b) the supplementing of weight or measure differential;

23  
24 (c) the replacement of the product by another of the same kind, mark or model, without  
25 said imperfections;

26  
27 (d) the immediate reimbursement of the amount paid, with monetary updating without  
28 prejudice to losses and damages if any.

29  
30 The provisions of the fifth paragraph of Section 56 hereof shall apply to this Section.

31  
32 The immediate supplier shall be liable if the instrument used for weighing or measuring  
33 is not gauged in accordance with official standards.

34  
35 **Sec. 58. Liability for Service Quality Imperfection.** - The service supplier is liable for any  
36 quality imperfections that render the services improper for consumption or decrease their value,  
37 and for those resulting from inconsistency with the information contained in the offer or  
38 advertisement, the consumer being entitled to demand alternatively, at his option, the following:

39 (a) the performance of the services, without any additional cost and when applicable;

40 (b) the immediate reimbursement of the amount paid, with monetary updating without  
41 prejudice to losses and damages, if any;

42 (c) a proportionate price reduction.

43  
44 Reperformance of services may be entrusted to duly qualified third parties, at the  
45 supplier's risk and cost.

46  
47 Improper services are those which prove to be inadequate for purposes reasonably  
48 expected of them and those that fail to meet the provisions of this Act that regulates the supply or  
49 rendition of services.

50  
51 **Sec. 59. Repair Service Obligation.** - When services are provided for the repair of any product,  
52 the supplier shall be considered implicitly bound to use adequate, new, original replacement

1 parts, or those that maintain the manufacturer's technical specifications unless, otherwise  
2 authorized by the consumer.

3  
4 When giving service or repair, the consumer must be informed about which particular  
5 parts of the goods are damaged and have to be repaired. The consumer shall be given the option  
6 to replace only the damaged parts if possible. The consumer shall not be forced to replace other  
7 parts that are still in good condition on the grounds that all these parts come in one set.

8  
9 **Sec. 60. Ignorance of Quality Imperfection.** - The supplier's ignorance of the quality  
10 imperfections due to inadequacy of the products and services does not exempt one from any  
11 liability.

12  
13 **Sec. 61. Legal Guarantee of Adequacy.** - The legal guarantee of product or service adequacy  
14 does not require an express instrument or contractual exoneration of the supplier being  
15 forbidden.

16  
17 **Sec. 62. Guaranty of Service Firms.** - Service firms shall guarantee workmanship and  
18 replacement of spare parts for a period not less than ninety (90) days which shall be so indicated  
19 in the pertinent invoices.

20 **Sec. 63. Prohibition in Contractual Stipulation.** - The stipulation in a contract of a clause  
21 preventing, exonerating or reducing the obligation to indemnify for damages effected, as  
22 provided for in this Section and in the preceding Sections, is hereby prohibited, if there is more  
23 than one person responsible for the cause of the damage, they shall be jointly liable for the  
24 redress established in the pertinent provisions of this Act. However, if the damage is caused by a  
25 component or part incorporated in the product or service, its manufacturer, builder or importer  
26 and the person who incorporated the component or part are jointly liable.

27  
28 **Sec. 64. Regulation-Making Exemptions.** - The FDA may promulgate regulations exempting  
29 from any labeling requirements of this Act food, cosmetics, drugs or devices which are, in  
30 accordance with the practice of trade, to be processed, labeled or repacked in substantial  
31 quantities at establishments other than those where originally processed, labeled or packed on  
32 condition that such food, cosmetics, drugs or devices are not adulterated or mislabeled under the  
33 provisions of this Act and other applicable laws upon approval from such processing, labeling  
34 and repacking establishments.

35  
36 **Sec. 65. Exemptions.** - If the concerned department finds that for good or sufficient reasons, full  
37 compliance with the labeling requirements otherwise applicable under this Act is impracticable  
38 or is not necessary for the adequate protection of public health and safety, it shall promulgate  
39 regulations exempting such substances from these requirements to the extent it deems consistent  
40 with the objective of adequately safeguarding public health and safety, and any hazardous  
41 substance which does not bear a label in accordance with such regulations shall be deemed as  
42 mislabeled hazardous substance.

43  
44 **Sec. 66. Consumer Education in Schools.** - The Department of Education, with the cooperation  
45 and advice of the National Consumer Affairs Council created under Section 96 of this Act, shall  
46 develop and adopt a consumer education program which shall be integrated into existing  
47 curricula of all public and private schools from the primary to the secondary level.

48  
49 A continuing consumer education program for out-of-school youth and adults shall  
50 likewise be developed and undertaken.

51  
52 The consumer education program shall include information on the following:

- 53  
54 (a) the consumer as a responsible member of society bears the responsibility to develop  
55 the following traits and to act pursuant to such responsibilities:

- 56  
57 (1) critical awareness or the responsibility to be alert and questioning about the use of and

1 price and quality of goods one uses;

2  
3 (2) assertiveness which is the responsibility to assert one's self and act so one is assured  
4 of a fair deal, aware that for as long as one remains to be a passive consumer one will  
5 continue to be exploited;

6  
7 (3) social concern which is the responsibility to be aware of the impact of his  
8 consumption on other citizens, especially the disadvantaged; and

9 (4) environmental awareness which is the responsibility to understand the environmental  
10 consequences of the consumption, recognizing one's individual and social  
11 responsibility to conserve natural resources for future generations;

12  
13 (c) consumer rights;

14 (d) the actions that may be undertaken and the agencies of the government that one can  
15 approach to assert one's consumer rights;

16  
17 (e) practical problems the consumer faces in daily life.  
18

19 **Sec. 67. General Principles on Advertisement** – Advertising must provide the general public  
20 with relevant and truthful information on products and services, thereby helping consumers make  
21 informed choices.  
22

23 The advertising industry shall continuously improve the levels and standards of  
24 advertising not only to satisfactorily inform and persuade the public about the advantage and  
25 benefits that may be derived from products and services, but to protect as well, the rights of  
26 consumers to be informed adequately and to healthful and safe living conditions and  
27 environment.  
28

29 **Sec. 68. Presentation of Advertisements** – (1) Claims of products and service properties or their  
30 intended usage should be clearly presented and should not mislead or be likely to mislead the  
31 persons to whom they are addressed by inaccuracy, ambiguity, exaggeration or omission.  
32

33 (2) Any test or demonstration may be used only if it directly proves the claimed product or  
34 service property or characteristics and should be presented clearly and accurately.  
35

36 (3) Corporate advertising must be fair, truthful and accurate; it should not contain any  
37 exaggerations or sweeping generalizations that may mislead the public regarding the advertiser  
38 or the attributes of its products or services. Where the advertisements contain specific claims  
39 regarding the company or its products or services, such claims must be verifiable and subject to  
40 substantiation in the same manner as regular product or service advertisements.  
41

42 **Sec. 69. False, Deceptive or Misleading Advertisements.** - It shall be unlawful for any person to  
43 disseminate or to cause the dissemination of any false, deceptive or misleading advertisement by  
44 Philippine mail or in commerce by print, radio, television, outdoor advertisement, internet,  
45 mobile phone, or other medium for the purpose of inducing or which is likely to induce directly  
46 or indirectly the purchase of consumer products or services.  
47

48 An advertisement shall be false, deceptive or misleading if it is not in conformity with the  
49 provisions of this Act or if it is misleading in respect to material content. In determining whether  
50 any advertisement is false, deceptive or misleading, there shall be taken into account, among  
51 other things, not only representations made or any combination thereof, but also the extent to  
52 which the advertisement fails to reveal material facts in the light of such representations, or  
53 materials with respect to consequences which may result from the use or application of consumer  
54 products or services to which the advertisement relates under the conditions prescribed in said  
55 advertisement, or under such conditions as are customary or usual.  
56

57 **Sec.70. Price Comparisons.** - Comparative price advertising by sellers of consumer products or

1 services shall conform to the following conditions:

2 (a) Where the comparison relates to a former price of the seller, the item compared shall either  
3 have been sold at that price within the ninety (90) days immediately preceding the date of the  
4 advertisement, or it shall have been offered for sale for at least four (4) weeks during such  
5 ninety-day period. If the comparison does not relate to an item sold or offered for sale during  
6 the ninety-day period, the date, time or seasonal period of such sale or offer shall be disclosed  
7 in the advertisement.

8  
9 (b) Where the comparison relates to a seller's future price, the future price shall take effect on  
10 the date disclosed in the advertisement or within ninety (90) days after the price comparison is  
11 stated in the advertisement. The stated future price shall be maintained by the seller for a  
12 period of at least four (4) weeks after its effective date: *Provided*, That compliance thereof  
13 may be dispensed with in case of circumstances beyond the seller's control.

14  
15 (c) Where the comparison relates to a competitor's price, the competitor's price shall relate to  
16 the consumer products or services advertised or sold in the ninety-day period and shall be  
17 representative of the prices similar consumer products or services are sold or advertised in the  
18 locality where the price comparison was made.

19  
20 **Sec. 71. Credit Advertising.** - No advertisement to aid, promote, or assist, directly or indirectly,  
21 any extension of consumer credit may state that a specific periodic consumer credit amount or  
22 installment amount can be arranged, unless the creditor usually and customarily arranges credit  
23 payment or installments for that period and in that amount or state that a specified down  
24 payment is required in any extension of consumer credit, unless the creditor usually or  
25 customarily arranges downpayment in that amount.

26  
27 **Sec. 72. Advertising of Open-End Credit Plan.** - In case of an open-end credit plan, the rate of  
28 interest and other material features of the plan shall be disclosed in the advertisement.

29  
30 **Sec. 73. Coverage** - (1) The provisions of this Act shall apply to the Philippine advertising  
31 community which includes advertisers, advertising agencies, media and advertising support  
32 groups.

33  
34 (2) The provisions of this Act shall not apply to the following:

35  
36 (2.1) public service and emergency announcements of utility companies.

37  
38 (2.2) religious, political and public issue advertisements and announcements, except  
39 where these involve or seek to promote commercial transactions.

40  
41 (2.3) standard transport announcements, classified advertisements and  
42 obituaries.

43  
44 **Sec. 74. Specific Claims** - (1) *Ingredient Advertising* -

45  
46 (a) Advertisements should not contain any reference which could lead the public to  
47 assume that a product contains a specific ingredient unless the ingredient's  
48 quantities and properties as well as the material benefit that results from its  
49 inclusion in the product formulation have been technically substantiated and  
50 approved by the concerned department.

51 (b) Advertisements should not imply that a certain benefit is due to a specific ingredient  
52 unless a verifiable cause and effect relationship exists and approved by the  
53 concerned department.

54  
55 (2) *Professional date references* - The results of *bona fide* research, surveys, or tests relating to a  
56 product should not be presented inaccurately or in a misleading manner in any advertisement,  
57 nor should it claim any implication beyond those clearly established by research, survey or test.



1  
2 (3) *Scientific claims* – (a) Visual representations of laboratory settings and/or use of images of  
3 professionals in authority such as doctors may only be employed provided the research was  
4 conducted in the laboratory except when prohibited by existing provisions of law or policies of  
5 the concerned department.  
6

7 (b) In case of references to tests by professionals or institutions such as doctors,  
8 engineers, research foundations, documented and authoritative evidence should be submitted to  
9 substantiate such tests and the claims based thereon.  
10

11 (4) *Number 1 or leadership claim* – No number 1 or “no. 1” claim with respect to any product or  
12 service shall be allowed unless it is clearly delineated and qualified as to render the claim  
13 objectively verifiable. The claim should, in any case, be substantiated.  
14

15 (5) *Testimonials* – (a) Testimonial claims relating to the product being advertised should be  
16 genuine and truthful and must have prior approval from the concerned department for use in such  
17 advertisement.  
18

19 (b) Individual person or persons endorsing a product or service in communication materials  
20 and who are presented as experts must have demonstrable credentials to substantiate the  
21 claimed expertise. The endorsement must be supported by an actual exercise of the  
22 expertise in evaluating the product or service features or characteristics. Such evaluation  
23 must be relevant and available to an ordinary consumer’s use of or experience with the  
24 product.  
25

26 (c) Endorsements by an organization are viewed as judgment or judgments by a group whose  
27 collective experience outweighs that of an individual member. The advertiser must  
28 provide evidence that the organization’s endorsement was reached by a process sufficient  
29 to ensure that it reflects the collective judgment of the organization.  
30

31 (d) Endorsers shall be actual users of products they endorse.  
32

33 (e) Non-doctors shall not be allowed to endorse medicines and medical devices.  
34

35 An organization may be considered legitimate for purposes of lawfully and truthfully  
36 endorsing a product if it is duly registered in the Securities and Exchange Commission and can  
37 present proof of its existence for at least one year.  
38

39 **Sec. 75. *New Products.*** - The concerned department shall regularly update the list of new  
40 consumer products and to cause the publication by the respective manufacturers or importers of  
41 such new products with the appropriate descriptions in a newspaper of general circulation.  
42

43 **Sec. 76. *Additional Powers, Functions and Duties of Concerned Departments.*** - In addition to  
44 their powers, functions and duties under existing laws, the concerned department shall perform  
45 the following powers, functions and duties:  
46

47 (a) to administer and supervise accordingly within their respective jurisdictions the  
48 implementation of this Act and its implementing rules and regulations;  
49

50 (b) to undertake researches, develop and establish quality and safety standards for  
51 consumer products in coordination with other government and private agencies closely  
52 associated with these products;  
53

54 (c) to inspect and analyze consumer products for purposes of determining conformity to  
55 established quality and safety standards;  
56

57 (d) to levy, assess, collect and retain fees as are necessary to cover the cost of inspection,

1 certification, analysis and tests of samples of consumer products and materials  
2 submitted in compliance with the provisions of this section;

3  
4 (e) to investigate the causes of and maintain a record of product-related deaths, illnesses  
5 and injuries for use in researches or studies on the prevention of such product-related  
6 deaths, illnesses and injuries.

7  
8 (f) to accredit independent, competent non-government bodies, to assist in (1) monitoring  
9 the market for the presence of hazardous or non-certified products and other forms of  
10 violations under Section 84 of this Act and (2) other appropriate means to expand the  
11 monitoring and enforcement outreach of the department in relation to its manpower,  
12 testing and certification resources at a given time.

13  
14 (g) to accredit independent competent testing laboratories.

15  
16 **Sec. 77. *Applicable Law on Warranties.*** - The provisions of the Civil Code on conditions and  
17 warranties shall govern all contracts of sale with conditions and warranties.

18  
19 **Sec. 78. *Additional Provisions on Warranties.*** - In addition to the Civil Code provisions on sale  
20 with warranties, the following provisions shall govern the sale of consumer products with  
21 warranty:

22  
23 (a) *Terms of express warranty.* - Any seller or manufacturer who gives an express warranty shall:

- 24  
25 (1) set forth the terms of warranty in clear and readily understandable language and clearly  
26 identify himself as the warrantor;  
27 (2) identify the party to whom the warranty is extended;  
28 (3) state the products or parts covered;  
29 (4) state what the warrantor will do in the event of a defect, malfunction or failure to  
30 conform to the written warranty and at whose expense;  
31 (5) state what the consumer must do to avail of the rights which accrue to the warranty; and  
32 (6) stipulate the period within which, after notice of defect, malfunction or failure to  
33 conform to the warranty, the warrantor will perform any obligation under the warranty.

34  
35 (b) *Express warranty* - All written warranties or guarantees issued by a manufacturer, producer,  
36 or importer shall be operative from the moment of sale.

37  
38 (1) *Sales Report.* - All sales made by distributors of products covered by this Section shall  
39 be reported to the manufacturer, producer, or importer of the product sold within thirty  
40 (30) days from date of purchase, unless otherwise agreed upon. The report shall  
41 contain, among others, the date of purchase, model of the product bought, its serial  
42 number, name and address of the buyer. The report made in accordance with this  
43 provision shall be equivalent to a warranty registration with the manufacturer, producer,  
44 or importer. Such registration is sufficient to hold the manufacturer, producer, or  
45 importer liable, in appropriate cases, under its warranty.

46  
47 (2) *Failure to make or send report.* - Failure of the distributor to make the report or send  
48 them the form required by the manufacturer, producer, or importer shall relieve the  
49 latter of its liability under the warranty: *Provided, however,* That the distributor who  
50 failed to comply with its obligation to send the sales reports shall be personally liable  
51 under the warranty. For this purpose, the manufacturer shall be obligated to make good  
52 the warranty at the expense of the distributor.

53  
54 (3) *Retail.* - The retailer shall be subsidiarily liable under the warranty in case of failure of  
55 both the manufacturer and distributor to honor the warranty. In such case, the retailer  
56 shall shoulder the expenses and costs necessary to honor the warranty. Nothing therein  
57 shall prevent the retailer from proceeding against the distributor or manufacturer.

1  
2 (4) Enforcement of warranty or guarantee. - - The warranty rights can be enforced by  
3 presentment of a claim. To this end, the purchaser needs only to present to the  
4 immediate seller either the warranty card or the official receipt, along with the product  
5 to be serviced or returned to the immediate seller. No other requirement documentary or  
6 otherwise shall be demanded from the purchaser. If the immediate seller is the  
7 manufacturer's factory or showroom, the warranty shall immediately be honored. If the  
8 product was purchased from a distributor, the distributor shall likewise immediately  
9 honor the warranty. In the case of a retailer other than the distributor, the former shall  
10 take responsibility without cost to the buyer of presenting the warranty claim to the  
11 distributor in the consumer's behalf.

12  
13 (5) Record of purchases. - Distributors and retailers covered by this Section shall keep a  
14 record of all purchases covered by a warranty or guarantee for such period of time  
15 corresponding to the lifetime of the product's respective warranties or guarantees.

16 (7) Contrary stipulations - All covenants, stipulations or agreements contrary to the  
17 provisions of this Section shall be without legal effect.  
18

19 (c) *Designation of warranties.* - A written warranty shall clearly and conspicuously designate  
20 such warranty as:

21  
22 (1) "Full warranty" if the written warranty meets the minimum requirements set forth in  
23 paragraph(d); or  
24

25 (2) "Limited warranty" if the written warranty does not meet such minimum requirements.  
26

27 (d) *Minimum standards for warranties.* - For the warrantor of a consumer product to meet the  
28 minimum standards for warranty, he shall:

29  
30 (1) remedy such consumer product within a reasonable time and without charge in case of a  
31 defect, malfunction or failure to conform to such written warranty;  
32

33 (2) permit the consumer to elect whether to ask for a refund or replacement without charge  
34 of such product or part, as the case may be, where after reasonable number of attempts  
35 to remedy the defect or malfunction, the product continues to have the defect or to  
36 malfunction.  
37

38 The warrantor will not be required to perform the above duties if he can show that the  
39 defect, malfunction or failure to conform to a written warranty was caused by damage due to  
40 unreasonable use thereof.  
41

42 (e) *Duration of warranty.* - The seller and the consumer may stipulate the period within which  
43 the express warranty shall be enforceable. If the implied warranty on merchantability  
44 accompanies an express warranty, both will be of equal duration.  
45 Any other implied warranty shall endure not less than sixty (60) days nor more than one (1)  
46 year following the sale of new consumer products.  
47

48 (f) *Breach of warranties.* - (1) In case of breach of express warranty, the consumer may elect to  
49 have the goods repaired or its purchase price refunded by the warrantor. In case the repair of  
50 the product in whole or in part is elected, the warranty work must be made to conform to the  
51 express warranty within thirty (30) days by either the warrantor or his representative. The  
52 thirty-day period, however, may be extended by conditions which are beyond the control of  
53 the warrantor or his representative. In case the refund of the purchase price is elected, the  
54 amount directly attributable to the use of the consumer prior to the discovery of the non-  
55 conformity shall be deducted.  
56

57 (2) In case of breach of implied warranty, the consumer may retain the goods and recover

1 damages, or reject the goods, cancel the contract and recover from the seller so much of the  
2 purchase price as has been paid, including damages.

3  
4 (3) Manufacturer's or distributors must maintain a service center that consumers can easily  
5 reach for complaints and inquiries by phone, email, or other effective means. Consumers  
6 must not be made to suffer great inconveniences in contacting manufacturers to claim  
7 warranties and other needed services.

8  
9 **Sec. 79. Warranties in Supply of Services. –**

10  
11 (a) In every contract for the supply of services to a consumer made by a seller in the course  
12 of a business, there is an implied warranty that the service will be rendered with due care  
13 and skill and that any material supplied in connection with such services will be  
14 reasonably fit for the purpose for which it is supplied.

15  
16 (f) Where a seller supplies consumer services in the course of a business and the consumer,  
17 expressly or by implication, makes known to the seller the particular purpose for which  
18 the services are required, there is an implied warranty that the services supplied under the  
19 contract and any material supplied in connection therewith will be reasonably fit for that  
20 purpose or are of such a nature or quality that they might reasonably be expected to  
21 achieve that result, unless the circumstances show that the consumer does not rely or that  
22 it is unreasonable for him to rely, on the seller's skill or judgment.

23  
24 **Sec. 80. Professional Services. -** The provision of this Act on warranty shall not apply to  
25 professional services of certified public accountants, architects, engineers, lawyers, veterinarians,  
26 optometrists, pharmacists, nurses, nutritionists, dietitians, physical therapists, brokers, medical  
27 and dental practitioners and other professionals engaged in their respective professional  
28 endeavors.

29  
30 **Sec. 81. Prohibited Acts.** It shall be unlawful for any person to:

31  
32 (a) manufacture for sale, offer for sale, distribute in commerce, or import into the Philippines  
33 any consumer product which is not in conformity with an applicable consumer product  
34 quality or safety standard promulgated in this Act;

35  
36 (b) manufacture for sale, offer for sale, distribute in commerce, or import into the Philippines  
37 any consumer product which has been declared as banned consumer product by a rule in  
38 this Act;

39  
40 (c) refuse access to or copying of pertinent records or fail or refuse to permit entry of or  
41 inspection by authorized officers or employees of the department;

42  
43 (d) fail to comply with an order issued under the provisions relating to notifications of  
44 substantial product hazards and to recall, repair, replacement or refund of unsafe  
45 products;

46  
47 (e) fail to comply with the rule prohibiting stockpiling.

48  
49 (f) forge, counterfeit, simulate, or falsely represent or without proper authority use any mark,  
50 stamp, tag, label, or other identification device authorized or required by regulations  
51 promulgated under the provisions of this Act;

52  
53 (g) use to one's own advantage, or revealing, other than to the Department or to the courts  
54 when relevant in any judicial proceeding under this Act, any information concerning any  
55 method or process which as a trade secret is entitled to protection;

56  
57 (h) alter, mutilate, destroy, obliterate, or remove the whole or any part of the labeling of, or

1 the doing of any other act with respect to a food, drug, device, or cosmetic, if such act is  
2 done while such product is held for sale (whether or not the first sale) and results in such  
3 product being adulterated or mislabeled;

- 4
- 5 (i) use, in labeling, advertising or other sales promotion, of any reference to any report or  
6 analysis furnished in compliance with Section 19 of Executive Order 175, series of 1987  
7 as amended by Republic Act 9711;
  - 8
  - 9 (j) manufacture, import, export, sell, offer for sale, distribute, or transfer any health product  
10 which is not registered with the Department pursuant to RA 3720 as amended by  
11 Republic Act 9711;
  - 12
  - 13 (k) introduce or deliver for introduction into commerce of any mislabeled, adulterated or  
14 banned consumer or health product;
  - 15
  - 16 (l) alter, mutilate, destroy, obliterate or remove the whole or any part of the label of a  
17 mislabeled, or banned consumer or health product if such act is done while the substance  
18 is in commerce or while the substance is held for sale, whether or not it is the first sale;
  - 19
  - 20 (m) receive in commerce any mislabeled, adulterated or banned consumer or health product  
21 and the delivery or preferred delivery thereof at cost or otherwise;
  - 22
  - 23 (n) refuse without any valid legal cause by the local manufacturer or any person obligated  
24 under the warranty or guarantee to honor a warranty or guarantee issued;
  - 25
  - 26 (o) unreasonably delay by the local manufacturer or any person obligated under the warranty  
27 or guarantee in honoring the warranty;
  - 28
  - 29 (p) remove a product's warranty card for the purpose of evading said warranty obligation;
  - 30
  - 31 (q) falsely represent in an advertisement as to the existence of a warranty or guarantee.
  - 32

33 It shall be unlawful for airline companies operating in the Philippines to:

- 34
- 35 (r) charge a rebooking fee of more than Two hundred pesos (PhP200).
- 36
- 37 (s) charge an amount of more than Three hundred pesos (PhP300.00) for cancellation fees,  
38 no show fees or any other penalties related to cancellation and rebooking of flights.
- 39
- 40 (t) enforce a forfeiture policy whereby a passenger who has bought a ticket but misses his  
41 flight is not allowed or cannot rebook his ticket nor be refunded the fare amount.
- 42
- 43 (u) Forego in their advertisements the exact number of seat per flight that they have allocated  
44 for their promo fares.
- 45

46 **Sec. 82. *Fraudulent Practices Relative to Weights and Measures.*** – The following acts relating  
47 to weights and measures are prohibited:

- 48
- 49 (a) for any person other than the official sealer or one's duly authorized representative to  
50 place or attach an official tag, seal, sticker, mark, stamp, brand or other characteristic sign  
51 used to indicate that such instrument of weight and measure has officially been tested,  
52 calibrated, sealed or inspected;
- 53
- 54 (b) for any person to imitate any seal, sticker, mark, stamp, brand, tag or other characteristic  
55 sign used to indicate that such instrument of weight or measures has been officially  
56 tested, calibrated, sealed or inspected;
- 57

- 1 (c) for any person other than the official sealer or one's duly authorized representative to  
2 alter in any way the certificate or receipt given by the official sealer or the duly  
3 authorized representative as an acknowledgment that the instrument for determining  
4 weight or measure has been fully tested, calibrated, sealed or inspected;  
5  
6 (d) for any person to make or knowingly sell or use any false or counterfeit seal, sticker,  
7 brand, stamp, tag, certificate or license or any dye for printing or making the same or any  
8 characteristic sign used to indicate that such instrument of weight or measure has been  
9 officially tested, calibrated, sealed or inspected;  
10  
11 (e) for any person other than the official sealer or the duly authorized representative to alter  
12 the written or printed figures, letters or symbols on any official seal, sticker, receipt,  
13 stamp, tag, certificate or license used or issued;  
14  
15 (f) for any person to use or reuse any restored, altered, expired, damaged stamp, tag  
16 certificate or license for the purpose of making it appear that the instrument of weight of  
17 measure has been tested, calibrated, sealed or inspected;  
18  
19 (g) for any person engaged in the buying and selling of consumer products or of furnishing  
20 services the value of which is estimated by weight or measure to possess, use or maintain  
21 with intention to use any scale, balance, weight or measure that has not been sealed or if  
22 previously sealed, the license therefor has expired and has not been renewed in due time;  
23  
24 (h) for any person to fraudulently alter any scale, balance, weight, or measure after it is  
25 officially sealed;  
26  
27 (i) for any person to knowingly use any false scale, balance, weight or measure, whether  
28 sealed or not;  
29  
30 (j) for any person to fraudulently give short weight or measure in the making of a scale;  
31  
32 (k) for any person, assuming to determine truly the weight or measure of any article bought  
33 or sold by weight or measure, to fraudulently misrepresent the weight or measure thereof;  
34 or  
35  
36 (l) for any person to procure the commission of any such offense abovementioned by  
37 another.  
38

39 Instruments officially sealed at some previous time which have remained unaltered and  
40 accurate and the seal or tag officially affixed thereto remains intact and in the same position and  
41 condition in which it was placed by the official sealer or the duly authorized representative shall,  
42 if presented for sealing, be sealed promptly on demand by the official sealer or the authorized  
43 representative without penalty except a surcharge fixed by law or regulation.  
44

45 **Sec. 83. Minimum Requirements for Accreditation.** - The following shall be the minimum  
46 requirements for accreditation or repair and service firms:  
47

- 48 (a) the duly registered business name, firm name or style of the firm;  
49 (b) date of issue and effectivity of the certificate of accreditation;  
50 (c) number and skills of technical personnel; and  
51 (d) required license for the repair or servicing of any consumer product as required by  
52 special laws.  
53

54 **Sec. 84. Accreditation of Repair and Service Firm.** - No person shall operate a repair and  
55 service firm or act as technical personnel therein without first being accredited by the concerned  
56 department.  
57

1 **Sec. 85. Certification of Accreditation.** - Upon compliance with the requirements for  
2 accreditation, the concerned department shall issue the corresponding certificate of accreditation.  
3 A separate certificate shall be required for each branch of an enterprise located in areas outside of  
4 the main office. However, with respect to repair and service centers of factory authorized  
5 representatives of franchised dealers, such centers may display a certified true copy of the  
6 certificate of accreditation of the parent company.

7  
8 **Sec. 86. Suspension, Revocation or Cancellation of Certification of Accreditation.** - Any  
9 certificate of accreditation may be suspended, revoked or cancelled by the concerned department,  
10 for cause, after due notice and hearing.

11  
12 **Sec. 87. Distribution Facilities for Essential Consumer Goods and Services.** - (a) The State  
13 shall, where appropriate, consider:

14  
15 (i) Adopting or maintaining policies to ensure the efficient distribution of goods and  
16 services to consumers; where appropriate, specific policies should be considered to  
17 ensure the distribution of essential goods and services where this distribution is  
18 endangered, as could be the case particularly in rural areas. Such policies could include  
19 assistance for the creation of adequate storage and retail facilities in rural centers,  
20 incentives for consumer self-help and better control of the conditions under which  
21 essential goods and services are provided in rural areas;

22  
23 (ii) Encouraging the establishment of consumer cooperatives and related trading  
24 activities, as well as information about them, especially in rural areas.

25  
26 (b) Manufacturers and distributors of food and beverage products are required to assist the  
27 government in raising public awareness on the significance of adequate labeling and in the  
28 interpretation of information and data contained on such labels. They shall endeavor to assist in  
29 educating consumers insofar as quality products are concerned.

30  
31 **Sec. 88. Consumer Complaints.** - The concerned Department as specified in Section 8 of this Act  
32 may commence an investigation upon petition or upon letter-complaint from any consumer:  
33 *Provided, That,* upon a finding by the department of *prima facie* violation of any provisions of  
34 this Act or any rule or regulation promulgated under its authority, it may *motu proprio* or upon  
35 verified complaint commence formal administrative action against any person who appears  
36 responsible therefor. The Department shall establish procedures for systematically logging in,  
37 investigating and responding to consumer complaints into the development of consumer policies,  
38 rules and regulations, assuring as far as practicable simple and easy access on the part of the  
39 consumer to seek redress for his grievances.

40  
41 The State shall encourage all enterprises to resolve consumer disputes in a fair,  
42 expeditious and informal manner, and to establish voluntary mechanisms, including advisory  
43 services and informal complaints procedures, which can provide assistance to consumers.

44  
45 **Sec. 89. Consumer Arbitration Officers.** - The concerned Department Secretaries shall appoint  
46 as many qualified consumer arbitration officers as may be necessary for the effective and  
47 efficient protection of consumer rights: *Provided, However,* That there shall be not more than ten  
48 (10) consumer arbitration officers per province, including the National Capital Region.

49  
50 **Sec. 90. Consumer Arbitration Officers; Qualifications.** - The consumer arbitration officer must  
51 be a college graduate with at least three (3) years experience in the field of consumer protection  
52 and shall be of good moral character.

53  
54 **Sec. 91. Arbitration Officers; Jurisdiction.** - The consumer arbitration officers shall have  
55 original and exclusive jurisdiction to mediate, conciliate, hear and adjudicate all consumer  
56 complaints: *Provided,* however, That this does not preclude the parties from pursuing the proper  
57 judicial action.

1  
2 **Sec. 92. Investigation Procedure.** –  
3

4 (a) The consumer arbitration officer shall conduct hearings on any complaint received by him  
5 or referred by the National Consumer Affairs Council created under Section 96 of this Act.  
6

7 (b) Parties to the case shall be entitled to notice of the hearing, and shall be informed of the  
8 date, time and place of the same. A copy of the complaint shall be attached to the notice.  
9

10 (c) The Department shall afford all interested parties the opportunity to submit a statement of  
11 facts, arguments, offers of settlements or proposals of adjustments.  
12

13 (d) The consumer arbitration officer shall first and foremost ensure that the contending parties  
14 come to a settlement of the case.  
15

16 (e) In the event that a settlement has not been effected, the arbitration officer may now  
17 proceed to formally investigate, hear and decide the case.  
18

19 (f) The consumer arbitration officer may summon witnesses, administer oaths and  
20 affirmations, issue subpoena and subpoena *duces tecum*, rule upon offers of proof and  
21 receive relevant evidence, take or cause deposition to be taken whenever the ends of  
22 justice would be served thereby, regulate the course of the hearing, rule on any procedural  
23 request or similar matter and decide the complaint.  
24

25 In hearing the complaint, the mediation officer shall use every and all reasonable means  
26 to ascertain the facts in each complaint speedily and objectively without regard to strict rules of  
27 evidence prevailing in suits before courts. The complaints shall be decided within fifteen (15)  
28 days from the time the investigation was terminated.

29 **Sec. 93. Administrative Sanctions.** - After investigation, any of the following administrative  
30 penalties may be imposed even if not prayed for in the complaint:  
31

32 (a) the issuance of a cease and desist order, *Provided, however*, That such order shall specify  
33 the acts that respondent shall cease and desist from and shall require him to submit a report of  
34 compliance therewith within a reasonable time;  
35

36 (b) the acceptance of a voluntary assurance of compliance or discontinuance from the  
37 respondent which may include any or all of the following terms and conditions:  
38

39 (1) an assurance to comply with the provisions of this Act and its implementing rules and  
40 regulations;  
41

42 (2) an assurance to refrain from engaging in unlawful acts and practices or unfair or  
43 unethical trade practices subject of the formal investigation;  
44

45 (3) an assurance to comply with the terms and conditions specified in the consumer  
46 transaction subject of the complaint;  
47

48 (4) an assurance to recall, replace, repair, or refund the money value of defective products  
49 distributed in commerce;  
50

51 (5) an assurance to reimburse the complaint out of any money or property in connection  
52 with the complaint, including expenses in making or pursuing the complaint, if any, and  
53 to file a bond to guarantee compliance therewith.  
54

55 (c) restitution or rescission of the contract without damages;  
56

57 (d) condemnation and seizure of the consumer product found to be hazardous to health and



1 safety unless the respondent files a bond to answer for any damage or injury that may arise  
2 from the continued use of the product;

3  
4 (e) automatic cancellation of a business name;

5  
6 (f) if the penalty under a separate law is higher, the higher penalty shall apply.

7  
8 (g) the imposition of any of the penalties herein provided is without prejudice to any liability  
9 incurred under the warranty or guarantee.

10  
11 (h) the imposition of administrative fines in such amount as deemed reasonable by the  
12 Department Secretary, which shall in no case be less than Fifty Thousand Pesos  
13 (PhP50,000.00) nor more than One Million Pesos (PhP1,000,000.00) depending on the gravity  
14 of the offense, and an additional fine of not less than One Thousand Pesos (PhP1,000.00) of  
15 each day of continuing violation.

16  
17 (i) if the administrative sanction under a separate law is higher, the higher penalty shall apply.

18  
19 **Sec. 94. Appeal from Orders.** - Any order, not interlocutory of the consumer arbitration officer,  
20 becomes final and executory unless appealed to the Department Secretary concerned within  
21 fifteen (15) days from receipt of such order. An appeal may be entertained only on any of the  
22 following grounds:

23  
24 (a) grave abuse of discretion;

25 (b) the order is in excess of the jurisdiction or authority of the consumer arbitration officer;

26 (c) the order is not supported by the evidence or there is serious error in the findings of  
27 facts.

28  
29 **Sec. 95. Decision on Appeal.** - The Department Secretary concerned shall decide the appeal  
30 within thirty (30) days from receipt thereof. The decision becomes final after fifteen (15) days  
31 from receipt thereof unless a petition for certiorari is filed with the proper court.

32  
33 **Sec. 96. The National Consumer Affairs Council.**— To improve the management, coordination  
34 and effectiveness of consumer programs, a National Consumer Affairs Council is hereby created,  
35 hereinafter referred to as the “Council” which shall be attached under the Department of Trade  
36 & Industry.

37  
38 **Sec. 97. Composition.** The Council shall be composed of representatives from the following  
39 government agencies and non-government organizations:

40  
41 a) Department of Trade and Industry

42 b) Department of Health

43 c) Department of Agriculture

44 d) Department of Education

45 e) *Bangko Sentral ng Pilipinas*

46 f) Department of Energy

47 g) Four (4) representatives from the registered consumer organizations to be  
48 appointed by the President from among its nominees submitted by the various  
49 consumer groups in the Philippines; and

50 h) Two (2) representatives from the business/industry sector to be appointed by  
51 the President from among the nominees submitted by the various business  
52 organizations.

53  
54 Government agency members of the Council shall be represented by no less than an  
55 Assistant Secretary or its equivalent rank.

56  
57 **Sec. 98. Chairman; Functions.** - The Council shall be headed and presided by the Secretary of

1 the Department of Trade and Industry. The Secretary shall establish, with the concurrence of the  
2 Council, the policies, procedures and standards to govern the implementation and interpretation  
3 of the functions and duties of the Council.  
4

5 **Sec. 99. *Per Diems of Members.*** – The members of the Council shall receive per diems for every  
6 meeting actually attended at rates allowed under existing rules and regulations.  
7

8 **Sec. 100. *The Council Secretariat.*** – The Council shall appoint an Executive Director who  
9 shall assist the Chairman and act as Secretary of the Council. The Council shall be assisted by  
10 such number of personnel as it may deem necessary for the effective performance of its  
11 functions.  
12

13 **Sec. 101. *Powers and Functions of the Council.*** – The Council shall have the following powers  
14 and functions:  
15

- 16 a) to rationalize and coordinate the functions of the agencies charged with consumer  
17 programs and enforcement of consumer related laws to the end that an effective,  
18 coordinated and integrated system of consumer protection, research and  
19 implementation and enforcement of such laws shall be achieved;  
20 b) to recommend new policies and legislation or amendments to existing ones;  
21 c) to monitor and evaluate implementation of consumer programs and projects and to  
22 take appropriate steps to ensure that concerned agencies take appropriate steps to  
23 comply with the established priorities, standards and guidelines;  
24 d) to seek the assistance of government instrumentalities in the form of augmenting  
25 the need for personnel, facilities and other resources;  
26 e) to undertake a continuing education and information campaign to provide the  
27 consumer with, among others;  
28 1) facts about consumer products and services;  
29 2) consumer rights and the mechanism for redress available to him;  
30 3) information on new concepts and developments on consumer protection;  
31 and  
32 4) general knowledge and awareness necessary for a critical and better  
33 judgment on consumption;  
34 5) such other matters of importance to the consumer's general well-being.  
35 f) to prepare the annual work and financial plan of the Council for consolidation  
36 with the budget of the Office of the President and for submission to the  
37 Department of Budget and Management;  
38 g) in general, to promulgate such rules and regulations and to undertake such other  
39 functions and duties as maybe essential and necessary to carry out the powers and  
40 functions of the Council.  
41

42 **Sec. 102. *Consumer and Consumer Organizations' Participation.*** – The concerned  
43 departments shall extend support and establish procedures for recognition of the meaningful  
44 participation by consumers or consumer organizations in the development and review of  
45 department rules, policies, and programs. Such procedures shall include provisions for a forum,  
46 where consumers can express their concerns and recommendations to decision-makers. The  
47 departments shall exert efforts to inform consumers of pending proceedings where their  
48 participation is important. Consumer representatives to the implementing agencies and other  
49 public bodies shall be given full support and regular briefings by the concerned agencies, as well  
50 as by the organizations that nominated them.  
51

52 **Sec. 103. *Transitory Provision.*** – Until such time that the National Consumer Affairs Council  
53 established under Section 96 of this Act is organized, the appointed members of the Council  
54 pursuant to Republic Act 7394, shall serve in a hold-over capacity.  
55

56 **Sec. 104. *Creation of the ConsumerNet; Rationale.*** – To meet the objectives to protect the  
57 interest of the consumer, promote his general welfare and establish standards of business and  
industry, a ConsumerNet, an inter-government agency cooperation for consumer welfare and

1 protection, is hereby established to address consumer-related complaints or inquiries.  
2

3 The ConsumerNet will strengthen the networking among member government agencies  
4 and local government units (LGUs) identified under the ConsumerNet, particularly tasked to  
5 provide and deliver consumer welfare and protection services and support activities to all  
6 consumers.  
7

8 A network among government consumer-oriented agencies proves to be an essential  
9 vehicle in establishing redress mechanism and effective action for the speedy resolution of  
10 consumer issues and complaints, facilitate the flow of information and provide an avenue in  
11 establishing linkage  
12

13 It is under this context that a swift redress mechanism through the use of a dynamic and  
14 integrated web-based information technology shall be established and implemented among  
15 government consumer-oriented agencies in order to extend full support in resolving  
16 issues/concerns/complaints.  
17

18 **Sec. 105. Objectives.** — The ConsumerNet shall have the following objectives:  
19

- 20 (a) to strengthen networking among government agencies and local government units  
21 with consumer protection functions in order to facilitate the timely flow of  
22 accurate and relevant information to consumers and member agencies and/or  
23 offices;
- 24 (b) to establish frontline facilities for consumer queries and concerns: to establish a  
25 systematic and effective action on consumer issues and complaints; and
- 26 (c) to provide an avenue for greater collaboration and complementation among  
27 themselves.  
28

29 **Sec. 106. Composition.** — The ConsumerNet shall consist of an Executive Committee and a  
30 Technical Working Committee, with the following composition:  
31

32 1. The Executive Committee shall be composed of the following government agencies:  
33

- 34 (a) Department of Trade And Industry
- 35 (b) Department of Agriculture
- 36 (c) Department of Health
- 37 (d) Department of Education
- 38 (e) Department of Energy
- 39 (f) Department of Transportation and Communications  
40

41 2. The Technical Working Committee shall be composed of the following government agencies  
42 and/or other concerned agencies and units:  
43

- 44 (a) Department of Trade And Industry - Bureau of Trade Regulation and Consumer  
45 Protection (DTI-BTRCP)
- 46 (b) Department of Agriculture
- 47 (c) Department of Health
- 48 (d) Department Of Education-Special Events Unit
- 49 (e) Department of Energy - Consumer Welfare And Promotion Office
- 50 (f) Department Of Environment and Natural Resources - Environmental Management  
51 Bureau
- 52 (g) Department of the Interior and Local Government
- 53 (h) Department of Transportation and Communication - National Telecommunication  
54 Commission and the Civil Aviation Board (CAB)
- 55 (i) Land Transportation Franchising Regulatory Board
- 56 (j) Metropolitan Waterworks And Sewerage System
- 57 (k) *Bangko Sentral Ng Pilipinas*- Consumer Welfare Unit, Corporate Affairs Office,

1 Supervision and Examination Department

2 (l) Securities And Exchange Commission- Compliance and Enforcement Department

3  
4 Government agency members of the Executive Committee shall be represented by no less  
5 than an Assistant Secretary or its equivalent rank, while those in the Technical Working  
6 Committee shall be represented by a Bureau Director or its equivalent rank.

7  
8 **Sec. 107. Functions and Powers.** The ConsumerNet shall be mandated:

- 9  
10 (a) to monitor, facilitate and take appropriate actions on the speedy resolution of  
11 consumer issues/concerns, inquiries and complaints endorsed to concerned  
12 member agencies,  
13 (b) to prepare a ConsumerNet action or commitment and financial plan on the basis  
14 of submitted agency/office work plan  
15

16 **Sec. 108. Organization.** The DTI Undersecretary for Consumer Welfare and Trade Regulation  
17 Group shall be the Chairperson of the ConsumerNet. The Chairperson shall convene and preside  
18 the quarterly meeting of the member agency of the ConsumerNet and other participating  
19 government agencies. The Regional Director of the DTI shall be the Chairperson of the  
20 ConsumerNet in the region, and he shall assist, support, recommend, facilitate, coordinate and  
21 collaborate in the effective and efficient performance of the functions and responsibilities of the  
22 ConsumerNet  
23

24 **Sec. 109. Participation of Other Government Agencies.** The ConsumerNet shall seek the  
25 assistance of other government agencies who are not members of the technical working  
26 committee, but, which are by their charter performing frontline activities that are related to  
27 consumer welfare and protection, whenever deemed necessary in the effective and efficient  
28 discharge of its functions and responsibilities under this Act.  
29

30 **Sec. 110. The ConsumerNet Secretariat.** The DTI-Bureau of Trade Regulation and Consumer  
31 Protection and the Regional Office of the DTI and/or their successor agencies and units shall  
32 respectively act as the Secretariat to the ConsumerNet.  
33

34 **Sec. 111. Prescription.** - All actions or claims accruing under the provisions of this Act and the  
35 rules and regulations issued pursuant thereto shall prescribe within three (3) years from the time  
36 the consumer transaction was consummated or the deceptive or unfair and unconscionable sales  
37 act or practice was committed and in case of hidden defects, from discovery thereof.  
38

39 **Sec. 112. Penalties.** - (a) Any person, association, partnership or corporation who shall  
40 violate any of the provisions of Sections 69 to 72 hereof shall, upon conviction, be subject  
41 to a fine of not less than Fifty Thousand Pesos (PhP50,000.00) but not more than One  
42 Million Pesos (PhP1,000,000.00) or an imprisonment of not less than three (3) years but  
43 not more than seven (7) years or both upon the discretion of the court.

44 (b) Any violation of the provisions of Sections 35 to 40 hereof shall, upon conviction,  
45 subject the offenders to a fine of not less than Fifty Thousand Pesos (PhP50,000.00) but not  
46 more than One Million Pesos (PhP1,000,000.00) or an imprisonment of not less than three  
47 (3) years but not more than seven (7) years or both upon the discretion of the court. If the  
48 violation was committed by a juridical person, the manager, representative, director, agent  
49 or employee of said juridical person responsible for the act shall be deported after service  
50 of sentence and payment of the fine without need for further deportation proceedings.  
51

52 (c) Any person who violates the provisions of Sections 24 to 26 hereof for the first time  
53 shall be subject to a fine of not less than Fifty Thousand Pesos (PhP50,000.00) but not  
54 more than One Million Pesos (PhP1,000,000.00) or an imprisonment of not less than three  
55 (3) years but not more than seven (7) years or both upon the discretion of the court. A  
56 second conviction under this paragraph shall also carry with it the penalty of revocation of  
57 business permit and license.

1  
2 (d) Any person who shall violate the provisions of Section 77 hereof shall be subject to a fine of  
3 not less than Fifty Thousand Pesos (PhP50,000.00) but not more than One Million Pesos  
4 (PhP1,000,000.00) or an imprisonment of not less than three (3) years but not more than seven  
5 (7) years or both upon the discretion of the court. A second conviction under this paragraph shall  
6 also carry with it the penalty or revocation of the business permit and license.  
7

8 (e) Any person, natural or juridical, committing any of the illegal acts provided for in Sections 78  
9 to 81 hereof, shall be liable for a fine of not less than Fifty thousand pesos (PhP50,000.00) but  
10 not more than One million pesos (PhP1,000,000.00) or an imprisonment of not less than three (3)  
11 years but not more than seven (7) years or both upon the discretion of the court. The imposition  
12 of any of the penalties herein provided is without prejudice to any liability incurred under the  
13 warranty or guarantee.  
14

15 **Sec. 113. Exemption from Penalties.** - No publisher, radio broadcast, television licensee or  
16 medium for the dissemination of advertising shall be liable, under this Act, by reason of their  
17 dissemination of any false advertisement unless they refuse, on the request of appropriate  
18 authorities, to furnish the name and post office address of the manufacturer, packer, distributor  
19 seller or advertising agency. This exemption shall not apply however, to the manufacturer,  
20 packer, distributor or seller of the consumer product or service and the advertising agency  
21 responsible for the false and misleading advertising.  
22

23 **Sec. 114. Implementing Rules and Regulations.** - Within one hundred twenty (120) days from  
24 the effectivity of this Act, the DTI shall in consultation with all the stakeholders concerned,  
25 promulgate the Implementing Rules and Regulations (IRR) of this Act.  
26

27 **Sec. 115. Appropriations.** - The amount necessary to implement the provisions of this Act shall  
28 be included in the annual General Appropriations Act.  
29

30 **Sec. 116. Separability Clause.** - If any of the provision of this Act is held unconstitutional or  
31 invalid, the remainder of the Act or the provision not otherwise affected shall remain valid and  
32 subsisting.  
33

34 **Sec. 117. Repealing Clause.** - Any law, presidential decree or issuance, executive order,  
35 administrative rule or regulation contrary to or inconsistent with the provisions of this Act is  
36 hereby repealed, modified or amended accordingly.  
37

38 **Sec. 118. Effectivity Clause.** This Act shall take effect fifteen (15) days from the date of  
39 publication in at least two (2) newspapers of general circulation.  
40

41 Approved.