

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



Senate  
Office of the Secretary

'13 JUL -4 AIO :23

SENATE

S. No. 458

RECEIVED BY: *js*

---

Introduced by Senator Ralph G. Recto

---

### Explanatory Note

The President of the Philippines has identified this measure as among the priority bills during the presentation in the Legislative Executive Development Advisory Council (LEDAC). The bill amends R.A. No. 7394 otherwise known as the "Consumer Act of the Philippines".

Among the new provisions is the eight (8) Consumer Bill of Rights namely, the right to: basic needs, choose products, representation, redress, consumer education, safety, healthy environment, and sanitation. These rights have been endorsed by the United Nations through the United Nations Guidelines for Consumer Protection. Corollary to the consumer rights is the provision of five (5) consumer responsibilities to wit: critical awareness, action, social concern, environmental awareness, and solidarity.

The bill also provides a new Article mandating the English or Filipino translation of product labels written in foreign characters/languages. This will allow better understanding of the contents, features and uses of imported products for consumer protection against unsafe products. A new provision permanently banning suppliers engaged in the importation of defective goods has also been included.

The coverage of the provisions on advertising and promotion has been expanded to include those for consumer products, services and credit facilities which include sponsorships of programs, concerts, games, shows and similar activities.

A new Article also protects consumers from aggressive marketing promotions that significantly impair the average consumer's freedom of choice with regard to the purchase of a product or service.

The chapter on Advertising and Sales Promotion is further strengthened with the addition of advertising general principles and a specific guideline in the presentation of advertisements. Hence, among others, the bill provides instructions on how advertisements should treat specific claims on ingredients, results of researches and surveys, scientific claims, testimonials and endorsements, and leadership claims.

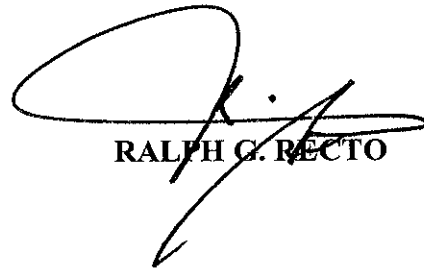
The bill increases the penalties for violations of any provision of the Consumer Act of the Philippines. It sets a uniform penalty to be imposed on any violations and lengthened the period of prescription for claims relative to deceptive or unfair and unconscionable practice from two (2) to three (3) years.

Further amendments to R.A. No. 7394 include the definition of terms in accordance with new technologies and trade practices. Notable of these new definitions is the one for "Mass Media" which now includes the internet, mobile phones, and similar electronic devices.

The chapter on Consumer Product Quality and Safety has also been amended by adding the grant of authority for the automatic closing down of any establishments caught in *flagrante*

*delicto* selling, distributing, manufacturing, producing, or importing substandard and hazardous products.

The above cited amendments are intended to enhance consumer protection and to promote high ethical standards in trade practices. Hence, the passage of this bill is earnestly sought.



RALPH G. RECTO



13 JUL -4 A.M. :23

SENATE

S. No. 458

RECEIVED BY: *Jui*

Introduced by Senator Ralph G. Recto

**AN ACT**  
**GRANTING BROADER PROTECTION TO CONSUMERS AMENDING FOR THE**  
**PURPOSE REPUBLIC ACT NO. 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 Enhanced Consumer Act of  
2 2013".

3           **SEC. 2.** Republic Act No. 7394, otherwise known as the "Consumer Act of the  
4 Philippines" is hereby amended by inserting a new Article 3 under Title I General Provisions to  
5 read as follows:

6           **"ART. 3. THE EIGHT (8) CONSUMER BILL OF RIGHTS –** THE  
7 GOVERNMENT, IN MAINTAINING AND STRENGTHENING THE  
8 PROMOTION OF CONSUMER INTEREST AND WELFARE IN HIS  
9 RELATION TO THE BUSINESS AND INDUSTRY PRACTICE AS WELL AS  
10 THE PRODUCTION AND DISTRIBUTION OF CONSUMER PRODUCTS,  
11 SHALL ADOPT MEASURES AND FORMULATE POLICIES TAKING INTO  
12 ACCOUNT THE EIGHT (8) BASIC CONSUMER RIGHTS. THE  
13 CONSUMERS SHALL BE ENTITLED TO:

14           A)    RIGHT TO BASIC NEEDS – THE GUARANTEED SURVIVAL  
15 AND, THUS, BE PROVIDED WITH ADEQUATE FOOD, CLOTHING,  
16 SHELTER, HEALTH CARE, EDUCATION AND SANITATION;

17           B)    RIGHT TO CHOOSE – THE CHOICE OF PRODUCTS AT  
18 COMPETITIVE PRICES WITH ASSURED SATISFACTORY  
19 QUALITY IN ACCORDANCE WITH GOVERNMENT STANDARDS;

20           C)    RIGHT TO REPRESENTATION – THE EXPRESSION OF  
21 CONSUMER INTERESTS IN THE FORMULATION AND  
22 EXECUTION OF GOVERNMENT POLICIES;

- 1 D) RIGHT TO REDRESS – CLAIM COMMENSURATE  
2 COMPENSATION FOR MISREPRESENTATION, SUBSTANDARD,  
3 DEFECTIVE GOODS OR UNSATISFACTORY SERVICES;  
4 E) RIGHT TO CONSUMER EDUCATION – ACQUISITION OF  
5 KNOWLEDGE AND SKILLS NECESSARY TO MAKE AN  
6 INFORMED CHOICE;  
7 F) RIGHT TO SAFETY – THE PROTECTION AGAINST THE  
8 MARKETING OF GOODS OR PROVISION OF SERVICES THAT  
9 ARE HAZARDOUS TO HEALTH AND LIFE;  
10 G) RIGHT TO A HEALTHY ENVIRONMENT – LIVE AND  
11 WORK IN AN ENVIRONMENT WHICH PERMITS A LIFE OF  
12 DIGNITY AND WELL-BEING AND WHICH IS NEITHER  
13 THREATENING NOR DANGEROUS; AND  
14 H) RIGHT TO INFORMATION – PROTECTION AGAINST  
15 DISHONEST OR MISLEADING ADVERTISING OR LABELING AND  
16 BE GIVEN THE PRODUCT FACTS AND INFORMATION NEEDED  
17 TO MAKE AN INFORMED CHOICE.”

18 **SEC. 3.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
19 Philippines” is hereby amended by inserting a new Article 4 under Title I General Provisions to  
20 read as follows:

21 **“ART. 4. THE FIVE (5) CONSUMER RESPONSIBILITIES – IN**  
22 **CONNECTION WITH HIS ENTITLEMENT OF THE BASIC RIGHTS**  
23 **STATED IN THE PRECEDING SECTION, THE CONSUMER SHALL**  
24 **EXERCISE THE FOLLOWING RESPONSIBILITIES:**

- 25 A) CRITICAL AWARENESS – BE MORE ALERT AND  
26 QUESTIONING ABOUT THE USES, THE PRICE AND QUALITY OF  
27 GOODS AND SERVICES PURCHASED.  
28 B) CONSUMER ACTION - ASSERT AND ACT TO ENSURE  
29 THAT HIS RIGHTS ARE PROTECTED AND THAT HE IS NOT  
30 EXPLOITED.  
31 C) SOCIAL CONCERN – BE MORE AWARE OF THE IMPACT  
32 OF HIS CONSUMPTION ON OTHER CITIZENS, ESPECIALLY THE  
33 DISADVANTAGED OR POWERLESS GROUPS, WHETHER IN THE  
34 LOCAL, NATIONAL, OR INTERNATIONAL COMMUNITY.  
35 D) ENVIRONMENTAL AWARENESS – UNDERSTAND THE  
36 ENVIRONMENTAL CONSEQUENCES OF HIS CONSUMPTION. HE  
37 SHOULD RECOGNIZE INDIVIDUAL AND SOCIAL

1 RESPONSIBILITY TO CONSERVE NATURAL RESOURCES AND  
2 PROTECT THE EARTH FOR FUTURE GENERATIONS.

3 E) SOLIDARITY – ORGANIZE CONSUMER GROUPS TO  
4 DEVELOP THEIR STRENGTH AND INFLUENCE TO PROMOTE  
5 AND PROTECT CONSUMER INTERESTS.”

6 SEC. 4. Article 4, Title I – General Provisions of Republic Act No. 7394, otherwise  
7 known as the “Consumer Act of the Philippines” is hereby amended to read as follows:

8 “Art. [4]6. *Definition of Terms.* – For purposes of this Act, the term:

9 “a) x x x.

10 “x x x.

11 n) "Consumer" means a natural person who is a purchaser, lessee,  
12 recipient or prospective purchaser, lessor or recipient of consumer  
13 products, services, credit, TECHNOLOGY, ADVERTISING OR  
14 PROMOTION, AND OTHER ITEMS IN COMMERCE.

15 “x x x.

16 q) “Consumer products and services” means goods, services and  
17 credits, debts or obligations, SERVICES which are primarily for personal,  
18 family, household or agricultural purposes, which shall include but not  
19 limited to food, drugs, cosmetics, and devices, PRODUCT,  
20 MERCHANDISE, GOODS, CREDIT, TECHNOLOGY AND OTHER  
21 TRANSACTIONS OR MATTERS INTENDED TO BE COVERED BY  
22 THIS ACT.

23 “x x x.

24 u) “Cosmetics” means [(1) articles intended to be rubbed, poured,  
25 sprinkled, or sprayed on, introduced into or otherwise applied to the  
26 human body or any part thereof for cleansing, beautifying, promoting  
27 attractiveness, or altering the appearance, and (2) article intended for uses  
28 as a component of any such article except that such term shall not include  
29 soap.] ANY SUBSTANCE OR PREPARATION INTENDED TO BE  
30 APPLIED IN CONTACT WITH THE VARIOUS EXTERNAL PARTS  
31 OF THE HUMAN BODY OR WITH THE TEETH AND THE MUCOUS  
32 MEMBRANES OF THE ORAL CAVITY WITH A VIEW  
33 EXCLUSIVELY OR MAINLY TO CLEANING THEM, PERFUMING  
34 THEM, CHANGING THEIR APPEARANCE, CORRECTING BODY  
35 ODORS, OR MAINTAINING THEM IN HEALTHY CONDITION.”

36 “x x x.

37 w) "Credit card" means any card, plate, coupon book or other credit  
38 SINGLE device existing for the purpose of BEING USED FROM TIME

1 TO TIME UPON PRESENTATION TO obtain[ing] money, property,  
2 labor or services on credit.

3 "x x x.

4 aj) "Guarantee" means an expressed or implied assurance of the REAL  
5 quality, COST, PRICE, PROMOTION of the consumer products and  
6 services offered for sale or length of satisfactory use, COSTS OR OTHER  
7 SIMILAR MATTERS to be expected from SUCH CONSUMER productS  
8 or SERVICES BASED ON APPLICABLE AND ACTUAL  
9 DOCUMENTS IN ACCORDANCE WITH THE LAW, MORALS,  
10 GOOD FAITH AND PUBLIC POLICY."

11 "x x x.

12 at) "Mass media" refers to any means or methods used to convey  
13 advertising messages to the public such as television, radio, THE  
14 INTERNET, MOBILE PHONES AND SIMILAR ELECTRONIC  
15 DEVICES, magazines, cinema, billboards, posters, streamers, hand bills,  
16 leaflets, mails and the like.

17 "x x x.

18 bm) "Sales Promotion" means techniques intended for broad consumer  
19 participation which contain promises of gain such as prizes, in cash or in  
20 kind, OR AN OPPORTUNITY TO WIN ANY PRIZES OR FREE  
21 SERVICES, OR GIFT, OR ANY SIMILAR SCHEME, as reward for  
22 TRANSACTING FOR, RECEIVING, OR purchas[e]ING [the purchase  
23 of] a product, security, service or winning in contest, game, tournament  
24 and other similar competitions OR CHALLENGES which involve  
25 determination of winner/s and which utilize mass media or other  
26 widespread media of information such as INFORMATION AND  
27 COMMUNICATION TECHNOLOGY. It also means techniques purely  
28 intended to increase the sales, patronage and/or goodwill of [a product],  
29 TRANSACTION FOR, PURCHASING, OR RECEIVING OF,  
30 CONSUMER PRODUCTS AND SERVICES.

31 "x x x.

32 bn) "Seller" means a person engaged in the business of selling consumer  
33 products AND SERVICES directly to consumers. It shall include a  
34 supplier or distributor if (1) the seller is a subsidiary or affiliate of the  
35 supplier or distributor; (2) the seller interchanges personnel or maintains  
36 common or overlapping officers or directors with the supplier or  
37 distributor; or (3) the supplier or distributor provides or exercises  
38 supervision, direction or control over the selling practices of the seller.

1 "x x x.

2 br) "Standard" means a set of conditions to be fulfilled to ensure the  
3 quality and safety of a product AND SERVICE;

4 "x x x."

5 **SEC. 5.** Article 6, Chapter I – Consumer Product Quality and Safety of Republic Act No.  
6 7394, otherwise known as the "Consumer Act of the Philippines" is hereby amended to read as  
7 follows:

8 **"Art. [6] 8. *Implementing Agencies.*** – The provisions of this Act and its  
9 implementing rules and regulations shall be enforced by:

10 a) the Department of Health with respect to PROCESSED food,  
11 drugs, cosmetics, devices and HAZARDOUS substances;

12 b) the Department of Agriculture with respect to products related to  
13 agriculture AND FISHERIES; and

14 c) the Department of Trade and Industry with respect to other  
15 consumer products not specified above."

16 **SEC. 6.** Article 8, Chapter I – Consumer Product Quality and Safety of Republic Act No.  
17 7394, otherwise known as the "Consumer Act of the Philippines" is hereby amended to read as  
18 follows:

19 **"Art. [8]10. *Publication of Consumer Product Standards.*** – The department  
20 concerned shall, upon promulgation of the above standards, publish or cause the  
21 publication of the same EITHER in a newspaper of general circulation, in the  
22 OFFICIAL GAZETTE, OR IN THE DEPARTMENT'S OR AGENCY'S  
23 OFFICIAL WEB PORTAL. It may likewise conduct an information campaign  
24 through other means deemed effective to ensure the proper guidance of  
25 consumers, businesses, industries and other sectors concerned."

26 **SEC. 7.** Article 10, Chapter I – Consumer Product Quality and Safety of Republic Act  
27 No. 7394, otherwise known as the "Consumer Act of the Philippines" is hereby amended to read  
28 as follows:

29 **"Art. [10]12. *Injurious, Dangerous and Unsafe Products.*** - Whenever the  
30 departments find, by their own initiative or by petition of a consumer, that a  
31 consumer product is found to be injurious, unsafe or dangerous, it shall, after due  
32 notice and hearing, make the appropriate order for its recall, prohibition or seizure  
33 from public sale or distribution: *Provided*, That, in the sound discretion of the  
34 department it may declare a consumer product to be imminently injurious, unsafe  
35 or dangerous, and order its immediate recall, ban or seizure from public sale or  
36 distribution, in which case, the seller, distributor, manufacturer or producer  
37 thereof shall be afforded a hearing within forty-eight (48) hours from such order:  
38 *PROVIDED, FURTHER, THAT ANY ESTABLISHMENT CAUGHT IN*

1            *FLAGRANTE DELICTO* SELLING, DISTRIBUTING, MANUFACTURING,  
2            PRODUCING, OR IMPORTING SUBSTANDARD AND HAZARDOUS  
3            PRODUCTS SHALL BE AUTOMATICALLY CLOSED AND SHUT DOWN.

4            "x x x."

5            **SEC. 8.** Article 11, Chapter I – Consumer Product Quality and Safety of Republic Act  
6            No. 7394, otherwise known as "Consumer Act of the Philippines" is hereby amended to read as  
7            follows:

8            **"Art. [11]13. Amendment and Revocation of Declaration of the Injurious,**  
9            **Unsafe or Dangerous Character of a Consumer Product.** – Any interested  
10            person may petition the appropriate department to commence a proceeding for the  
11            issuance of an amendment or revocation of a consumer product safety rule or an  
12            order declaring a consumer product injurious, dangerous and unsafe.

13            In case the department, upon petition by an interested party or its own initiative  
14            and after due notice and hearing, determines a consumer product to be  
15            substandard or materially defective, it shall so notify the manufacturer, distributor  
16            or seller thereof of such finding and order such manufacturer, distributor or seller  
17            to WITHOUT DELAY:

- 18            a)        give notice to the public of the defect or failure to comply with the  
19            product safety standards;  
20            b)        give notice to each distributor or seller of such product; and  
21            c)        WHEN POSSIBLE, GIVE NOTICE TO EVERY PERSON TO  
22            WHOM SUCH CONSUMER PRODUCT WAS DELIVERED OR  
23            SOLD.

24            The department shall also direct the manufacturer, distributor or seller of such  
25            product to extend WITHIN REASONABLE TIME any or all of the following  
26            remedies to the injured person:

27            "x x x."

28            **SEC. 9.** Republic Act No. 7394, otherwise known as the "Consumer Act of the  
29            Philippines" is hereby amended by inserting a new Article 14 under Chapter I – Consumer  
30            Product Quality and Safety to read as follows:

31            **"ART. 14. PHYSICAL SAFETY** –MANUFACTURERS OR DISTRIBUTORS  
32            SHOULD ENSURE THAT AS SOON AS THEY BECOME AWARE OF  
33            UNFORESEEN HAZARDS AFTER PRODUCTS ARE PLACED ON THE  
34            MARKET, THEY SHOULD NOTIFY THE GOVERNMENT AUTHORITIES  
35            CONCERNED AND, AS APPROPRIATE, INFORM THE PUBLIC WITHOUT  
36            DELAY. THE GOVERNMENT SHOULD ALSO ESTABLISH MECHANISMS  
37            FOR ENSURING THAT CONSUMERS ARE PROPERLY INFORMED OF  
38            SUCH HAZARDS."



1           **SEC. 10.** Article 52, Chapter I – Deceptive, Unfair, and Unconscionable Sales Acts or  
2 Practices, Title III of Republic Act No. 7394, otherwise known as the “Consumer Act of the  
3 Philippines” is hereby amended to read as follows:

4           **“Art. [52] 55. *Unfair or Unconscionable Sales Act or Practice.* x x x**

5           In determining whether an act or practice is unfair and unconscionable, the  
6 following circumstances shall be considered:

7           “a) x x x.

8           “x x x.

9           “d) that the transaction that the seller or supplier induced the consumer to  
10 enter into was excessively one-sided in favor of the seller or supplier

11           **SUCH AS BUT NOT LIMITED TO:**

12           I.       **THAT WHEN THE CONSUMER TRANSACTION WAS**  
13                   **ENTERED INTO, THE SELLER OR SUPPLIER**  
14                   **IMPOSED UPON THE CONSUMER TERMS AND**  
15                   **CONDITIONS GROSSLY DISADVANTAGEOUS TO**  
16                   **THE LATTER WHO IS REDUCED TO THE**  
17                   **ALTERNATIVE OF ACCEPTING THE CONTRACT OR**  
18                   **LEAVING IT, COMPLETELY DEPRIVED OF THE**  
19                   **OPPORTUNITY TO BARGAIN ON EQUAL FOOTING;**  
20                   **AND**

21           II.       **THE SELLER OR SUPPLIER EMPLOYS AN**  
22                   **AGGRESSIVE MARKETING PRACTICE THAT**  
23                   **SIGNIFICANTLY CONSTRAINS OR IMPAIRS OR IS**  
24                   **LIKELY TO SIGNIFICANTLY CONSTRAIN OR**  
25                   **IMPAIR THE AVERAGE CONSUMER’S FREEDOM OF**  
26                   **CHOICE OR CONDUCT WITH REGARD TO THE**  
27                   **PURCHASE OF A PRODUCT OR SERVICE THAT**  
28                   **CAUSES HIM OR IS LIKELY TO CAUSE HIM TO**  
29                   **ENTER INTO A CONSUMER TRANSACTION**  
30                   **DIFFERENT FROM THE ONE HE WOULD HAVE**  
31                   **INTENDED, OR HE WOULD NOT HAVE DONE**  
32                   **WITHOUT THE MARKETING PRACTICE.”**

33           **SEC. 11.** Article 81, Chapter IV - Labeling and Fair Packaging, Title III of Republic Act  
34 No. 7394, otherwise known as the “Consumer Act of the Philippines” is hereby amended to read  
35 as follows:

36           **“Art.[81]84. *Price Tag Requirement.*** – It shall be unlawful to offer any  
37 consumer product OR SERVICE for retail sale to the public without an  
38 appropriate price tag, label, or marking, OR WITH MORE THAN ONE PRICE,

1 OR DIFFERENT PRICE TAGS, LABELS, OR MARKINGS publicly displayed  
2 to indicate of each article and said products shall not be sold at a price higher than  
3 that stated therein and without discrimination to all buyers: *PROVIDED*, THAT  
4 IT SHALL BE UNLAWFUL FOR ANY RETAILER TO CHARGE THE  
5 CUSTOMERS MORE THAN THE ACTUAL CASH RETAIL PRICE OF THE  
6 GOODS OR SERVICES PURCHASED WHEN SUCH PURCHASE IS DONE  
7 WITH THE USE OF CREDIT CARD AND/OR TO LIMIT BARGAIN SALE  
8 ITEMS AND SERVICES TO CASH PURCHASES: *Provided, further*, That  
9 lumber sold, displayed or offered for sale to the public shall be tagged or labeled  
10 by indicating thereon the price and the corresponding official name of the wood:  
11 *PROVIDED, FINALLY*, That if consumer products for sale are too small or the  
12 nature of which makes it impractical to place a price tag thereon price list placed  
13 at the nearest point where the products are displayed indicating the retail price of  
14 the same may suffice.”

15 **SEC. 12.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
16 Philippines” is hereby amended by inserting a new Article 87 under Chapter IV Labeling and  
17 Fair Packaging, Title III to read as follows:

18 ***“ART. 87. ENGLISH OR FILIPINO TRANSLATIONS OF PRODUCT***  
19 ***LABELS WRITTEN IN FOREIGN CHARACTERS/LANGUAGES.*** –  
20 CONSUMER PRODUCTS WITH PRODUCT LABELS WRITTEN IN  
21 FOREIGN CHARACTERS/LANGUAGE SHALL BE ALLOWED ENTRY  
22 INTO THE COUNTRY AND INTRODUCED INTO COMMERCE ONLY IF  
23 THEY HAVE A CORRESPONDING ENGLISH OR FILIPINO  
24 TRANSLATION TO ENABLE THE AUTHORITIES TO DETERMINE  
25 WHETHER THE PRODUCT HAS COMPLIED WITH ALL THE OTHER  
26 LABELING REQUIREMENTS AS WELL AS PROVIDE THE CONSUMERS  
27 PROPER GUIDANCE ON THE CONTENTS AND ORIGIN OF THE  
28 PRODUCT.”

29 **SEC. 13.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
30 Philippines” is hereby amended by inserting a new Article 88 under Chapter IV Labeling and  
31 Fair Packaging to read as follows:

32 ***“ART. 88. OFFICIAL SOURCES OF INFORMATION FOR IMPORTED***  
33 ***CONSUMER PRODUCTS.*** – IMPORT DATA FROM THE BUREAU OF  
34 CUSTOMS AND BUREAU OF IMPORT SERVICES SHALL BE  
35 RECOGNIZED AS OFFICIAL SOURCES OF INFORMATION TO  
36 VALIDATE THE FOLLOWING INFORMATION RELATIVE TO A  
37 PARTICULAR IMPORTED CONSUMER PRODUCT:

- 38 1. COUNTRY OF MANUFACTURE;

- 1                   2.     NAME AND ADDRESS OF MANUFACTURER / EXPORTER;
- 2                   3.     NAME AND ADDRESS OF IMPORTER/CONSIGNEE;
- 3                   4.     VALUE AND VOLUME OF SHIPMENT;
- 4                   5.     DATE OF ARRIVAL, AND;
- 5                   6.     OTHER INFORMATION RELEVANT TO THE SHIPMENT IN
- 6                   QUESTION.”

7           **SEC. 14.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
8 Philippines” is hereby amended by inserting a new Article 115 under Chapter VI –Advertising  
9 and Sales Promotion, Title III to read as follows:

10                   **“ART. 115. COVERAGE OF ADVERTISING AND SALES PROMOTION. –**  
11                   THE PROVISIONS ON ADVERTISING AND SALES PROMOTION SHALL  
12                   APPLY TO ADVERTISING AND PROMOTION OF CONSUMER  
13                   PRODUCTS, SERVICES AND CREDIT FACILITIES, WHICH INCLUDE  
14                   SPONSORSHIPS OF PROGRAMS, CONCERTS, GAMES, SHOWS AND  
15                   SIMILAR ACTIVITIES. *PROVIDED*, THAT WITH RESPECT TO FOOD,  
16                   DRUGS, DEVICES, COSMETICS AND HAZARDOUS SUBSTANCES AND  
17                   AGRICULTURAL PRODUCTS, THE SAME SHALL BE UNDER THE  
18                   JURISDICTION OF THE DEPARTMENTS CONCERNED.”

19           **SEC. 15.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
20 Philippines” is hereby amended by inserting a new Article 116 under Chapter VI –Advertising  
21 and Sales Promotion, Title III to read as follows:

22                   **“ART. 116. COVERAGE –** THESE PROVISIONS SHALL APPLY TO THE  
23                   PHILIPPINE ADVERTISING COMMUNITY WHICH INCLUDES  
24                   ADVERTISERS, ADVERTISING AGENCIES, MEDIA AND ADVERTISING  
25                   SUPPORT GROUPS BUT SHALL NOT APPLY TO THE FOLLOWING:

- 26                   1)    PUBLIC SERVICE AND EMERGENCY ANNOUNCEMENTS OF  
27                   UTILITY COMPANIES.
- 28                   2)    RELIGIOUS,    POLITICAL    AND    PUBLIC    ISSUE  
29                   ADVERTISEMENTS AND ANNOUNCEMENTS, EXCEPT WHERE  
30                   THESE INVOLVE OR SEEK TO PROMOTE COMMERCIAL  
31                   TRANSACTIONS.
- 32                   3)    STANDARD TRANSPORT ANNOUNCEMENTS, CLASSIFIED  
33                   ADVERTISEMENTS AND OBITUARIES.”

34           **SEC. 16.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
35 Philippines” is hereby amended by inserting a new Article 117 under Chapter VI –Advertising  
36 and Sales Promotion, Title III to read as follows:

37                   **“ART. 117. ADVERTISING GENERAL PRINCIPLES –** ADVERTISEMENTS  
38                   SHALL BE GUIDED BY THE FOLLOWING PRINCIPLES:

1 (1) ADVERTISING MUST PROVIDE THE GENERAL PUBLIC WITH  
2 RELEVANT AND TRUTHFUL INFORMATION ON PRODUCTS AND  
3 SERVICES, THEREBY HELPING CONSUMERS MAKE INFORMED  
4 CHOICES.

5 (2) THE ADVERTISING INDUSTRY SHOULD CONTINUE TO  
6 IMPROVE THE LEVELS AND STANDARDS OF ADVERTISING.”

7 **SEC. 17.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
8 Philippines” is hereby amended by inserting a new Article 118 under Chapter VI –Advertising  
9 and Sales Promotion, Title III to read as follows:

10 **“ART. 118. PRESENTATION OF ADVERTISEMENTS** – (1) CLAIMS OF  
11 PRODUCTS AND SERVICE PROPERTIES OR THEIR INTENDED USAGE  
12 SHOULD BE CLEARLY PRESENTED AND SHOULD NOT MISLEAD OR  
13 BE LIKELY TO MISLEAD THE PERSONS TO WHOM THEY ARE  
14 ADDRESSED BY INACCURACY, AMBIGUITY, EXAGGERATION OR  
15 OMISSION.

16 (2) ANY TEST OR DEMONSTRATION MAY BE USED ONLY IF IT  
17 DIRECTLY PROVES THE CLAIMED PRODUCT OR SERVICE PROPERTY  
18 OR CHARACTERISTICS AND SHOULD BE PRESENTED CLEARLY AND  
19 ACCURATELY.

20 (3) CORPORATE ADVERTISING MUST BE FAIR, TRUTHFUL AND  
21 ACCURATE; IT SHOULD NOT CONTAIN ANY EXAGGERATIONS OR  
22 SWEEPING GENERALIZATIONS THAT MAY MISLEAD THE PUBLIC  
23 REGARDING THE ADVERTISER OR THE ATTRIBUTES OF ITS  
24 PRODUCTS OR SERVICES. WHERE THE ADVERTISEMENTS CONTAIN  
25 SPECIFIC CLAIMS REGARDING THE COMPANY OR ITS PRODUCTS OR  
26 SERVICES, SUCH CLAIMS MUST BE VERIFIABLE AND SUBJECT TO  
27 SUBSTANTIATION IN THE SAME MANNER AS REGULAR PRODUCT OR  
28 SERVICE ADVERTISEMENTS.”

29 **SEC. 18.** Article 110, Chapter VI –Advertising and Sales Promotion, Title III of  
30 Republic Act No. 7394, otherwise known as the “Consumer Act of the Philippines” is hereby  
31 amended to read as follows:

32 **“Art. [110] 119. False, Deceptive or Misleading Advertisement.** – It shall be  
33 unlawful for any person to disseminate or to cause the dissemination of any false,  
34 deceptive or misleading advertisement by Philippine mail or in commerce by  
35 print, radio, television, outdoor advertisement, INTERNET, MOBILE PHONE, or  
36 other medium for the purpose of inducing or which is likely to induce directly or  
37 indirectly the purchase of consumer products or services.”

38 “x x x.”

1           **SEC. 19.** Republic Act No. 7394, otherwise known as the "Consumer Act of the  
2 Philippines" is hereby amended by inserting a new Article 120 under Chapter VI –Advertising  
3 and Sales Promotion, Title III to read as follows:

4           **"ART. 120. SPECIFIC CLAIMS – (1) INGREDIENT ADVERTISING – (A)**  
5           ADVERTISEMENTS SHOULD NOT CONTAIN ANY REFERENCE WHICH  
6           COULD LEAD THE PUBLIC TO ASSUME THAT A PRODUCT CONTAINS  
7           A SPECIFIC INGREDIENT UNLESS THE INGREDIENT'S QUANTITIES  
8           AND PROPERTIES AS WELL AS THE MATERIAL BENEFIT THAT  
9           RESULTS FROM ITS INCLUSION IN THE PRODUCT FORMULATION  
10          HAVE BEEN TECHNICALLY SUBSTANTIATED; AND (B)  
11          ADVERTISEMENTS SHOULD NOT IMPLY THAT A CERTAIN BENEFIT IS  
12          DUE TO A SPECIFIC INGREDIENT UNLESS A VERIFIABLE CAUSE AND  
13          EFFECT RELATIONSHIP EXISTS.

14          **(2) PROFESSIONAL DATE REFERENCES –** ADVERTISEMENTS USING  
15          THE RESULTS OF A BONA FIDE RESEARCH, SURVEYS, OR TEST  
16          RELATING TO A PRODUCT SHOULD NOT BE PRESENTED  
17          INACCURATELY OR IN A MISLEADING MANNER, NOR SHOULD IT  
18          CLAIM ANY IMPLICATIONS BEYOND WHAT IS CLEARLY  
19          ESTABLISHED BY RESEARCH, SURVEY OR TEST.

20          **(3) SCIENTIFIC CLAIMS – (A)** VISUAL REPRESENTATIONS OF  
21          LABORATORY SETTINGS MAY ONLY BE EMPLOYED PROVIDED THE  
22          RESEARCH WAS CONDUCTED IN THE LABORATORY; AND (B) IN  
23          CASE OF REFERENCES TO TESTS BY PROFESSIONALS OR  
24          INSTITUTIONS INCLUDING BUT NOT LIMITED TO DOCTORS,  
25          ENGINEERS, RESEARCH FOUNDATIONS, DOCUMENTED AND  
26          AUTHORITATIVE EVIDENCE SHOULD BE SUBMITTED TO  
27          SUBSTANTIATE SUCH TESTS AND THE CLAIMS BASED THEREON.

28          **(4) NUMBER 1 OR LEADERSHIP CLAIM – (A)** NO "NUMBER 1" CLAIM  
29          WITH RESPECT TO ANY PRODUCT OR SERVICE SHALL BE ALLOWED  
30          UNLESS IT IS CLEARLY DELINEATED AND QUALIFIED AS TO RENDER  
31          THE CLAIM OBJECTIVELY VERIFIABLE. THE CLAIM SHOULD, IN ANY  
32          CASE, BE SUBSTANTIATED.

33          **(5) TESTIMONIALS – (A)** TESTIMONIAL CLAIMS RELATING TO THE  
34          PRODUCT BEING ADVERTISED SHOULD BE GENUINE AND  
35          TRUTHFUL.

36                    **(B)** INDIVIDUALS ENDORSING A PRODUCT OR SERVICE IN  
37                    COMMUNICATION MATERIALS AND WHO IS PRESENTED AS  
38                    AN EXPERT MUST HAVE DEMONSTRABLE CREDENTIALS TO

1           SUBSTANTIATE THE CLAIMED EXPERTISE. HIS OR HER  
2           ENDORSEMENT MUST BE SUPPORTED BY AN ACTUAL  
3           EXERCISE OF HIS EXPERTISE IN EVALUATING THE PRODUCT  
4           OR SERVICE FEATURES OR CHARACTERISTICS. SUCH  
5           EVALUATION MUST BE RELEVANT AND AVAILABLE TO AN  
6           ORDINARY CONSUMER'S USE OF OR EXPERIENCE WITH THE  
7           PRODUCT.

8           (C) ENDORSEMENTS BY AN ORGANIZATION ARE CONSIDERED  
9           AS JUDGMENT BY A GROUP WHOSE COLLECTIVE EXPERIENCE  
10          OUTWEIGHS THAT OF AN INDIVIDUAL MEMBER. ADVERTISER  
11          MUST PROVIDE EVIDENCE THAT THE ORGANIZATION'S  
12          ENDORSEMENT WAS REACHED BY A PROCESS SUFFICIENT TO  
13          ENSURE THAT IT REFLECTS THE COLLECTIVE JUDGMENT OF  
14          THE ORGANIZATION.

15          THE ORGANIZATION MAY BE CONSIDERED LEGITIMATE IF IT  
16          CAN PRESENT PROOF OF EXISTENCE FOR AT LEAST ONE  
17          YEAR."

18          **SEC. 20.** Republic Act No. 7394, otherwise known as the "Consumer Act of the  
19          Philippines" is hereby amended by inserting a new Article 125 under Chapter VI –Advertising  
20          and Sales Promotion, Title III to read as follows:

21                 **"ART. 125. COVERAGE AND EXEMPTION OF THE SALES PROMOTION**  
22                 **OF CONSUMER PRODUCTS AND SERVICES. (A) COVERAGE OF THE**  
23                 **SALES PROMOTION OF CONSUMER PRODUCTS AND SERVICES – THE**  
24                 PROVISIONS ON SALES PROMOTIONS OF THE CONSUMER PRODUCTS  
25                 AND SERVICES SHALL APPLY TO ALL PROMOTIONAL CAMPAIGNS  
26                 AND ANNOUNCEMENTS FOR CONSUMER PRODUCTS, SERVICES,  
27                 CREDIT FACILITIES, AS WELL AS BEAUTY CONTESTS, NATIONWIDE  
28                 IN CHARACTER.

29                 THE PROVISIONS OF SALES PROMOTION OF CONSUMER PRODUCTS  
30                 AND SERVICES SHALL LIKEWISE APPLY TO SIMILAR ACTIVITIES  
31                 SUCH AS BUT NOT LIMITED TO IN-STORE PROMOTIONS OFFERING  
32                 REDUCED PRICES, SPECIAL OFFERS, PRODUCT DEMONSTRATION,  
33                 PRODUCT SAMPLES, REBATES, DISCOUNTS, PREMIUM-IN-PACK, AND  
34                 EXPERT ADVICE.

35                 **(B) EXEMPTION OF THE SALES PROMOTION OF CONSUMER PRODUCTS**  
36                 **AND SERVICES – THE PROVISIONS OF SALES PROMOTION OF**  
37                 CONSUMER PRODUCTS AND SERVICES SHALL NOT APPLY TO THE  
38                 FOLLOWING PROMOTIONAL CAMPAIGNS OR ACTIVITIES:

1 (1) GOVERNMENT OR ANY OF ITS AGENCIES OR  
2 INSTRUMENTALITIES, WHEN THE SAME IS CONDUCTED IN THE  
3 EXERCISE OF THEIR GOVERNMENTAL FUNCTIONS.

4 (2) PRIVATE ENTITIES IN JOINT PROJECT/S WITH ANY  
5 GOVERNMENT AGENCY UNDER THE PRECEDING PARAGRAPH.

6 (3) SOCIAL, CIVIC, POLITICAL, RELIGIOUS, EDUCATIONAL,  
7 PROFESSIONAL AND OTHER SIMILAR ORGANIZATIONS WHICH  
8 EXTEND PROMOTIONAL ACTIVITY AMONG THEIR MEMBERS:  
9 *PROVIDED*, THAT THE PROMOTIONAL ACTIVITY IS NOT  
10 CONSIDERED SALES PROMOTIONAL CAMPAIGN AS DEFINED  
11 UNDER THIS ACT.”

12 **SEC. 21.** Article 116, Chapter VI –Advertising and Sales Promotion, Title III of  
13 Republic Act No. 7394, otherwise known as the “Consumer Act of the Philippines” is hereby  
14 amended to read as follows:

15 “**ART. [116] 126. *Permit to Conduct Promotion.*** — No person shall conduct  
16 any sales campaigns, including beauty contest, national in character, sponsored  
17 and promoted by PRODUCERS, RETAILERS, SELLERS, DISTRIBUTORS,  
18 SUPPLIERS, IMPORTERS, OR manufacturing enterprises without first securing  
19 a permit from the concerned department [at least thirty (30) calendar days] prior  
20 to the commencement thereof. Unless an objection or denial is received WITHIN  
21 5 (FIVE) DAYS [fifteen (15) days] from filing of the COMPLETE application,  
22 the same shall be deemed approved and the promotion campaign or activity may  
23 be conducted: *Provided*, that any sales promotion campaign using medical  
24 prescriptions or any part thereof or attachment thereto for raffles or a promise of  
25 reward shall not be allowed, nor a permit be issued thereof.”

26 **SEC. 22.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
27 Philippines” is hereby amended by inserting a new Article 127 under Chapter VI – Advertising  
28 and Sales Promotion, Title III, to read as follows:

29 “**ART. 127. APPLICATION FOR PERMIT - (A)** THE APPLICATION FOR  
30 PERMIT SHALL BE IN THE FORM PRESCRIBED BY THE DEPARTMENT  
31 CONCERNED.

32 (B) *WHO MAY FILE THE APPLICATION FOR PERMIT* – THE PERSON  
33 WHOSE CONSUMER PRODUCTS, SERVICES, CREDIT FACILITIES,  
34 BEAUTY CONTESTS, COMPETITION, GAMES SHOWS AND THE LIKE  
35 ARE BEING PROMOTED.

36 THE ABOVE PERSON SHALL SIGN THE APPLICATION INDIVIDUALLY  
37 OR JOINTLY WITH THE OTHERS OR SUBMIT THEREWITH A TRUE  
38 COPY OF ANY WRITTEN AGREEMENT BETWEEN OR AMONG

1 THEMSELVES, REFLECTING THE DEGREE OR EXTENT OF THEIR  
2 PARTICIPATION AND RESPONSIBILITY IN THE CONDUCT OF THE  
3 PROMOTIONAL ACTIVITY COVERED BY THIS ACT OR THE RULES,  
4 WHERE NO LIMITATION AS TO THE EXTENT OF THE LIABILITY OR  
5 RESPONSIBILITY IS INDICATED IN SUCH AGREEMENT, ALL OF THEM  
6 SHALL BE JOINTLY AND SEVERALLY LIABLE AND RESPONSIBLE  
7 THEREFOR.

8 (C) *APPLICATION THROUGH AND BY AN AGENT* – WHERE THE  
9 PROMOTIONAL CAMPAIGN/ACTIVITY IS APPLIED FOR AND IN  
10 BEHALF OF THE PERSONS MENTIONED IN PARAGRAPH (A) HEREOF,  
11 THE AGENT SHALL BE AUTHORIZED BY A SPECIAL POWER OF  
12 ATTORNEY OR A BOARD RESOLUTION AS EVIDENCED BY  
13 SECRETARY’S CERTIFICATE AS THE CASE MAY BE.”

14 **SEC. 23.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
15 Philippines” is hereby amended by inserting a new Article 128 under Chapter VI – Advertising  
16 and Sales Promotion, Title III, to read as follows:

17 “**ART. 128. PROHIBITED ACTS IN THE CONDUCT OF SALES**  
18 **PROMOTION** – “THE FOLLOWING ACTS ARE PROHIBITED IN THE  
19 CONDUCT OF SALES PROMOTION CAMPAIGN:

20 (A) GAMBLING AND WAGERING SCHEMES;

21 (B) USE OF MEDICAL PRESCRIPTIONS; AND

22 (C) NO PERSON SHALL DIRECTLY OR INDIRECTLY TAMPER  
23 WITH THE ENTRIES, PARAPHERNALIA AND/OR ELECTRONIC  
24 DEVICE IN A PROMOTIONAL CAMPAIGN/ACTIVITY COVERED  
25 BY THIS ACT OR THE RULES NOR UNDULY INFLUENCE THE  
26 RESULTS THEREOF, NOR PERFORM ANY ACT TO THE  
27 PREJUDICE OF LEGITIMATE PARTICIPANTS OR WINNERS.”

28 **SEC. 24.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
29 Philippines” is hereby amended by inserting a new Article 129 under Chapter VI – Advertising  
30 and Sales Promotion, Title III, to read as follows:

31 “**ART. 129. VOLUNTARY CANCELLATION OF APPROVED**  
32 **PROMOTIONAL CAMPAIGN/ACTIVITY** – (A) VOLUNTARY  
33 CANCELLATION BEFORE PUBLICATION – A PERSON MAY  
34 VOLUNTARILY CANCEL OR DISCONTINUE THE APPROVED  
35 PROMOTIONAL CAMPAIGN/ACTIVITY PROVIDED NO INFORMATION  
36 DISSEMINATION AND ADVERTISING THEREON HAS BEEN MADE AND  
37 THAT A WRITTEN NOTICE BE SUBMITTED TO THE DEPARTMENT  
38 PRIOR TO SUCH VOLUNTARY CANCELLATION.



1 (B) *VOLUNTARY CANCELLATION AFTER PUBLICATION* – IF ANY  
2 ANNOUNCEMENT, INFORMATION DISSEMINATION OR ADVERTISING  
3 OF THE PROMOTIONAL CAMPAIGN/ACTIVITY HAS ALREADY BEEN  
4 MADE, BUT THE PROMOTION PERIOD HAS NOT YET COMMENCED,  
5 THE DISCONTINUANCE OR CANCELLATION OF THE PROMOTION  
6 MAY BE MADE ONLY UPON PRIOR WRITTEN NOTICE TO THE  
7 DEPARTMENT WITHIN A PERIOD OF NOT LESS THAN FIVE (5) DAYS  
8 BEFORE THE COMMENCEMENT OF THE ORIGINAL INTENDED DATE  
9 OF PROMOTION.

10 THE SPONSOR SHALL HONOR THE PROMOTIONAL COMMITMENTS  
11 SHOULD IT FAIL TO COMPLY WITH THE REQUIRED PERIOD.

12 (C) *VOLUNTARY CANCELLATION OF ONGOING PROMOTION* –  
13 VOLUNTARY CANCELLATION OR DISCONTINUANCE OR SUSPENSION  
14 OF ANY ONGOING PROMOTIONAL CAMPAIGNS/ACTIVITIES SHALL  
15 NOT BE ALLOWED EXCEPT UPON PRIOR WRITTEN APPROVAL BY  
16 THE DEPARTMENT WHICH SHALL BE BASED ON ANY OF THE  
17 FOLLOWING GROUNDS:

18 (I) A FINAL JUDGMENT OF VOLUNTARY INSOLVENCY OR  
19 BANKRUPTCY AGAINST THE PERSON WHO APPLIED;

20 (II) OCCURRENCE OF ANY FORTUITOUS EVENT OR FORCE  
21 MAJEURE THAT WILL MAKE IT IMPOSSIBLE TO CONTINUE THE  
22 PROMOTIONAL CAMPAIGN OR ACTIVITY: *PROVIDED,*  
23 HOWEVER, THAT THOSE WHO HAD ALREADY WON IN THE  
24 PROMOTION BEFORE THE APPROVAL OF THE CANCELLATION  
25 OR DISCONTINUANCE OR SUSPENSION SHALL BE PAID OR  
26 GIVEN THEIR PRIZES.”

27 **SEC. 25.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
28 Philippines” is hereby amended by inserting a new Article 132 under Chapter VI – Advertising  
29 and Sales Promotion, Title III to read as follows:

30 “**ART. 132. RULES ON MECHANICS** – ALL COVERED PROMOTIONAL  
31 CAMPAIGNS AND ACTIVITIES SHALL ABIDE BY OR COMPLY WITH  
32 THE RULES ON THE MECHANICS OF THE PROMOTION SET FORTH IN  
33 THE IMPLEMENTING RULES AND REGULATIONS OF THE AGENCY  
34 CONCERNED.”

35 **SEC. 26.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
36 Philippines” is hereby amended by inserting a new Article 136 under Chapter VI – Advertising  
37 and Sales Promotion, Title III to read as follows:

1           **“ART. 136. SELECTION OF PARTICIPANTS AND WINNERS. THE**  
2           **SELECTION OF PARTICIPANTS AND WINNERS OF A PROMOTIONAL**  
3           **PROGRAM SHALL BE GUIDED BY THE FOLLOWING:**

4                    (A)     *MODE OF SELECTION OF PROSPECTIVE*  
5                    *PARTICIPANTS/ENTRIES*                    –                    PROSPECTIVE

6                    PARTICIPANTS/ENTRIES ARE SELECTED IN A FAIR, HONEST  
7                    AND TRANSPARENT MANNER. THERE MUST BE PROOF OF  
8                    NOTICE OF SELECTION AND SUCH OTHER RELEVANT  
9                    INFORMATION TO THE SELECTED PARTICIPANTS IN A MANNER  
10                   EXPRESSLY PROVIDED FOR IN THE MECHANICS.

11                   (B) DETERMINATION OF WINNERS – DRAW DATE OR DATES  
12                   FOR THE SELECTION OF PARTICIPANTS OR WINNERS TO A  
13                   PROMOTIONAL CAMPAIGN OR ACTIVITY SHALL NOT BE MORE  
14                   THAN FOURTEEN (14) DAYS AFTER THE DEADLINE OF THE  
15                   SUBMISSION OF ENTRIES.

16                   WINNERS MAY BE DETERMINED THROUGH THE USE OF ANY  
17                   TECHNIQUE NOT CONTRARY TO LAW, MORALS AND PUBLIC  
18                   POLICY PROVIDED THE SAME SHALL BE CONDUCTED IN A  
19                   FAIR, HONEST AND TRANSPARENT MANNER.”

20           **SEC. 27.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
21           Philippines” is hereby amended by inserting a new Article 162 under Title IV - Consumer Credit  
22           Transaction to read as follows:

23                   **“ART. 162. IMPLEMENTING AGENCY.** – THE BANGKO SENTRAL NG  
24                   PILIPINAS SHALL STRICTLY ENFORCE THE PROVISION OF THIS  
25                   CHAPTER AND ITS IMPLEMENTING RULES AND REGULATIONS  
26                   EXCEPT THOSE WHICH FALL WITHIN THE JURISDICTION OF THE  
27                   SECURITIES AND EXCHANGE COMMISSION.”

28           **SEC. 28.** Article 149, Chapter I - Establishment and Composition, Title V of Republic  
29           Act No. 7394, otherwise known as the “Consumer Act of the Philippines” is hereby amended to  
30           read as follows:

31                   **“Art. [149] 165. Composition.** The Council shall be composed of representatives  
32                   from the following government agencies and non-government agencies:

- 33                   a)     Department of Trade And Industry;  
34                   b)     Department of Education, [Culture and Sports,]  
35                   c)     Department of Health;  
36                   d)     Department of Agriculture;  
37                   e)     DEPARTMENT OF ENERGY;  
38                   f)     BANGKO SENTRAL NG PILIPINAS;

1 G) [e] four (4) representatives from the consumer organizations of  
2 nationwide base to be chosen by the President among [the] ITS nominees  
3 [submitted by the various groups in the Philippines]; AND

4 H) [f] two (2) representatives from the business industry/sector to be  
5 chosen by the President from among the nominees submitted by the  
6 various business organizations.”

7 **SEC. 29.** Article 151, Chapter I - Establishment and Composition, Title V of Republic  
8 Act No. 7394, otherwise known as the “Consumer Act of the Philippines” is hereby amended to  
9 read as follows:

10 “Art. [151] 167. *Per Diems of Members.* — The members of the Council shall be  
11 entitled to an allowance of FIVE THOUSAND PESOS (P5,000.00) [five hundred  
12 pesos (P500.00)] per meeting actually attended but not more than TWENTY  
13 THOUSAND PESOS (P20,000.00) [two thousand pesos (P2,000.00)] a month.”

14 **SEC. 30.** Article 156, Chapter II - Powers and Functions, Title V, of Republic Act No.  
15 7394, otherwise known as the “Consumer Act of the Philippines” is hereby amended to read as  
16 follows:

17 “Art. [156] 171. *Consumer Participation.* – The Departments shall establish  
18 procedures for RECOGNITION OF THE meaningful participation by consumers  
19 or consumer organizations in the development and review of department rules,  
20 policies, and programs. Such procedures shall include provisions for a forum,  
21 where consumers can express their concerns and recommendations to decision-  
22 makers. The departments shall exert efforts to inform consumers of pending  
23 proceedings where their participation is important.”

24 **SEC. 31.** Article 164, Chapter III - Consumer Complaints, Title V, of Republic Act No.  
25 7394, otherwise known as the “Consumer Act of the Philippines” is hereby amended to read as  
26 follows:

27 “Art. [164] 179. *Sanctions.* – After investigation, any of the following  
28 administrative penalties may be imposed even if not prayed for in the complaint:

29 “a) x x x.

30 “x x x.

31 E) AUTOMATIC CANCELLATION OF A BUSINESS NAME;

32 [e]F) the imposition of administrative fines in such amount as deemed  
33 reasonable by the Secretary, which shall in no case be less than FIFTY  
34 THOUSAND PESOS (P50,000.00) [Five hundred pesos (P500.00)] nor  
35 more than ONE MILLION PESOS (P1,000,000.00) [Three hundred  
36 thousand pesos (P300,000.00)] depending on the gravity of the offense,  
37 and an additional fine of not [more] LESS than One thousand pesos  
38 (P1,000.00) FOR [or] each day of continuing violation.”

1           **SEC. 32.** Republic Act No. 7394, otherwise known as the “Consumer Act of the  
2 Philippines” is hereby amended by inserting a new Article 185 under Title VI - Transitory and  
3 Final Provisions to read as follows:

4           **“ART. 185. CRIMINAL PENALTIES – ANY PERSON WHO VIOLATES**  
5           **ANY PROVISION OF THIS ACT SHALL, UPON CONVICTION, BE**  
6           **SUBJECT TO A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS**  
7           **(P50,000.00) BUT NOT MORE THAN ONE MILLION PESOS**  
8           **(P1,000,000.00) OR IMPRISONMENT OF NOT LESS THAN THREE (3)**  
9           **YEARS BUT NOT MORE THAN SEVEN (7) YEARS OR BOTH, UPON THE**  
10           **DISCRETION OF THE COURT.”**

11           **SEC. 33.** Article 169, Title VI - Transitory and Final Provisions of Republic Act No.  
12 7394, otherwise known as the “Consumer Act of the Philippines” is hereby amended to read as  
13 follows:

14           **“Art. [169] 186. Prescription.** — All actions or claims accruing under the  
15 provisions of this Act and the rules and regulations issued pursuant thereto shall  
16 prescribe within THREE (3) years [two (2)] from the time the consumer  
17 transaction was consummated or the deceptive or unfair and unconscionable act  
18 or practice was committed and in case of hidden defects, from discovery thereof.”

19           **SEC. 34. Renumbering of Articles.** Articles of Republic Act No. 7394 are hereby  
20 renumbered accordingly.

21           **SEC 35. Implementing Rules and Regulations.** - The Council shall promulgate the  
22 necessary implementing rules and regulations within sixty (60) days from the effectivity of this  
23 Act.

24           **SEC. 36. Separability Clause.** If any part or parts of this Act should, for any reason, be  
25 declared invalid or unconstitutional, the part or parts thereof unaffected shall thereby continue to  
26 remain in full force and effect.

27           **SEC. 37. Repealing Clause.** All laws, decrees, executive order, rules and regulations and  
28 other issuances consistent with this Act is hereby repealed or amended accordingly.

29           **SEC. 38. Effectivity.** This Act shall take effect fifteen (15) days from the date of  
30 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,