

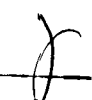
SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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Office of the Secretary

'16 JUL 21 P3:10

SENATE

S. No. 838

RECEIVED BY: 

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"

Explanatory Note

This bill seeks to amend Republic Act (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.

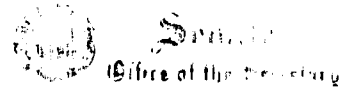
The chapter on Consumer Product Quality and Safety has also been amended by adding the grant of authority for the automatic closing down of any establishments caught in *flagrante delicto* selling, distributing, manufacturing, producing, or importing substandard and hazardous products.

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


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SENATE

S. No. 833

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**AN ACT
GRANTING BROADER PROTECTION TO CONSUMERS AMENDING FOR
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*Be it enacted by the Senate and 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 2016”.

3 **SEC. 2.** Republic Act (R.A.) 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.** R. A. No. 7394, is hereby amended by inserting a new Article 4 under Title I
19 General Provisions to read as follows:

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

24 A) CRITICAL AWARENESS – BE MORE ALERT AND
25 QUESTIONING ABOUT THE USES, THE PRICE AND QUALITY OF
26 GOODS AND SERVICES PURCHASED.

27 B) CONSUMER ACTION - ASSERT AND ACT TO ENSURE
28 THAT HIS RIGHTS ARE PROTECTED AND THAT HE IS NOT
29 EXPLOITED.

30 C) SOCIAL CONCERN – BE MORE AWARE OF THE IMPACT
31 OF HIS CONSUMPTION ON OTHER CITIZENS, ESPECIALLY THE
32 DISADVANTAGED OR POWERLESS GROUPS, WHETHER IN THE
33 LOCAL, NATIONAL, OR INTERNATIONAL COMMUNITY.

34 D) ENVIRONMENTAL AWARENESS – UNDERSTAND THE
35 ENVIRONMENTAL CONSEQUENCES OF HIS CONSUMPTION. HE
36 SHOULD RECOGNIZE INDIVIDUAL AND SOCIAL
37 RESPONSIBILITY TO CONSERVE NATURAL RESOURCES AND
38 PROTECT THE EARTH FOR FUTURE GENERATIONS.

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

4 SEC. 4. Article 4, Title I – General Provisions of R. A. No. 7394, is hereby amended and
5 renumbered to read as follows:

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

7 “a) x x x.

8 “x x x.

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

13 “x x x.

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

21 “x x x.

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

34 “x x x.

35 w) "Credit card" shall refer to any card, plate, coupon book or other
36 credit SINGLE device existing for the purpose of BEING USED FROM
37 TIME TO TIME UPON PRESENTATION TO obtain[ing] money,
38 property, labor or services on credit.

1 "x x x.

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

9 "x x x.

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

15 "x x x.

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

29 "x x x.

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

37 "x x x.

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

3 "x x x."

4 **SEC. 5.** Article 6, Chapter I – Consumer Product Quality and Safety of R. A. No. 7394 is
5 hereby amended to read as follows:

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

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

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

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

14 **SEC. 6.** Article 8, Chapter I – Consumer Product Quality and Safety of R. A. No. 7394 is
15 hereby amended to read as follows:

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

23 **SEC. 7.** Article 10, Chapter I – Consumer Product Quality and Safety of R. A. No. 7394
24 is hereby amended to read as follows:

25 "Art. [10]12. *Injurious, Dangerous and Unsafe Products.* - Whenever the
26 departments 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
28 notice and hearing, make the appropriate order for its recall, prohibition or seizure
29 from public sale or distribution: *Provided*, That, in the sound discretion of the
30 department it may declare a consumer product to be imminently injurious, unsafe
31 or dangerous, and order its immediate recall, ban or seizure from public sale or
32 distribution, in which case, the seller, distributor, manufacturer or producer
33 thereof shall be afforded a hearing within forty-eight (48) hours from such order:
34 *PROVIDED, FURTHER, THAT ANY ESTABLISHMENT CAUGHT IN*
35 *FLAGRANTE DELICTO* SELLING, DISTRIBUTING, MANUFACTURING,
36 PRODUCING, OR IMPORTING SUBSTANDARD AND HAZARDOUS
37 PRODUCTS SHALL BE AUTOMATICALLY CLOSED AND SHUT DOWN.

38 "x x x."

1 **SEC. 8.** Article 11, Chapter I – Consumer Product Quality and Safety of R. A. No. 7394
2 is hereby amended to read as follows:

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

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

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

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

22 “x x x.”

23 **SEC. 9.** R. A. No. 7394 is hereby amended by inserting a new Article 14 under
24 Chapter I – Consumer Product Quality and Safety to read as follows:

25 “ART. 14. *PHYSICAL SAFETY.* –MANUFACTURERS OR DISTRIBUTORS
26 SHOULD ENSURE THAT AS SOON AS THEY BECOME AWARE OF
27 UNFORESEEN HAZARDS AFTER PRODUCTS ARE PLACED ON THE
28 MARKET, THEY SHOULD NOTIFY THE GOVERNMENT AUTHORITIES
29 CONCERNED AND, AS APPROPRIATE, INFORM THE PUBLIC WITHOUT
30 DELAY. THE GOVERNMENT SHOULD ALSO ESTABLISH MECHANISMS
31 FOR ENSURING THAT CONSUMERS ARE PROPERLY INFORMED OF
32 SUCH HAZARDS.”

33 **SEC. 10.** Article 52, Chapter I – Deceptive, Unfair, and Unconscionable Sales Acts or
34 Practices, Title III of R. A. No. 7394 is hereby amended to read as follows:

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

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

- 38 “a) x x x.

1 "x x x.

2 "d) that the transaction that the seller or supplier induced the consumer to
3 enter into was excessively one-sided in favor of the seller or supplier
4 SUCH AS BUT NOT LIMITED TO:

5 I. THAT WHEN THE CONSUMER TRANSACTION WAS
6 ENTERED INTO, THE SELLER OR SUPPLIER
7 IMPOSED UPON THE CONSUMER TERMS AND
8 CONDITIONS GROSSLY DISADVANTAGEOUS TO
9 THE LATTER WHO IS REDUCED TO THE
10 ALTERNATIVE OF ACCEPTING THE CONTRACT OR
11 LEAVING IT, COMPLETELY DEPRIVED OF THE
12 OPPORTUNITY TO BARGAIN ON EQUAL FOOTING;
13 AND

14 II. THE SELLER OR SUPPLIER EMPLOYS AN
15 AGGRESSIVE MARKETING PRACTICE THAT
16 SIGNIFICANTLY CONSTRAINS OR IMPAIRS OR IS
17 LIKELY TO SIGNIFICANTLY CONSTRAIN OR
18 IMPAIR THE AVERAGE CONSUMER'S FREEDOM OF
19 CHOICE OR CONDUCT WITH REGARD TO THE
20 PURCHASE OF A PRODUCT OR SERVICE THAT
21 CAUSES HIM OR IS LIKELY TO CAUSE HIM TO
22 ENTER INTO A CONSUMER TRANSACTION
23 DIFFERENT FROM THE ONE HE WOULD HAVE
24 INTENDED, OR HE WOULD NOT HAVE DONE
25 WITHOUT THE MARKETING PRACTICE."

26 **SEC. 11.** Article 81, Chapter IV - Labeling and Fair Packaging, Title III of R. A. No.
27 7394 is hereby amended to read as follows:

28 "Art.[81]84. *Price Tag Requirement.* – It shall be unlawful to offer any consumer
29 product OR SERVICE for retail sale to the public without an appropriate price
30 tag, label, or marking, OR WITH MORE THAN ONE PRICE, OR DIFFERENT
31 PRICE TAGS, LABELS, OR MARKINGS publicly displayed to indicate of each
32 article and said products shall not be sold at a price higher than that stated therein
33 and without discrimination to all buyers: *PROVIDED*, THAT IT SHALL BE
34 UNLAWFUL FOR ANY RETAILER TO CHARGE THE CUSTOMERS MORE
35 THAN THE ACTUAL CASH RETAIL PRICE OF THE GOODS OR
36 SERVICES PURCHASED WHEN SUCH PURCHASE IS DONE WITH THE
37 USE OF CREDIT CARD AND/OR TO LIMIT BARGAIN SALE ITEMS AND
38 SERVICES TO CASH PURCHASES: *Provided, further*, That lumber sold,

1 displayed or offered for sale to the public shall be tagged or labeled by indicating
2 thereon the price and the corresponding official name of the wood: *PROVIDED,*
3 *FINALLY,* That if consumer products for sale are too small or the nature of which
4 makes it impractical to place a price tag thereon price list placed at the nearest
5 point where the products are displayed indicating the retail price of the same may
6 suffice.”

7 **SEC. 12.** R. A. No. 7394 is hereby amended by inserting a new Article 87 under Chapter
8 IV Labeling and Fair Packaging, Title III to read as follows:

9 “ART. 87. *ENGLISH OR FILIPINO TRANSLATIONS OF PRODUCT LABELS*
10 *WRITTEN IN FOREIGN CHARACTERS/LANGUAGES.* – CONSUMER
11 PRODUCTS WITH PRODUCT LABELS WRITTEN IN FOREIGN
12 CHARACTERS/LANGUAGE SHALL BE ALLOWED ENTRY INTO THE
13 COUNTRY AND INTRODUCED INTO COMMERCE ONLY IF THEY HAVE
14 A CORRESPONDING ENGLISH OR FILIPINO TRANSLATION TO ENABLE
15 THE AUTHORITIES TO DETERMINE WHETHER THE PRODUCT HAS
16 COMPLIED WITH ALL THE OTHER LABELING REQUIREMENTS AS
17 WELL AS PROVIDE THE CONSUMERS PROPER GUIDANCE ON THE
18 CONTENTS AND ORIGIN OF THE PRODUCT.”

19 **SEC. 13.** R. A. No. 7394 is hereby amended by inserting a new Article 88 under Chapter
20 IV Labeling and Fair Packaging to read as follows:

21 “ART. 88. *OFFICIAL SOURCES OF INFORMATION FOR IMPORTED*
22 *CONSUMER PRODUCTS.* – IMPORT DATA FROM THE BUREAU OF
23 CUSTOMS AND BUREAU OF IMPORT SERVICES SHALL BE
24 RECOGNIZED AS OFFICIAL SOURCES OF INFORMATION TO
25 VALIDATE THE FOLLOWING INFORMATION RELATIVE TO A
26 PARTICULAR IMPORTED CONSUMER PRODUCT:

- 27 1. COUNTRY OF MANUFACTURE;
- 28 2. NAME AND ADDRESS OF MANUFACTURER / EXPORTER;
- 29 3. NAME AND ADDRESS OF IMPORTER/CONSIGNEE;
- 30 4. VALUE AND VOLUME OF SHIPMENT;
- 31 5. DATE OF ARRIVAL, AND;
- 32 6. OTHER INFORMATION RELEVANT TO THE SHIPMENT IN
33 QUESTION.”

34 **SEC. 14.** R. A. No. 7394 is hereby amended by inserting a new Article 115 under
35 Chapter VI –Advertising and Sales Promotion, Title III to read as follows:

36 “ART. 115. *COVERAGE OF ADVERTISING AND SALES PROMOTION.* – THE
37 PROVISIONS ON ADVERTISING AND SALES PROMOTION SHALL
38 APPLY TO ADVERTISING AND PROMOTION OF CONSUMER

1 PRODUCTS, SERVICES AND CREDIT FACILITIES, WHICH INCLUDE
2 SPONSORSHIPS OF PROGRAMS, CONCERTS, GAMES, SHOWS AND
3 SIMILAR ACTIVITIES. *PROVIDED*, THAT WITH RESPECT TO FOOD,
4 DRUGS, DEVICES, COSMETICS AND HAZARDOUS SUBSTANCES AND
5 AGRICULTURAL PRODUCTS, THE SAME SHALL BE UNDER THE
6 JURISDICTION OF THE DEPARTMENTS CONCERNED.”

7 **SEC. 15.** R. A. No. 7394 is hereby amended by inserting a new Article 116 under
8 Chapter VI –Advertising and Sales Promotion, Title III to read as follows:

9 “ART. 116. *COVERAGE*. – THESE PROVISIONS SHALL APPLY TO THE
10 PHILIPPINE ADVERTISING COMMUNITY WHICH INCLUDES
11 ADVERTISERS, ADVERTISING AGENCIES, MEDIA AND ADVERTISING
12 SUPPORT GROUPS BUT SHALL NOT APPLY TO THE FOLLOWING:

13 1) PUBLIC SERVICE AND EMERGENCY ANNOUNCEMENTS OF
14 UTILITY COMPANIES.

15 2) RELIGIOUS, POLITICAL AND PUBLIC ISSUE
16 ADVERTISEMENTS AND ANNOUNCEMENTS, EXCEPT WHERE
17 THESE INVOLVE OR SEEK TO PROMOTE COMMERCIAL
18 TRANSACTIONS.

19 3) STANDARD TRANSPORT ANNOUNCEMENTS, CLASSIFIED
20 ADVERTISEMENTS AND OBITUARIES.”

21 **SEC. 16.** R. A. No. 7394 is hereby amended by inserting a new Article 117 under
22 Chapter VI –Advertising and Sales Promotion, Title III to read as follows:

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

25 (1) ADVERTISING MUST PROVIDE THE GENERAL PUBLIC WITH
26 RELEVANT AND TRUTHFUL INFORMATION ON PRODUCTS AND
27 SERVICES, THEREBY HELPING CONSUMERS MAKE INFORMED
28 CHOICES.

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

31 **SEC. 17.** R. A. No. 7394 is hereby amended by inserting a new Article 118 under
32 Chapter VI –Advertising and Sales Promotion, Title III to read as follows:

33 “ART. 118. *PRESENTATION OF ADVERTISEMENTS*. – (1) CLAIMS OF
34 PRODUCTS AND SERVICE PROPERTIES OR THEIR INTENDED USAGE
35 SHOULD BE CLEARLY PRESENTED AND SHOULD NOT MISLEAD OR
36 BE LIKELY TO MISLEAD THE PERSONS TO WHOM THEY ARE
37 ADDRESSED BY INACCURACY, AMBIGUITY, EXAGGERATION OR
38 OMISSION.

1 (2) ANY TEST OR DEMONSTRATION MAY BE USED ONLY IF IT
2 DIRECTLY PROVES THE CLAIMED PRODUCT OR SERVICE PROPERTY
3 OR CHARACTERISTICS AND SHOULD BE PRESENTED CLEARLY AND
4 ACCURATELY.

5 (3) CORPORATE ADVERTISING MUST BE FAIR, TRUTHFUL AND
6 ACCURATE; IT SHOULD NOT CONTAIN ANY EXAGGERATIONS OR
7 SWEEPING GENERALIZATIONS THAT MAY MISLEAD THE PUBLIC
8 REGARDING THE ADVERTISER OR THE ATTRIBUTES OF ITS
9 PRODUCTS OR SERVICES. WHERE THE ADVERTISEMENTS CONTAIN
10 SPECIFIC CLAIMS REGARDING THE COMPANY OR ITS PRODUCTS OR
11 SERVICES, SUCH CLAIMS MUST BE VERIFIABLE AND SUBJECT TO
12 SUBSTANTIATION IN THE SAME MANNER AS REGULAR PRODUCT OR
13 SERVICE ADVERTISEMENTS.”

14 **SEC. 18.** Article 110, Chapter VI –Advertising and Sales Promotion, Title III of R. A.
15 No. 7394 is hereby amended to read as follows:

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

22 “x x x.”

23 **SEC. 19.** R. A. No. 7394 is hereby amended by inserting a new Article 120 under
24 Chapter VI –Advertising and Sales Promotion, Title III to read as follows:

25 “ART. 120. *SPECIFIC CLAIMS.* – (1) *INGREDIENT ADVERTISING* – (A)
26 ADVERTISEMENTS SHOULD NOT CONTAIN ANY REFERENCE WHICH
27 COULD LEAD THE PUBLIC TO ASSUME THAT A PRODUCT CONTAINS
28 A SPECIFIC INGREDIENT UNLESS THE INGREDIENT’S QUANTITIES
29 AND PROPERTIES AS WELL AS THE MATERIAL BENEFIT THAT
30 RESULTS FROM ITS INCLUSION IN THE PRODUCT FORMULATION
31 HAVE BEEN TECHNICALLY SUBSTANTIATED; AND (B)
32 ADVERTISEMENTS SHOULD NOT IMPLY THAT A CERTAIN BENEFIT IS
33 DUE TO A SPECIFIC INGREDIENT UNLESS A VERIFIABLE CAUSE AND
34 EFFECT RELATIONSHIP EXISTS.

35 (2) *PROFESSIONAL DATE REFERENCES* – ADVERTISEMENTS USING
36 THE RESULTS OF A BONA FIDE RESEARCH, SURVEYS, OR TEST
37 RELATING TO A PRODUCT SHOULD NOT BE PRESENTED
38 INACCURATELY OR IN A MISLEADING MANNER, NOR SHOULD IT

1 CLAIM ANY IMPLICATIONS BEYOND WHAT IS CLEARLY
2 ESTABLISHED BY RESEARCH, SURVEY OR TEST.

3 (3) *SCIENTIFIC CLAIMS* – (A) VISUAL REPRESENTATIONS OF
4 LABORATORY SETTINGS MAY ONLY BE EMPLOYED PROVIDED THE
5 RESEARCH WAS CONDUCTED IN THE LABORATORY; AND (B) IN
6 CASE OF REFERENCES TO TESTS BY PROFESSIONALS OR
7 INSTITUTIONS INCLUDING BUT NOT LIMITED TO DOCTORS,
8 ENGINEERS, RESEARCH FOUNDATIONS, DOCUMENTED AND
9 AUTHORITATIVE EVIDENCE SHOULD BE SUBMITTED TO
10 SUBSTANTIATE SUCH TESTS AND THE CLAIMS BASED THEREON.

11 (4) NUMBER 1 OR LEADERSHIP CLAIM – (A) NO “NUMBER 1” CLAIM
12 WITH RESPECT TO ANY PRODUCT OR SERVICE SHALL BE ALLOWED
13 UNLESS IT IS CLEARLY DELINEATED AND QUALIFIED AS TO RENDER
14 THE CLAIM OBJECTIVELY VERIFIABLE. THE CLAIM SHOULD, IN ANY
15 CASE, BE SUBSTANTIATED.

16 (5) TESTIMONIALS – (A) TESTIMONIAL CLAIMS RELATING TO THE
17 PRODUCT BEING ADVERTISED SHOULD BE GENUINE AND
18 TRUTHFUL.

19 (B) INDIVIDUALS ENDORSING A PRODUCT OR SERVICE IN
20 COMMUNICATION MATERIALS AND WHO IS PRESENTED AS
21 AN EXPERT MUST HAVE DEMONSTRABLE CREDENTIALS TO
22 SUBSTANTIATE THE CLAIMED EXPERTISE. HIS OR HER
23 ENDORSEMENT MUST BE SUPPORTED BY AN ACTUAL
24 EXERCISE OF HIS EXPERTISE IN EVALUATING THE PRODUCT
25 OR SERVICE FEATURES OR CHARACTERISTICS. SUCH
26 EVALUATION MUST BE RELEVANT AND AVAILABLE TO AN
27 ORDINARY CONSUMER’S USE OF OR EXPERIENCE WITH THE
28 PRODUCT.

29 (C) ENDORSEMENTS BY AN ORGANIZATION ARE CONSIDERED
30 AS JUDGMENT BY A GROUP WHOSE COLLECTIVE EXPERIENCE
31 OUTWEIGHS THAT OF AN INDIVIDUAL MEMBER. ADVERTISER
32 MUST PROVIDE EVIDENCE THAT THE ORGANIZATION’S
33 ENDORSEMENT WAS REACHED BY A PROCESS SUFFICIENT TO
34 ENSURE THAT IT REFLECTS THE COLLECTIVE JUDGMENT OF
35 THE ORGANIZATION.

36 THE ORGANIZATION MAY BE CONSIDERED LEGITIMATE IF IT
37 CAN PRESENT PROOF OF EXISTENCE FOR AT LEAST ONE
38 YEAR.”

1 **SEC. 20.** R. A. No. 7394 is hereby amended by inserting a new Article 125 under
2 Chapter VI –Advertising and Sales Promotion, Title III to read as follows:

3 “ART. 125. *COVERAGE AND EXEMPTION OF THE SALES PROMOTION OF*
4 *CONSUMER PRODUCTS AND SERVICES.* (A) *COVERAGE OF THE SALES*
5 *PROMOTION OF CONSUMER PRODUCTS AND SERVICES.* – THE
6 PROVISIONS ON SALES PROMOTIONS OF THE CONSUMER PRODUCTS
7 AND SERVICES SHALL APPLY TO ALL PROMOTIONAL CAMPAIGNS
8 AND ANNOUNCEMENTS FOR CONSUMER PRODUCTS, SERVICES,
9 CREDIT FACILITIES, AS WELL AS BEAUTY CONTESTS, NATIONWIDE
10 IN CHARACTER.

11 THE PROVISIONS OF SALES PROMOTION OF CONSUMER PRODUCTS
12 AND SERVICES SHALL LIKEWISE APPLY TO SIMILAR ACTIVITIES
13 SUCH AS BUT NOT LIMITED TO IN-STORE PROMOTIONS OFFERING
14 REDUCED PRICES, SPECIAL OFFERS, PRODUCT DEMONSTRATION,
15 PRODUCT SAMPLES, REBATES, DISCOUNTS, PREMIUM-IN-PACK, AND
16 EXPERT ADVICE.

17 (B) *EXEMPTION OF THE SALES PROMOTION OF CONSUMER PRODUCTS*
18 *AND SERVICES* – THE PROVISIONS OF SALES PROMOTION OF
19 CONSUMER PRODUCTS AND SERVICES SHALL NOT APPLY TO THE
20 FOLLOWING PROMOTIONAL CAMPAIGNS OR ACTIVITIES:

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

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

26 (3) SOCIAL, CIVIC, POLITICAL, RELIGIOUS, EDUCATIONAL,
27 PROFESSIONAL AND OTHER SIMILAR ORGANIZATIONS WHICH
28 EXTEND PROMOTIONAL ACTIVITY AMONG THEIR MEMBERS:
29 *PROVIDED*, THAT THE PROMOTIONAL ACTIVITY IS NOT
30 CONSIDERED SALES PROMOTIONAL CAMPAIGN AS DEFINED
31 UNDER THIS ACT.”

32 **SEC. 21.** Article 116, Chapter VI –Advertising and Sales Promotion, Title III of R. A.
33 No. 7394 is hereby amended to read as follows:

34 “ART. [116] 126. *Permit to Conduct Promotion.* — No person shall conduct
35 any sales campaigns, including beauty contest, national in character, sponsored
36 and promoted by PRODUCERS, RETAILERS, SELLERS, DISTRIBUTORS,
37 SUPPLIERS, IMPORTERS, OR manufacturing enterprises without first securing
38 a permit from the concerned department [at least thirty (30) calendar days] prior

1 to the commencement thereof. Unless an objection or denial is received WITHIN
2 5 (FIVE) DAYS [fifteen (15) days] from filing of the COMPLETE application,
3 the same shall be deemed approved and the promotion campaign or activity may
4 be conducted: *Provided*, that any sales promotion campaign using medical
5 prescriptions or any part thereof or attachment thereto for raffles or a promise of
6 reward shall not be allowed, nor a permit be issued thereof.”

7 **SEC. 22.** R. A. No. 7394 is hereby amended by inserting a new Article 127 under
8 Chapter VI – Advertising and Sales Promotion, Title III, to read as follows:

9 “ART. 127. *APPLICATION FOR PERMIT.* - (A) THE APPLICATION FOR
10 PERMIT SHALL BE IN THE FORM PRESCRIBED BY THE DEPARTMENT
11 CONCERNED.

12 (B) *WHO MAY FILE THE APPLICATION FOR PERMIT* – THE PERSON
13 WHOSE CONSUMER PRODUCTS, SERVICES, CREDIT FACILITIES,
14 BEAUTY CONTESTS, COMPETITION, GAMES SHOWS AND THE LIKE
15 ARE BEING PROMOTED.

16 THE ABOVE PERSON SHALL SIGN THE APPLICATION INDIVIDUALLY
17 OR JOINTLY WITH THE OTHERS OR SUBMIT THEREWITH A TRUE
18 COPY OF ANY WRITTEN AGREEMENT BETWEEN OR AMONG
19 THEMSELVES, REFLECTING THE DEGREE OR EXTENT OF THEIR
20 PARTICIPATION AND RESPONSIBILITY IN THE CONDUCT OF THE
21 PROMOTIONAL ACTIVITY COVERED BY THIS ACT OR THE RULES.
22 WHERE NO LIMITATION AS TO THE EXTENT OF THE LIABILITY OR
23 RESPONSIBILITY IS INDICATED IN SUCH AGREEMENT, ALL OF THEM
24 SHALL BE JOINTLY AND SEVERALLY LIABLE AND RESPONSIBLE
25 THEREFOR.

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

32 **SEC. 23.** R. A. No. 7394 is hereby amended by inserting a new Article 128 under
33 Chapter VI – Advertising and Sales Promotion, Title III, to read as follows:

34 “ART. 128. *PROHIBITED ACTS IN THE CONDUCT OF SALES*
35 *PROMOTION.* – “THE FOLLOWING ACTS ARE PROHIBITED IN THE
36 CONDUCT OF SALES PROMOTION CAMPAIGN:

37 (A) GAMBLING AND WAGERING SCHEMES;

38 (B) USE OF MEDICAL PRESCRIPTIONS; AND

1 (C) NO PERSON SHALL DIRECTLY OR INDIRECTLY TAMPER
2 WITH THE ENTRIES, PARAPHERNALIA AND/OR ELECTRONIC
3 DEVICE IN A PROMOTIONAL CAMPAIGN/ACTIVITY COVERED
4 BY THIS ACT OR THE RULES NOR UNDULY INFLUENCE THE
5 RESULTS THEREOF, NOR PERFORM ANY ACT TO THE
6 PREJUDICE OF LEGITIMATE PARTICIPANTS OR WINNERS.”

7 SEC. 24. R. A. No. 7394 is hereby amended by inserting a new Article 129 under
8 Chapter VI – Advertising and Sales Promotion, Title III, to read as follows:

9 “ART. 129. *VOLUNTARY CANCELLATION OF APPROVED PROMOTIONAL*
10 *CAMPAIGN/ACTIVITY.*

11 (A) *VOLUNTARY CANCELLATION BEFORE PUBLICATION* – A PERSON
12 MAY VOLUNTARILY CANCEL OR DISCONTINUE THE APPROVED
13 PROMOTIONAL CAMPAIGN/ACTIVITY PROVIDED NO INFORMATION
14 DISSEMINATION AND ADVERTISING THEREON HAS BEEN MADE AND
15 THAT A WRITTEN NOTICE BE SUBMITTED TO THE DEPARTMENT
16 PRIOR TO SUCH VOLUNTARY CANCELLATION.

17 (B) *VOLUNTARY CANCELLATION AFTER PUBLICATION* – IF ANY
18 ANNOUNCEMENT, INFORMATION DISSEMINATION OR ADVERTISING
19 OF THE PROMOTIONAL CAMPAIGN/ACTIVITY HAS ALREADY BEEN
20 MADE, BUT THE PROMOTION PERIOD HAS NOT YET COMMENCED,
21 THE DISCONTINUANCE OR CANCELLATION OF THE PROMOTION
22 MAY BE MADE ONLY UPON PRIOR WRITTEN NOTICE TO THE
23 DEPARTMENT WITHIN A PERIOD OF NOT LESS THAN FIVE (5) DAYS
24 BEFORE THE COMMENCEMENT OF THE ORIGINAL INTENDED DATE
25 OF PROMOTION.

26 THE SPONSOR SHALL HONOR THE PROMOTIONAL COMMITMENTS
27 SHOULD IT FAIL TO COMPLY WITH THE REQUIRED PERIOD.

28 (C) *VOLUNTARY CANCELLATION OF ONGOING PROMOTION* –
29 VOLUNTARY CANCELLATION OR DISCONTINUANCE OR SUSPENSION
30 OF ANY ONGOING PROMOTIONAL CAMPAIGNS/ACTIVITIES SHALL
31 NOT BE ALLOWED EXCEPT UPON PRIOR WRITTEN APPROVAL BY
32 THE DEPARTMENT WHICH SHALL BE BASED ON ANY OF THE
33 FOLLOWING GROUNDS:

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

36 (II) OCCURRENCE OF ANY FORTUITOUS EVENT OR FORCE
37 MAJEURE THAT WILL MAKE IT IMPOSSIBLE TO CONTINUE THE
38 PROMOTIONAL CAMPAIGN OR ACTIVITY: *PROVIDED,*

1 HOWEVER, THAT THOSE WHO HAD ALREADY WON IN THE
2 PROMOTION BEFORE THE APPROVAL OF THE CANCELLATION
3 OR DISCONTINUANCE OR SUSPENSION SHALL BE PAID OR
4 GIVEN THEIR PRIZES.”

5 **SEC. 25.** R. A. No. 7394 is hereby amended by inserting a new Article 132 under
6 Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

7 “ART. 132. *RULES ON MECHANICS.* – ALL COVERED PROMOTIONAL
8 CAMPAIGNS AND ACTIVITIES SHALL ABIDE BY OR COMPLY WITH
9 THE RULES ON THE MECHANICS OF THE PROMOTION SET FORTH IN
10 THE IMPLEMENTING RULES AND REGULATIONS OF THE AGENCY
11 CONCERNED.”

12 **SEC. 26.** R. A. No. 7394 is hereby amended by inserting a new Article 136 under
13 Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

14 “ART. 136. *SELECTION OF PARTICIPANTS AND WINNERS.* – THE
15 SELECTION OF PARTICIPANTS AND WINNERS OF A PROMOTIONAL
16 PROGRAM SHALL BE GUIDED BY THE FOLLOWING:

17 (A) MODE OF SELECTION OF PROSPECTIVE
18 PARTICIPANTS/ENTRIES – PROSPECTIVE PARTICIPANTS/ENTRIES
19 ARE SELECTED IN A FAIR, HONEST AND TRANSPARENT MANNER.
20 THERE MUST BE PROOF OF NOTICE OF SELECTION AND SUCH
21 OTHER RELEVANT INFORMATION TO THE SELECTED
22 PARTICIPANTS IN A MANNER EXPRESSLY PROVIDED FOR IN THE
23 MECHANICS.

24 (B) DETERMINATION OF WINNERS – DRAW DATE OR DATES
25 FOR THE SELECTION OF PARTICIPANTS OR WINNERS TO A
26 PROMOTIONAL CAMPAIGN OR ACTIVITY SHALL NOT BE MORE
27 THAN FOURTEEN (14) DAYS AFTER THE DEADLINE OF THE
28 SUBMISSION OF ENTRIES.

29 WINNERS MAY BE DETERMINED THROUGH THE USE OF ANY
30 TECHNIQUE NOT CONTRARY TO LAW, MORALS AND PUBLIC
31 POLICY PROVIDED THE SAME SHALL BE CONDUCTED IN A
32 FAIR, HONEST AND TRANSPARENT MANNER.”

33 **SEC. 27.** R. A. No. 7394 is hereby amended by inserting a new Article 162 under Title
34 IV - Consumer Credit Transaction to read as follows:

35 “ART. 162. *IMPLEMENTING AGENCY.* – THE BANGKO SENTRAL NG
36 PILIPINAS SHALL STRICTLY ENFORCE THE PROVISION OF THIS
37 CHAPTER AND ITS IMPLEMENTING RULES AND REGULATIONS

1 EXCEPT THOSE WHICH FALL WITHIN THE JURISDICTION OF THE
2 SECURITIES AND EXCHANGE COMMISSION.”

3 SEC. 28. Article 149, Chapter I - Establishment and Composition, Title V of R. A. No.
4 7394 is hereby amended to read as follows:

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

- 7 a) Department of Trade And Industry;
- 8 b) Department of Education, [Culture and Sports,]
- 9 c) Department of Health;
- 10 d) Department of Agriculture;
- 11 E) DEPARTMENT OF ENERGY;
- 12 F) BANGKO SENTRAL NG PILIPINAS;
- 13 G) [e] four (4) representatives from the consumer organizations of
14 nationwide base to be chosen by the President among [the] ITS nominees
15 [submitted by the various groups in the Philippines]; AND
- 16 H) [f] two (2) representatives from the business industry/sector to be
17 chosen by the President from among the nominees submitted by the
18 various business organizations.”

19 SEC. 29. Article 151, Chapter I - Establishment and Composition, Title V of R. A. No.
20 7394 is hereby amended to read as follows:

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

25 SEC. 30. Article 156, Chapter II - Powers and Functions, Title V, of R. A. No. 7394 is
26 hereby amended to read as follows:

27 “Art. [156] 171. *Consumer Participation*. — The Departments shall establish
28 procedures for RECOGNITION OF THE meaningful participation by consumers
29 or consumer organizations in the development and review of department rules,
30 policies, and programs. Such procedures shall include provisions for a forum,
31 where consumers can express their concerns and recommendations to decision-
32 makers. The departments shall exert efforts to inform consumers of pending
33 proceedings where their participation is important.”

34 SEC. 31. Article 164, Chapter III - Consumer Complaints, Title V, of R. A. No. 7394 is
35 hereby amended to read as follows:

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

- 38 “a) x x x.

1 "x x x.

2 E) AUTOMATIC CANCELLATION OF A BUSINESS NAME;

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

10 **SEC. 32.** R. A. No. 7394 is hereby amended by inserting a new Article 185 under Title
11 VI - Transitory and Final Provisions to read as follows:

12 "ART. 185. *CRIMINAL PENALTIES.* - ANY PERSON WHO VIOLATES ANY
13 PROVISION OF THIS ACT SHALL, UPON CONVICTION, BE SUBJECT TO
14 A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) BUT
15 NOT MOT MORE THAN ONE MILLION PESOS (P1,000,000.00) OR
16 IMPRISONMENT OF NOT LESS THAN THREE (3) YEARS BUT NOT
17 MORE THAN SEVEN (7) YEARS OR BOTH, UPON THE DISCRETION OF
18 THE COURT."

19 **SEC. 33.** Article 169, Title VI - Transitory and Final Provisions of R. A. No. 7394 is
20 hereby amended to read as follows:

21 "Art. [169] 186. *Prescription.* - All actions or claims accruing under the
22 provisions of this Act and the rules and regulations issued pursuant thereto shall
23 prescribe within THREE (3) years [two (2)] from the time the consumer
24 transaction was consummated or the deceptive or unfair and unconscionable act
25 or practice was committed and in case of hidden defects, from discovery thereof."

26 **SEC. 34.** *Renumbering of Articles.* Articles of R. A. No. 7394 are hereby renumbered
27 accordingly.

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

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

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

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

Approved,