

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



'16 NOV 16 P3:40

SENATE
S.B. No. 1241

RECEIVED BY: *[Signature]*

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT
GRANTING BROADER PROTECTION FOR CONSUMERS ADDING NEW PROVISIONS
AND AMENDING CERTAIN PROVISIONS FOR THE PURPOSE REPUBLIC ACT NO.
7394, OTHERWISE KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES

EXPLANATORY NOTE

One of the key manifestations of the country's development in the last half-decade is the maturity of industries and its growing consumer base. Consumers have driven growth and produced the necessary forces that lead to innovation and progress. Moreover, business leaders recognize their customers' vital importance to their sustainability and profitability.

In order to build stronger commercial systems and maintain thriving markets, there is a need to bolster the rights of consumers – and we need to do this at the soonest possible time. Thus, this measure aims to update and amend the 1992 Consumer Act of the Philippines in order to address the current issues of consumers and markets today.

In this enhanced version of the Consumer Act, we recognize the basic rights and responsibilities of consumers, based on the United Nations Guidelines for Consumer Protection. We also propose revisions to the current law to take into account the growing role of Information and Communication Technologies in the types of products, services and the ways these are now promoted and advertised in the market. We seek to provide greater protection to consumers particularly from false and deceptive advertising using mobile phones and the internet. Proposed provisions in this measure also aim to better protect consumers from dangerous and unsafe products and abusive sales practices.

Anticipating the looming influx of products and services from around the region due to the ASEAN integration, the proposed measures makes inclusion of English or Filipino translation on product labels written in foreign character/languages mandatory as part of labeling and packaging requirements.

The proposed Enhanced Consumer Act further seeks to address unnecessary constraints for small businesses, including e-commerce businesses, in order to enable them

to offer more affordable and broader options to consumers, without sacrificing the quality of products and services.

Finally, the National Consumer Affairs Council is expanded and strengthened to make the body more effective in pushing for consumer programs and policies in government. Administrative penalties for violations of provisions of this Act are also increased to more effectively address consumer complaints.

With the Enhanced Consumer Protection Act, we seek to strengthen consumer rights and responsibilities not only to produce smarter and more strategic buyers, but also push sellers to improve products and services to better cater to the public and better compete within the marketplace.

In view of the foregoing, the approval of this bill is earnestly sought.


Senator Paolo Benigno "Bam" A. Aquino IV

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AMENDING CERTAIN PROVISIONS FOR THE PURPOSE REPUBLIC ACT NO. 7394,
OTHERWISE KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES

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

1 **SECTION 1.** Article 1 of Republic Act No. 7394 is hereby amended to read as follows:
2
3 **"Art. 1. Short Title.** – This Act shall be known as the "REVISED Consumer Act of the
4 Philippines."

5 **SECTION 2.** Article 2 of the same Act is hereby amended to read as follows:
6 **"Art. 2. Declaration of Policy.** – It is the policy of the State to protect the interests of
7 the consumer, promote his general welfare and to establish standards of conduct
8 for business and industry. THE STATE RECOGNIZES THAT CONSUMERS OFTEN FACE
9 IMBALANCES IN ECONOMIC STATUS, EDUCATIONAL LEVELS AND BARGAINING
10 POWER. IT FURTHER RECOGNIZES THAT CONSUMERS SHOULD HAVE THE RIGHT OF
11 ACCESS TO NON-HAZARDOUS PRODUCTS, AS WELL AS THE RIGHT TO A JUST,
12 EQUITABLE AND SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT AND
13 ENVIRONMENTAL PROTECTION. Towards this end, the State shall implement
14 measures to attain the following objectives:

- 15 A) TO PROVIDE ADEQUATE PROTECTION FOR THE POPULATION AS CONSUMERS;
- 16 B) TO FACILITATE PRODUCTION AND DISTRIBUTION PATTERNS RESPONSIVE TO THE
- 17 NEEDS AND DESIRES OF CONSUMERS;
- 18 C) TO INSTILL THE VALUE OF ETHICAL CONDUCT AMONG THOSE ENGAGED IN THE
- 19 PRODUCTION AND DISTRIBUTION OF GOODS AND SERVICES TO CONSUMERS;
- 20 D) TO CURB ABUSIVE BUSINESS PRACTICES BY ALL ENTERPRISES WHICH MAY
- 21 ADVERSELY AFFECT CONSUMERS;
- 22 E) TO ENCOURAGE AND ENSURE THE REPRESENTATION AND ACTIVE INVOLVEMENT
- 23 OF VARIOUS STAKEHOLDERS AND THE PUBLIC AT LARGE IN THE FORMULATION

- 1 OF BOTH SOCIAL AND ECONOMIC POLICIES THAT AY AFFECT THE INTERESTS OF
2 CONSUMERS;
3 F) TO FACILITATE THE DEVELOPMENT AND STRENGTHENING OF INDEPENDENT
4 CONSUMER GROUPS;
5 G) TO FOSTER LINKAGES, PARTNERSHIPS AND INTERNATIONAL COOPERATION IN
6 THE FIELD OF CONSUMER PROTECTION;
7 H) TO ENCOURAGE THE DEVELOPMENT OF MARKET CONDITIONS WHICH PROVIDE
8 CONSUMERS WITH GREATER CHOICE AT LOWER PRICES; AND
9 I) TO PROMOTE SUSTAINABLE CONSUMPTION.”

- 10 [a] Protection against hazards to health and safety;
11 b) Protection against deceptive, unfair and unconscionable sales acts and practices;
12 c) Provision of information and education to facilitate sound choice and the proper
13 exercise of rights by the consumer;
14 d) Provision of adequate rights and means of redress; and
15 e) Involvement of consumer representatives in the formulation of social and
16 economic policies.]

17 **SECTION 3.** A new Article denominated as Article 3 is hereby inserted to read as follows:

18 “ART. 3. CONSUMER RIGHTS –THE CONSUMER RIGHTS ARE:

- 19 A) RIGHT TO BASIC NEEDS – THE CONSUMER SHALL HAVE ACCESS TO FOOD,
20 CLOTHING, SHELTER, HEALTH CARE, EDUCATION AND SANITATION REGARDLESS OF
21 ECONOMIC STATUS.
22 B) RIGHT TO SAFETY – THE CONSUMER SHALL BE ENTITLED TO PROTECTION
23 AGAINST THE MARKETING OF GOODS OR PROVISION OF SERVICES THAT ARE
24 HAZARDOUS TO HEALTH AND LIFE, AND DAMAGING TO PROPERTY;
25 C) RIGHT TO CHOOSE – THE CONSUMER SHALL BE ABLE TO FREELY CHOOSE FROM A
26 VARIETY OF OPTIONS, INCLUDING PRODUCTS, SERVICES, CREDIT AND TECHNOLOGY,
27 AT COMPETITIVE PRICES WITH AN ASSURANCE OF SATISFACTORY QUALITY.
28 D) RIGHT TO REPRESENTATION – THE CONSUMER SHALL BE ENTITLED TO EXPRESS
29 CONSUMER INTERESTS AND BE INVOLVED IN THE MAKING AND EXECUTION OF
30 GOVERNMENT POLICIES.
31 E) RIGHT TO REDRESS – THE CONSUMER SHALL HAVE ACCESS TO THE APPROPRIATE
32 REMEDIES FOR MISREPRESENTATION, SUBSTANDARD OR DEFECTIVE GOODS AND
33 IMPERFECT AND/OR UNSATISFACTORY SERVICES.
34 F) RIGHT TO CONSUMER EDUCATION – THE CONSUMER SHALL HAVE ACCESS TO
35 KNOWLEDGE AND SKILLS NECESSARY TO MAKE AN INFORMED CHOICE.
36 G) RIGHT TO SAFETY – THE CONSUMER SHALL BE ENTITLED TO PROTECTION
37 AGAINST THE MARKETING OF GOODS OR PROVISION OF SERVICES THAT ARE
38 HAZARDOUS TO HEALTH AND LIFE.
39 H) RIGHT TO A HEALTHY ENVIRONMENT. – THE CONSUMER SHALL HAVE ACCESS TO
40 LIVE AND WORK IN AN ENVIRONMENT WHICH IS NEITHER THREATENING NOR
41 DANGEROUS AND WHICH PERMITS A LIFE OF DIGNITY AND WELL-BEING.”
42 I) RIGHT TO INFORMATION – THE CONSUMER SHALL HAVE ACCESS TO PROTECTION
43 AGAINST DISHONEST OR MISLEADING ADVERTISING OR LABELING AND SHOULD BE

1 PROVIDED WITH THE FACTS AND INFORMATION NEEDED TO MAKE AN INFORMED
2 CHOICE."

3 **SECTION. 4.** A new Article denominated as Article 4 is hereby inserted to read as follows:

4 "ART. 4. CONSUMER RESPONSIBILITIES. – THE CONSUMER RESPONSIBILITIES ARE:
5 A) CRITICAL AWARENESS – THE CONSUMER SHALL BE ALERT AND
6 INQUISITIVE ABOUT THE QUALITY, PRICE AND USE OF GOODS AND SERVICES;
7 B) ACTION – THE CONSUMER SHALL ASSERT AND ACT TO ENSURE THAT
8 HE/SHE WILL ALWAYS GET A FAIR DEAL TAKING INTO CONSIDERATION THAT
9 AS LONG AS A CONSUMER REMAINS PASSIVE, CONSUMERS WILL CONTINUE
10 TO BE EXPLOITED;
11 C) SOCIAL CONCERN – THE CONSUMER SHALL BE MORE AWARE OF THE
12 IMPACT OF ONE’S CONSUMPTION ON OTHER CITIZENS, ESPECIALLY
13 DISADVANTAGED OR POWERLESS GROUPS, WHETHER IN THE LOCAL,
14 NATIONAL, OR INTERNATIONAL COMMUNITY;
15 D) ENVIRONMENTAL AWARENESS – THE CONSUMER SHALL BE MORE AWARE
16 OF THE ENVIRONMENTAL CONSEQUENCES OF ONE’S CONSUMPTION. THE
17 CONSUMER SHOULD RECOGNIZE INDIVIDUAL AND SOCIAL RESPONSIBILITY
18 TO CONSERVE NATURAL RESOURCES AND PROTECT THE EARTH FOR FUTURE
19 GENERATIONS; AND
20 E) SOLIDARITY – CONSUMERS SHALL ORGANIZE INTO AN ASSOCIATION TO
21 DEVELOP THEIR STRENGTH AND INFLUENCE IN THE PROMOTION AND
22 PROTECTION OF THEIR INTERESTS."

23 **SECTION. 5.** Article 4 of the same Act is hereby amended to read as follows:

24 "ART. [4] 6. Definition of Terms. – For purposes of this Act, the term:

25 a) "Advertisement" means A FORM OF COMMUNICATION AND/OR
26 ANY PAID ANNOUNCEMENT OR PUBLIC NOTICE ABOUT CONSUMER
27 PRODUCTS, SERVICES, CREDIT, OR TECHNOLOGY ESPECIALLY IN PRINT, BY
28 BROADCAST, AND USING ANY OTHER MEDIA INTENDED TO PERSUADE AN
29 AUDIENCE OR THE PUBLIC AT LARGE TO PURCHASE OR TAKE SOME
30 ACTIONS. [the prepared and through any form of mass medium,
31 subsequently applied, disseminated or circulated advertising matter] .

32 xxx xxx xxx

33 h) "Batch" means a quantity of any [drug or device] PRODUCT OR
34 GOOD produced during a given cycle of manufactur[e]ING OR
35 PROCESSING.

36 xxx xxx xxx

37 k) "Chain distribution plans" or "pyramid sales schemes" means sales
38 [devices] MECHANISMS whereby a person, upon condition that he makes

1 an investment, is granted by the manufacturer of his representative a
2 right to recruit for profit one or more additional persons who will also be
3 granted such right to recruit upon condition of making similar
4 investments: Provided, That the profits of the person employing such a
5 plan are derived [primarily] DIRECTLY from the recruit[ment]'S
6 INVESTMENT of other persons into the plan rather than from the sale of
7 consumer products, services and credit: Provided, further, That the
8 limitation on the number of participants does not change the nature of
9 the plan.

10 xxx xxx xxx

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, [or] credit, TECHNOLOGY, ADVERTISING OR
14 PROMOTION, AND OTHER ITEMS IN COMMERCE.

15 xxx xxx xxx

16 q) "Consumer products and services" means goods, services and
17 credits, debts or obligations, which are primarily for personal,
18 family, household or agricultural purposes, which shall include but
19 not limited to food, drugs, cosmetics, [and] devices, AND
20 TECHNOLOGY.

21 xxx xxx xxx

22 w) "Credit card" means any card for USE UPON PRESENTATION TO PAY
23 FOR CONSUMER PRODUCTS AND SERVICES [means any card, plate,
24 coupon book or other credit device existing for the purpose of
25 obtaining money, property, labor or services on credit].

26 xxx xxx xxx

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

31 xxx xxx xxx

32 bm) "Sales Promotion" means techniques intended for broad
33 consumer participation which contain promises of gain such as prizes, in
34 cash or in kind, as reward for the purchase of a product, security, service
35 or winning in contest, game, tournament and other similar competitions
36 which involve determination of winner/s and which utilize mass media or

1 other widespread media of information. It also means techniques purely
2 intended to increase the sales, patronage and/or goodwill of a product.

3 xxx xxx xxx

4 bn) "Seller" means a person engaged in the business of selling
5 consumer products AND SERVICES directly to consumers. It shall include a
6 supplier or distributor if (1) the seller is a subsidiary or affiliate of the
7 supplier or distributor; (2) the seller interchanges personnel or maintains
8 common or overlapping officers or directors with the supplier or
9 distributor; or (3) the supplier or distributor provides or exercises
10 supervision, direction or control over the selling practices of the seller.

11 xxx xxx xxx

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

14 xxx xxx xxx

15 **SECTION 6.** Article 6 of the same Act is hereby amended to read as follows:

16 "ART. [6] 8. Implementing Agencies. – The provisions of this Article and its implementing
17 rules and regulations shall be enforced by:

18 a) the Department of Health with respect to food, drugs, cosmetics, devices and
19 substances;

20 b) the Department of Agriculture with respect to products related to agriculture AND
21 FISHERY, [and;]

22 C) THE DEPARTMENT OF ENERGY WITH RESPECT TO FUEL AND PETROLEUM PRODUCTS;

23 D) THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES WITH RESPECT TO
24 ENVIRONMENTAL CONCERNS;

25 E) THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY FOR
26 PRODUCTS AND SERVICES AVAILABLE ONLINE; AND

27 F) the Department of Trade and Industry with respect to other consumer products not
28 specified above."

29 **SECTION 7.** Article 8 of the same Act is hereby amended to read as follows:

30 "ART. [8] 10 Publications of Consumer Product Standards. – The concerned
31 departments shall, upon promulgation of the above standards, publish or cause the
32 publication of the same in two (2) newspapers of general circulation at least once a
33 week for a period of not less than one (1) month AND IN THE OFFICIAL GAZETTE. IT
34 MAY ALSO BE PUBLISHED IN THE DEPARTMENT'S/AGENCY'S OFFICIAL WEB PORTAL.
35 It may likewise conduct an information campaign through other means deemed
36 effective to ensure the proper guidance of consumers, businesses, industries and
37 other sectors concerned."

1 **SECTION 8.** Article 10 of the same Act is hereby amended to read as follows:

2 “ART. [10] 12. Injurious, Dangerous and Unsafe Products. - Whenever the
3 departments find, by their own initiative or by petition of a consumer, that a
4 consumer product is found to be injurious, unsafe or dangerous, it shall, after due
5 notice and hearing, make the appropriate order for its recall, prohibition or seizure
6 from public sale or distribution: Provided, That, in the sound discretion of the
7 department it may declare a consumer product to be imminently injurious, unsafe
8 or dangerous, and order is immediate recall, ban or seizure from public sale or
9 distribution, in which case, the seller, distributor, manufacturer or producer thereof
10 shall be afforded a hearing within forty-eight (48) hours from such order: PROVIDED,
11 FURTHER, THAT ANY ESTABLISHMENT CAUGHT IN THE ACT OF SELLING,
12 DISTRIBUTING, MANUFACTURING, PRODUCING, DISPLAY OR IMPORTATION OF
13 SUBSTANDARD AND HAZARDOUS PRODUCTS SHALL AUTHORIZE THE
14 IMPLEMENTING AGENCIES TO CLOSE AND SHUT DOWN THE BUSINESS PREMISES.

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

19 **SECTION 9.** Article 11 of the same Act is hereby amended to read as follows:

20 “ART. [11] 13. Amendment and Revocation of Declaration of the Injurious, Unsafe
21 or Dangerous Character of a Consumer Product OR SERVICE. – Any interested
22 person may petition the appropriate department to commence a proceeding for
23 the issuance of an amendment or revocation of a consumer product OR SERVICE
24 safety rule or an order declaring a consumer product OR SERVICE injurious,
25 dangerous and unsafe.

26 In case the department, upon petition by an interested party or its own initiative
27 and after due notice and hearing, determines a consumer product OR SERVICE to
28 be substandard or materially defective, OR DEFICIENT IN THE CASE OF A SERVICE,
29 it shall so notify the PRODUCT manufacturer, distributor or seller, OR SERVICE
30 PROVIDER [thereof of such finding and order such manufacturer, distributor or
31 seller] to RECTIFY WITHOUT DELAY:

- 32 a) ISSUE PRODUCT RECALL AND/OR SERVICE SUSPENSION AND give notice
33 to the public of the defect or failure to comply with the product safety
34 standards; [and]
- 35 b) Give notice to each distributor or SELLER [retailer] of such product OR
36 SERVICE; AND
- 37 c) GIVE NOTICE TO EVERY PERSON TO WHOM SUCH CONSUMER PRODUCT
38 WAS DELIVERED OR SOLD OR SERVICE REDERED OR GIVEN.”

1 The department shall also direct the manufacturer, distributor or seller of such
2 product OR SERVICE PROVIDER to extend WITHIN REASONABLE TIME any or all of
3 the following remedies to the injured person:

4 a) To bring such product OR SERVICE into conformity with the requirements of
5 the applicable consumer product OR SERVICE standards or to repair the
6 defect OR CORRECT THE SERVICE DEFICIENCY in order to conform with the
7 same;

8 b) To replace the product with a like or equivalent product which complies
9 with the applicable consumer product standards which does not contain the
10 defect;

11 c) To refund the purchase price of the product less a reasonable allowance for
12 use OR IN THE CASE OF SERVICE REFUND LESS THE FEE PAID FOR THE
13 SERVICE; and

14 d) To pay the consumer reasonable damages as may be determined by the
15 department.

16 The PRODUCT manufacturer, distributor or seller OR SERVICE PROVIDER shall not
17 charge a consumer who avails himself of the remedy as provided above of any
18 expense and cost that may be incurred."

19 **SECTION 10.** Article 52 of the same Act is hereby amended to read as follows:

20 "ART. [52] 54. *Unfair or Unconscionable Sales Act or Practice.* – An unfair or
21 unconscionable sales act or practice by a seller or supplier in connection with a
22 consumer transaction violates this Chapter whether it occurs before, during or after the
23 consumer transaction. An act or practice shall be deemed unfair or unconscionable
24 whenever the producer, manufacturer, distributor, supplier or seller, by taking
25 advantage of the consumer's physical or mental infirmity, ignorance illiteracy, lack of
26 time or the general conditions of the environment or surroundings, induces the
27 consumer to enter into a sales or lease transaction inimical to the interests of the
28 producer, manufacturer, distributor, supplier or seller.

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

31 a) that the producer, manufacturer, distributor, supplier or seller took advantage of
32 the inability of the consumer to reasonably protect his interest because of
33 inability to understand the language of an agreement, or similar factors;

34 b) that when the consumer transaction was entered into, the price grossly
35 exceeded the price at which similar products or services were readily obtainable
36 in similar transaction by like consumers;

- 1 c) that when the consumer transaction was entered into the consumer was unable
2 to receive a substantial benefit from the subject of transaction;
- 3 d) that when the consumer transaction was entered into, the seller or supplier was
4 aware that there was no reasonable probability or payment of the obligation in
5 full by the consumer;
- 6 e) that the transaction that the seller or supplier induced the consumer to enter
7 into was excessively one-sided in favor of the seller or supplier SUCH AS BUT NOT
8 LIMITED TO:

9 1) THAT WHEN THE CONSUMER TRANSACTION WAS ENTERED INTO,
10 THE SELLER OR SUPPLIER IMPOSES UPON THE CONSUMER TERMS
11 AND CONDITIONS GROSSLY DISADVANTAGEOUS TO THE LATTER
12 WHO IS REDUCED TO THE ALTERNATIVE OF ACCEPTING THE
13 CONTRACT OR LEAVING IT, COMPLETELY DEPRIVED OF THE
14 OPPORTUNITY TO BARGAIN ON EQUAL FOOTING; AND

15 2) THE SELLER OR SUPPLIER EMPLOYS AN AGGRESSIVE MARKETING
16 PRACTICE THAT SIGNIFICANTLY CONSTRAINS OR IMPAIRS OR IS
17 LIKELY TO SIGNIFICANTLY CONSTRAIN OR IMPAIR THE AVERAGE
18 CONSUMER'S FREEDOM OF CHOICE OR CONDUCT WITH REGARD
19 TO THE PURCHASE OF A PRODUCT OR SERVICE THAT CAUSES
20 HIM/HER OR IS LIKELY TO CAUSE HIM/HER TO ENTER INTO A
21 CONSUMER TRANSACTION DIFFERENT FROM THE ONE HE/SHE
22 WOULD HAVE INTENDED, OR HE/SHE WOULD NOT HAVE DONE
23 OTHERWISE."

24 **SECTION 11.** Article 62 of the same Act is hereby amended to read as follows:

25 "ART. [62] 64. Sealing and Testing of Instruments of Weights and Measure. – All
26 instruments for determining weights and measures in all consumer and consumer
27 related transactions shall be tested, calibrated and sealed every six (6) months by
28 the official sealer who shall be the Provincial or City or Municipal Treasurer or his
29 authorized representative SUCH AS THE DULY DESIGNATED MARKET
30 ADMINISTRATOR IN THE SAID LOCALITY upon payment of fees required under
31 existing law: *Provided*, That all instruments of weights and measures shall
32 continuously be inspected for compliance with the provisions of this Chapter.

33 THE SAFEKEEPING AND MAINTENANCE OF SAID INSTRUMENTS SHALL BE UNDER
34 THE CONTROL AND SUPERVISION OF THE MARKET SUPERVISOR CONCERNED WHO
35 SHALL LIKEWISE BE IN CHARGE OF KEEPING A RECORD OF EVERY PRODUCT FOUND
36 TO BE WANTING OF A QUANTITY OR A SUBSTANDARD IN DIMENSION AS WELL AS
37 THE CIRCUMSTANCES SURROUNDING THE SALE THEREOF, INCLUDING BUT NOT
38 LIMITED TO, THE NAME OF THE BUYER, THE PRICE PAID, AND THE ESTABLISHMENT
39 WHERE THE SAME WAS BOUGHT INCLUDING THE NAME OF THE PROPRIETOR OR
40 MANAGER THEREOF.

1
2 A CERTIFICATION DULY ISSUED BY THE MARKET ADMINISTRATOR SUPERVISOR OR
3 HIS/HER AUTHORIZED REPRESENTATIVE REFLECTING THE CONTENTS OF SUCH
4 RECORD SHALL SERVE AS A PRIMA FACIE EVIDENCE OF VIOLATION OF THE
5 PROHIBITED ACTS AS PROVIDED HEREIN.

6 **SECTION 12.** Article 68 of the same Act is hereby amended to read as follows:

7 "ART. [68] 70. Additional Provisions on Warranties. – In addition to the Civil Code
8 provisions on sale with warranties, the following provisions shall govern the sale of
9 consumer products with warranty:

10 xxx xxx xxx

11 (f) Breach of warranties. -

12 xxx xxx xxx

13 (3) MANUFACTURERS OR DISTRIBUTORS MUST MAINTAIN CONSUMER
14 HOTLINES OR SERVICE CENTERS THAT CONSUMERS CAN EASILY REACH FOR
15 COMPLAINTS AND INQUIRIES BY PHONE, EMAIL, OR OTHER EFFECTIVE
16 MEANS. CONSUMERS MUST NOT BE MADE TO SUFFER GREAT
17 INCONVENIENCES IN CONTACTING MANUFACTURERS TO CLAIM WARRANTIES
18 AND OTHER NEEDED SERVICES."

19 **SECTION 13.** A new Article denominated as Article 80 is hereby inserted to read as follows:

20 "ART. 80. ENGLISH OR FILIPINO TRANSLATION OF PRODUCT LABELS WRITTEN IN
21 FOREIGN CHARACTERS/LANGUAGES. – CONSUMER PRODUCTS WITH PRODUCT
22 LABELS WRITTEN IN FOREIGN CHARACTERS/LANGUAGE SHALL BE ALLOWED ENTRY
23 INTO THE COUNTRY AND INTRODUCED INTO COMMERCE PROVIDED THEY HAVE A
24 CORRESPONDING ENGLISH OR FILIPINO TRANSLATION TO ENABLE THE AUTHORITIES
25 TO DETERMINE WHETHER THE PRODUCT HAS COMPLIED WITH ALL THE OTHER
26 LABELING REQUIREMENTS AS WELL AS PROVIDE THE CONSUMERS PROPER
27 GUIDANCE ON THE CONTENTS AND SOURCE / ORIGIN OF THE PRODUCT.

28 IMPORT DATA FROM THE BUREAU OF CUSTOMS AND BUREAU OF IMPORT SERVICES
29 SHALL BE RECOGNIZED AS OFFICIAL SOURCES OF INFORMATION TO VALIDATE THE
30 FOLLOWING INFORMATION RELATIVE TO A PARTICULAR IMPORTED CONSUMER
31 PRODUCT:

- 32 A) COUNTRY OF MANUFACTURER;
33 B) NAME AND ADDRESS OF MANUFACTURER/EXPORTER;
34 C) NAME AND ADDRESS OF IMPORTER/CONSIGNEE;
35 D) VALUE AND VOLUME OF SHIPMENT;
36 E) DATE OF ARRIVAL; AND
37 F) OTHER INFORMATION RELEVANT TO THE SHIPMENT IN QUESTION."

1 **SECTION 14.** Article 79 of the same Act is hereby amended to read as follows:

2 “ART [79] 82. Authority of the Concerned Department to Provide for Additional
3 Labeling and Packaging Requirements. - Whenever the concerned department
4 determines that regulations covering requirements other than those prescribed in
5 Section 77 hereof are necessary to prevent the deception of the consumer or to
6 facilitate value comparisons as to any consumer product, it may issue such rules and
7 regulations to:

8 a) Establish and define standards for characterization of the size of a package
9 enclosing any consumer product which may be used to supplement the label
10 statement of net quality, of contents of packages containing such products but
11 this clause shall not be construed as authorizing any limitation on the size,
12 shape, weight, dimensions, or number of packages which may be used to
13 enclose any product;

14 b) Regulate the placement upon any package containing any product or upon
15 any label affixed to such product of any printed matter stating or representing by
16 implication that such product is offered for retail at a price lower than the
17 ordinary and customary retail price or that a price advantage is accorded to
18 purchases thereof by reason of the size of the package or the quantity of its
19 contents;

20 c) Prevent the non-functional slack-fill of packages containing consumer
21 products; AND

22 D) THE CONCERNED DEPARTMENT MAY LIKEWISE ISSUE SUCH OTHER
23 REQUIREMENTS AS MAY BE PRESCRIBED BY REGULATIONS TO ENSURE THE
24 SAFETY, EFFICACY AND QUALITY OF HEALTH PRODUCTS.

25 For purposes of paragraph (c) of this Article, a package shall be deemed to be
26 nonfunctionally slack-filled if it is filled to substantially less than its capacity for
27 reasons other than (1) protection of the contents of such package, (2) the
28 requirements of machines used for enclosing the contents in such package, or (3)
29 inherent characteristics of package materials or construction being used.”

30 **SECTION 15.** Article 103 of the same Act is hereby amended to read as follows:

31 “ART. [103] 106. Repair Service Obligation. - When services are provided for the
32 repair of any product, the supplier shall be considered implicitly bound to use
33 adequate, new, original replacement parts, or those that maintain the
34 manufacturer's technical specifications unless, otherwise authorized, as regards to
35 the latter by the consumer.

36 IN PROVIDING SERVICE OR REPAIR AS REQUIRED UNDER THIS ARTICLE, THE
37 MANUFACTURER, DISTRIBUTOR, OR SELLER MUST INFORM THE CONSUMER ABOUT
38 WHICH PARTICULAR PARTS OF THE GOODS ARE DAMAGED AND HAVE TO BE

1 REPAIRED. THE CONSUMER SHALL BE GIVEN THE OPTION TO REPLACE ONLY THE
2 DAMAGED PARTS.”

3 **SECTION 16.** Article 110 of the same Act is hereby amended to read as follows:

4 “ART. [110] 113. False, Deceptive or Misleading Advertisement. – It shall be unlawful
5 for any person to disseminate or to cause the dissemination of any false, deceptive
6 or misleading advertisement by Philippine mail or in commerce by print, radio,
7 television, outdoor advertisement, INTERNET, LANDLINE, MOBILE PHONE, or other
8 medium for the purpose of inducing or which is likely to induce directly or indirectly
9 the purchase of consumer products or services.

10 xxx

xxx

xxx

11 **SECTION 17.** Article 116 of the same Act is hereby amended to read as follows:

12 “ART. [116] 119. Permit to Conduct Promotion. — No person shall conduct any
13 PROMOTIONAL sales campaign[s], including [beauty] ANY GAME OR contest, THAT
14 IS national in character, sponsored and promoted by PRODUCERS, RETAILERS,
15 SELLERS, DISTRIBUTORS, SUPPLIERS, IMPORTERS, OR manufacturing enterprises
16 without first securing a permit from the concerned department AND SUCH
17 APPLICATION SHALL IMMEDIATELY BE APPROVED UPON THE FILING OF THE
18 APPLICATION. IN CERTAIN SALES PROMOTION APPLICATION THAT MAY REQUIRE
19 EVALUATION prior to the commencement thereof, the same shall be deemed
20 approved and the promotion campaign or activity SHALL BE COMMENCED WITHIN
21 FIVE (5) DAYS FROM ITS FILING: *Provided, That* any sales promotion campaign using
22 medical prescriptions or any part thereof or attachment thereto for raffles or a
23 promise of reward shall not be allowed, nor a permit be issued thereof. *PROVIDED*
24 *FURTHER*, THAT THE OFFER OF PRICE DISCOUNTED RATES FOR SINGLE OR BULK
25 PURCHASE OF PRODUCT/S OR SERVICE/S IS EXEMPTED FROM THE REQUIREMENT
26 TO SECURE A PERMIT.

27 ALL HOLDERS OF SALES PROMOTION PERMIT SHALL PROVIDE TO THE CONCERNED
28 DEPARTMENT A COPY OF ITS PROMOTIONAL MATERIALS FOR POST AUDIT NOT
29 LATER THAN THE PUBLICATION, RELEASE, OR LAUNCH DATE, WHICHEVER IS
30 EARLIER.”

31 **SECTION 18.** Article 148 of the same Act is hereby amended to read as follows:

32 “ART. [148] 151. National Consumer Affairs Council. – To improve the management,
33 coordination and effectiveness of consumer programs, a National Consumer Affairs
34 Council is hereby [created] STRENGTHENED, hereinafter referred to as the "Council,"
35 WHICH SHALL BE ATTACHED TO THE OFFICE OF THE SECRETARY OF THE DEPARTMENT
36 OF TRADE AND INDUSTRY (DTI).”

1 **SECTION 19.** Article 149 of the same Act is hereby amended to read as follows:

2 "ART [149] 152. Composition. The Council shall be composed of representatives
3 from the following government agencies and non-government agencies:

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

18 GOVERNMENT AGENCY REPRESENTATIVES TO THE COUNCIL SHALL BE REPRESENTED
19 BY A PRINCIPAL MEMBER WITH A RANK OF NOT LESS THAN ASSISTANT SECRETARY OR
20 ITS EQUIVALENT, OR AN ALTERNATE MEMBER WITH A RANK OF NOT LESS THAN A
21 DIRECTOR OR ITS EQUIVALENT."

22 **SECTION 20.** Article 151 of the same Act is hereby amended to read as follows:

23 "ART. [151] 154. Per Diems of Members. — The members of the Council, EXCLUDING
24 THE REPRESENTATIVES FROM THE GOVERNMENT AGENCIES, shall be entitled to an
25 allowance of FIVE THOUSAND PESOS (P5, 000.00) [five hundred pesos (P500.00) per
26 meeting actually attended] PER MONTH."

27 **SECTION 21.** Article 152 of the same Act is hereby amended to read as follows:

28 "ART. [152] 155. The Secretariat. — The Council shall appoint an Executive Director
29 who shall assist the Chairman and act as Secretary of the Council. The COUNCIL SHALL
30 LIKEWISE SELECT AND HIRE ITS OWN EMPLOYEES AND FOR THIS PURPOSE provide ITS
31 OWN Secretariat which shall assist the Council in the effective performance of its
32 functions."

33 **SECTION 22.** Article 164 of the same Act is hereby amended to read as follows:

34 "Article [164] 167. Sanctions.— After investigation, any of the following
35 administrative penalties may be imposed even if not prayed for in the complaint:

36 xxx xxx xxx

37 e) the imposition of administrative fines in such amount as deemed reasonable by
38 the Secretary, which shall BE COMPUTED BASED ON FIVE PERCENT (5%) OF THE

1 GROSS VALUE OF SALES OF THE CONSUMER PRODUCT OR SERVICE SUBJECT TO
2 THE CONSUMER COMPLAINT, BUT SHALL in no case be less than FIFTY
3 THOUSAND PESOS (Php 50,000) OR MORE THAN TEN MILLION PESOS (Php
4 10,000,000) [Five hundred pesos (P500.00) nor more than Three hundred
5 thousand pesos (P300,000.00) depending on the gravity of the offense], and an
6 additional fine of not more than One thousand pesos (P1,000.00) for each day of
7 continuing violation].”

8 **SECTION 23.** Separability Clause. If any part or parts of this Act should, for any reason, be
9 declared invalid or unconstitutional, the part or parts thereof unaffected shall thereby
10 continue to remain in full force and effect.

11 **SECTION 24.** Repealing Clause. All laws, decrees, executive order, rules and regulations and
12 other issuances consistent with this Act is hereby repealed or amended accordingly.

13 **SECTION 25.** Effectivity. This Act shall take effect fifteen (15) days from the date of
14 publication in at least two (2) newspapers of general circulation.

15 *Approved,*