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SENATE

S.B. No. 1466

(In Substitution of SB No. 1340)

Prepared by the Committee on Trade, Commerce & Entrepreneurship
with Senator Zubiri as author thereof

AN ACT
PROHIBITING THE IMPOSITION OF EXPIRY DATES ON GIFT CHECKS,
CERTIFICATES OR CARDS BY ISSUERS AND FOR OTHER PURPOSES

*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 “Gift Check Act of 2017.”
- 2 **SEC. 2.** *Declaration of Policies.* - It is the policy of the State to protect the interests of the
- 3 consumer, promote his general welfare and to establish standards of conduct for business and
- 4 industry; it shall ensure that the best interest of the consumer shall be considered in the
- 5 interpretation and implementation of the provisions therein, including its implementing rules and
- 6 regulations; it shall promote and encourage fair, honest and equitable relations among parties in
- 7 consumer transaction and protect the consumers against deceptive, unfair and unconscionable
- 8 sales acts and practices.
- 9 Towards this end, the State, through the Department of Trade and Industry (DTI),
- 10 recognizes that a gift certificate/check/card represents value held in trust by the issuer thereof on
- 11 behalf of its beneficiary/bearer, and therefore finds it imperative to ensure that consumers are not
- 12 unduly deprived of their money.
- 13 **SEC. 3.** *Scope.* - This Act shall apply to all issuers of gift certificate/check/card as defined under
- 14 Section 4 of this Act.

1 **SEC. 4. *Definition and Coverage.*** - As referred to in this Act,

- 2 a) “Gift Check/Certificate/Card” refers to an instrument issued to an individual,
3 partnership or a juridical entity for monetary consideration honored at a single
4 merchant or an affiliated group of merchants as payment for consumer goods or
5 services provided by such merchant or affiliated group of merchants upon
6 presentation of said gift check/certificate/card to the extent of the value, credit or
7 balance stored in the instrument. The instrument may be in the form of paper, plastic
8 card or payment code generated as a result of electronic fund transfer.

9 For this purpose, gift checks/certificates/cards that are issued to consumers under an
10 award, loyalty or promotional program are not covered by this Act.

- 11 b) “Issuer” - any juridical entity that provides the instrument that holds value for which
12 consumer goods or services will be exchanged.

13 **SEC. 5. *Prohibition.*** – It shall be unlawful to issue any gift check/certificate/card that bears an
14 expiry date.

15 The imposition of an expiry date on the stored value, credit or balance of the gift
16 check/certificate/card shall likewise be unlawful.

17 All gift checks/certificates/cards shall remain valid until the stored value/credit/balance
18 is fully consumed by the bearer.

19 **SEC. 6. *Instances Where Issuers and Accredited Merchants May Refuse to Honor Gift***
20 ***Checks/Certificates/Cards.*** - The issuer and its accredited merchant may refuse to honor gift
21 checks/certificates/cards under the following circumstances:

- 22 (a) When the gift check/certificate/card is lost due to no fault of the issuer;
23 (b) When the gift check/certificate/card is mutilated or defaced due to no fault of
24 the issuer and such damage prevents the issuer from identifying the security
25 and authenticity features thereof.

26 This Act shall not prevent any issuer from prescribing reasonable rules for
27 changing, upgrading, or updating the gift check/certificate/card; Provided, that it does
28 not impose additional cost to the consumer; Provided, further, that it does not violate
29 the provisions of this Act.

1 **SEC. 7. *Applicability to Promotional Programs, Warranties, Return Policies, and Senior***
2 ***Citizens/ Persons with Disability Discounts.***- Promotional sales activities, loyalty programs,
3 warranties, return policies for cash purchases, and discounts for senior citizens/persons with
4 disability as provided for under relevant laws and rules and regulations, shall likewise apply to
5 purchases of goods and services made with gift check/certificate/card.

6 **SEC. 8. *Penalties.*** - Any person who violates the provisions of this Act shall, upon conviction,
7 be subject to a fine of not less than Fifty Thousand Pesos (50,000.00) but not more than One
8 Million Pesos (P1,000,000.00).

9 **SEC. 9. *Consumer Complaints.*** - Complaints for violation/s of this Act shall be made in
10 accordance with the provisions of the R.A. No. 7394 or the Consumer Act of the Philippines.

11 **SEC. 10. *Implementing Rules and Regulations.*** - The Department of Trade & Industry (DTI) and
12 appropriate stakeholders shall, within ninety (90)days from the effectivity of this Act,
13 promulgate the rules and regulations necessary to effectively implement the provisions of this
14 Act.

15 **SEC. 11. *Repealing Clause.*** - All laws, executive orders, rules and regulations or parts thereof
16 which are inconsistent with this Act are hereby repealed or amended accordingly.

17 **SEC. 12. *Separability Clause.*** - If for any reason, any article or provision of this Act or any
18 portion thereof or the application of such article, provision or portion thereof to any person,
19 group or circumstance is declared invalid or unconstitutional, the remainder of this Act shall not
20 be affected by such decision.

21 **SEC. 13. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its publication in
22 at least two (2) newspapers of general circulation.

23 Approved,