

**SENATE**

20 JUL -8 A11 :54

S. No. 1677

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Introduced by Senator Manuel "Lito" M. Lapid

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**AN ACT**  
**PROVIDING MEASURES TO PROTECT INDIVIDUALS ENGAGED IN FOOD**  
**AND GROCERY DELIVERY SERVICES**

**EXPLANATORY NOTE**

The COVID-19 pandemic has forced most of us to stay at home as much as possible and avoid crowded places that we normally visit such as restaurants, fast food outlets, supermarkets and groceries. One of the various front-liners who took the risk and continued working and providing for our needs during the time of community quarantine and lockdown are the delivery riders of food and grocery delivery service applications.

Unfortunately, these delivery riders have recently been exposed to unjustified cancellation of orders or even to instances of "no-show" customers, despite the fact that they have already advanced or paid the ordered items. These fraudulent acts result to a waste of time and money on the part of the delivery riders. To make matters worse, some of these cancelling customers cannot be traced and be held for collection as they use fake names and/or addresses.<sup>1</sup>

To provide adequate protection to delivery riders/drivers, this proposed measure aims to require food and grocery delivery service providers to establish a mandatory reimbursement scheme for cancellation of orders. Reimbursement of the full amount of cancelled orders must be made within one day from cancellation. To facilitate collection against cancelling customers, this bill also requires the

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<sup>1</sup> <https://newsinfo.inquirer.net/1240010/grab-philippines-on-suspended-accounts>

implementation of Know-Your-Customer (KYC) rules which will entail the submission and verification of proof of identity and residential address, subject to compliance with the Data Privacy Act of 2012. This bill also penalizes repeated acts of unjustified cancellation of confirmed orders for the delivery of food and/or grocery items when the same has already been paid by the Delivery Rider/Driver, for at least three (3) times in a period of one (1) month – with a prison sentence of *arresto mayor* (one month and one day to six months) and/or a fine of an amount not exceeding Php 100,000. Failure of the food and grocery deliver service providers to set up the reimbursement scheme is likewise penalized with a fine not exceeding Five Hundred Thousand Pesos (Php 500,000.00) and double the amount of money not reimbursed to their Delivery Riders/Drivers.

In view of this, early passage of this bill is sought.



**MANUEL "LITO" M. LAPID**  
*Senator*

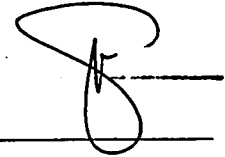


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**AN ACT**  
**PROVIDING MEASURES TO PROTECT INDIVIDUALS ENGAGED IN FOOD**  
**AND GROCERY DELIVERY SERVICES**

*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 "*Food and Grocery*  
2 *Delivery Services Protection Act*".

3  
4 Section 2. *Definition of Terms.* – For purposes of this Act, these terms are  
5 defined as follows:

- 6 a) Food and Grocery Delivery Service – a form of courier or delivery service where  
7 a person through a mobile phone application, internet website or any other  
8 similar platform orders food or grocery items from a third-party seller and  
9 engages the service of a rider or driver for the delivery of said order for a fee;
- 10 b) Food and Grocery Delivery Service Providers – these are persons or entities  
11 who are engaged in the business of providing food and grocery delivery services  
12 by way of mobile phone applications, internet websites or other similar  
13 platforms;
- 14 c) Delivery Riders or Drivers – regardless of the existing contractual relationship  
15 with the service providers, these are persons who perform the delivery services

1 by picking up the ordered items from the third-party seller, advancing the  
2 payment for such items and delivering the items to the customers who avail of  
3 the service;

- 4 d) Confirmed Order – there shall be a confirmed order once the customer sent his  
5 confirmation to the Delivery Rider with respect to the order for the purchase of  
6 food and/or grocery items.

7  
8 **Section 3. *Mandatory Reimbursement Scheme in Favor of Delivery***  
9 ***Riders/Drivers.*** – The Service Providers shall establish a reimbursement scheme in  
10 favor of deliver riders/drivers covering the entire amount of money advanced to  
11 purchase the ordered items, in case of cancellation of confirmed orders.  
12 Reimbursement to the riders/drivers shall occur within one (1) day from cancellation.

13 In turn, it shall be the duty of Service Providers to pursue claims for collection  
14 from its cancelling customers.

15 Any investigation or inquiry conducted by the Service Providers on the propriety  
16 or validity of the cancellation shall not affect the right of the riders/drivers to  
17 reimbursement under this Section.

18  
19 **Section 4. *Know-Your-Customer Rules for Food and Grocery Delivery Service.***  
20 – The Service Providers shall require its customers, prior to the registration with their  
21 mobile phone applications, internet websites or other similar platforms, to submit a  
22 valid proof of identity and residential address. Procedures for verification of identity  
23 shall likewise be implemented by the Service Providers. The processing of personal  
24 information done in accordance with this Section shall be fully compliant with the  
25 requirements of Republic Act No. 10173, or the "Data Privacy Act of 2012."

26  
27 **Section 5. *Prohibited Acts.*** – (a) Any Customer who commits repeated acts of  
28 unjustified cancellation of confirmed orders for the delivery of food and/or grocery  
29 items when the same has already been paid by the Delivery Rider/Driver, for at least  
30 three (3) times in a period of one (1) month, shall, upon conviction, be subject to the  
31 penalty of *arresto mayor* and/or fine of an amount not exceeding One Hundred

1 Thousand Pesos (Php 100,000.00). This is notwithstanding the reimbursement made  
2 by the Service Provider to the Delivery Rider/Driver.

3 Full reimbursement made by the customer either to the Delivery Rider/Driver  
4 or to the Service Provider, within one (1) day from cancellation, shall be considered  
5 as an exception to this prohibited act.

6 (b) Within one (1) month from the effectivity of this Act, any Service Provider  
7 who fails to establish the reimbursement scheme mandated by Section 3 hereof shall  
8 be liable for a fine not exceeding Five Hundred Thousand Pesos (Php 500,000.00) and  
9 double the amount of money not reimbursed to their Delivery Riders/Drivers. Any  
10 newly established Service Provider subsequent to the effective of this Act shall also  
11 incur the same penalty for failure to establish the reimbursement scheme prior to its  
12 commencement of operations.

13  
14 *Section 6. Implementing Rules and Regulations.* – Within sixty (60) days from  
15 the effectivity of this Act, the Department of Trade and Industry, Data Privacy  
16 Commission and other relevant government agencies and stakeholders, shall issue the  
17 necessary rules and regulations to implement the provisions of this Act.

18  
19 *Section 7. Repealing Clause.* — All laws, presidential decrees, executive orders,  
20 proclamations, rules and regulations, or any part thereof, which are inconsistent with  
21 the provisions of this Act are hereby repealed or modified accordingly.

22  
23 *Section 8. Separability Clause.* – If any provision or part of this Act, or the  
24 application thereof to any person or circumstance, is held unconstitutional or invalid,  
25 the remainder of this Act shall not be affected thereby.

26  
27 *Section 9. Effectivity Clause.* — This Act shall take effect fifteen (15) days from  
28 its publication in the Official Gazette or in at least two (2) newspapers of general  
29 circulation.

30  
31 *Approved,*