

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

5 JUN -6 P5:14

SENATE

RECEIVED BY: _____

P. S. Res. No. 275

Introduced by Senator S. R. Osmeña III

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON TRADE AND COMMERCE TO CONDUCT AN INQUIRY INTO CONSUMER COMPLAINTS AGAINST UNDESIRABLE TRADE PRACTICES OF PRIVATE CORPORATIONS FOR THE PURPOSE OF CRAFTING PROPOSED AMENDMENTS TO THE CORPORATION CODE, THE CONSUMER ACT OF THE PHILIPPINES AND OTHER LAWS, OR DRAFTING NEW BILLS TO STRENGTHEN THE PROTECTION OF THE RIGHTS OF CONSUMERS

WHEREAS, Republic Act No. 7394 known as the Consumer Act of the Philippines deals with protection of buyers of consumer products, services or credit only;

WHEREAS, Republic Act No. 7581 known as the Price Act affords protection to buyers of basic necessities and prime commodities only;

WHEREAS, buyers of products and services not falling within the respective limited scope of the foregoing laws are not enjoying similar protection, even as some existing laws provide inadequate mechanisms of prompt redress when consumers' rights are violated, opening opportunities for unscrupulous companies to engage undesirable trade practices;

WHEREAS, various questionable sales of products or services by Mutinational Telecom Investors Corporation (Multitel), Genta Ogami, Fantasy World and Tibayan Group of Companies, to mention a few, exemplify the problem;

WHEREAS, the gaps in the law need to be immediately addressed;

WHEREAS, the need is made imperative by the suffering of hundreds of thousands of victims of pyramiding schemes, products promising fantastically high returns and other similar intangible products, who for a very long time and until now have been unable to obtain redress of their complaints to the detriment of the welfare of each of their families;

WHEREAS, these victims of undesirable trade practices of private corporations are invariably individual or non-institutional consumers, or ordinary people, who normally have no sufficient resources, information or advisors to obtain mutually beneficial rights when purchasing the products and do not have

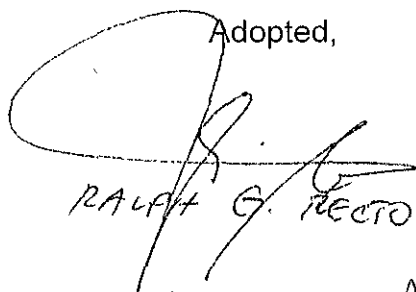
the finances and time to hire investigators and lawyers when the issuer of the products default upon their obligations;

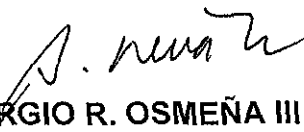
WHEREAS, like any other consumer of goods and services, these ordinary people, who are more vulnerable as ever as more intangible products at "retail" prices are sold, deserve the government's protection.

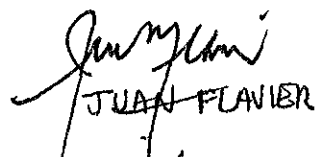
NOW, THEREFORE, in view of the foregoing and in order to protect and pursue the Senate's constitutional prerogatives,

BE IT RESOLVED, as it is hereby resolved, to direct the Committee on Trade and Commerce to conduct an inquiry into consumer complaints against undesirable trade practices of private corporations for the purpose of crafting proposed amendments to the Corporation Code, the Price Act, the Consumer Act of the Philippines and other laws, or drafting new bills to strengthen the protection of the rights of consumers.

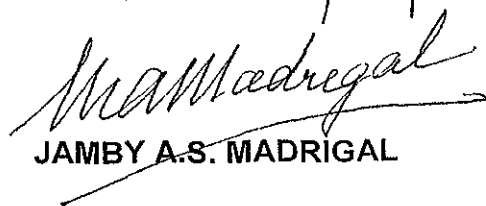
Adopted,


RAUL G. RECTO


SERGIO R. OSMEÑA III


JUAN FLAVIER


AQUILINO Q. PIMENTEL, JR.

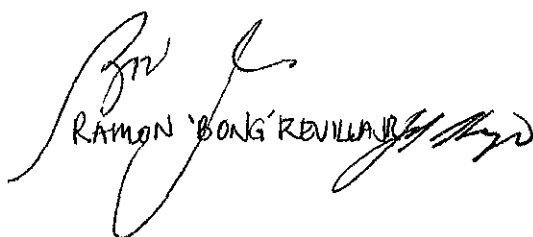

JAMBY A.S. MADRIGAL

PANFILO M. LACSON

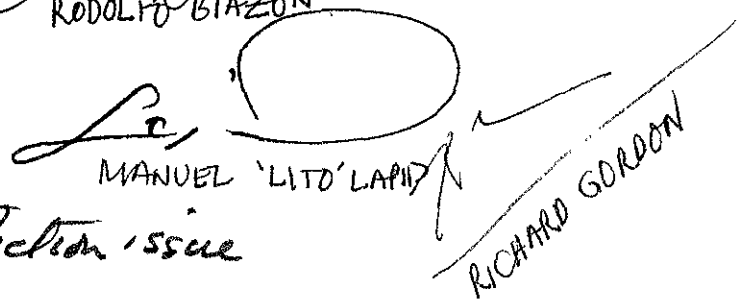

JINGGOY EJERCITO ESTRADA

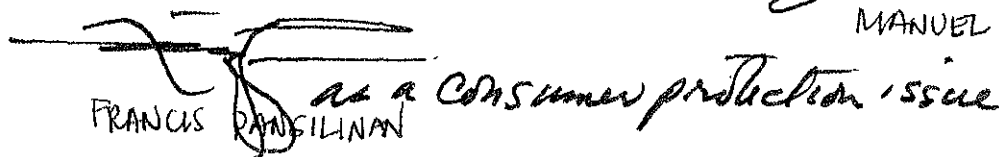

ALFREDO S. LIM


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RODOLFO BIAZON


MANUEL 'LITO' LAPID


FRANCIS PANGSILINAN

as a consumer protection issue


RICHARD GORDON