

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

H. B. No. 436

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

The Consumer Act of the Philippines (RA 7394) created the National Consumer Affairs Council (NCAC) to advance interests of consumers. It brought together the DTI, DA, DOH, DepEd, NGOs, consumer advocates and business leaders to develop a coherent strategy of programs and services for consumer welfare.

The Council was tasked to (1) coordinate existing consumer protection policies and programs, (2) monitor and evaluate the implementation of these programs, (3) recommend new policies and propose amendments to existing legislation, and (4) undertake research work on consumer education and information campaign.

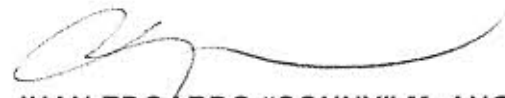
However, by being an attached office of the DTI – one of the agencies it is supposed to monitor – NCAC's effective performance of the above functions is being affected. At the moment, NCAC is dependent on DTI in terms of preparing and allocating its budget for the Council's various activities and programs.

To remedy the above situation, this bill seeks to make NCAC a truly independent body as intended by law. By placing it under the Office of the President, it shall have the power to (1) prepare its annual budget for submission to the DBM, (2) create other positions as may be necessary in furtherance of its mandate, and (3) assume the authority to represent consumers in their claims and complaints involving violations of the Consumer Act.

This bill also seeks to include Bangko Sentral ng Pilipinas (BSP) as one of the implementing agencies of the Act – an agency whose participation is of crucial importance on matters affecting consumer credit transactions.

Likewise, this refines the composition of the Council to include representatives of the Department of Interior and Local Government (DILG) and the Philippine Information agency (PIA) because of their important role in furthering consumer protection.

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



JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

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

H. B. No. 436

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

AN ACT
TO FURTHER STRENGTHEN THE CONSUMER PROTECTION BY AMENDING FOR
THIS PURPOSE CERTAIN PROVISIONS OF 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:

SECTION 1. Article 6 of the Republic Act No. 7394 is hereby amended to read as follows:

"Art. 6. Implementing Agencies- The provisions of this Article and its implementing rules and regulations shall be enforced by:

- (a) The Department of Health with respect to food, drugs, cosmetics, devices and substances;
- (b) The Department of Agriculture with respect to products related to agriculture;
- (c) The department of trade and Industry with respect to other consumer products not specified above; and,
- (d) **THE BANGKO SENTRAL NG PILIPINAS, WITH RESPECT TO CONSUMER CREDIT TRANSACTIONS."**

SEC. 2. Article 8 of the Republic Act no. 7394 is hereby amended to read as follows:

"Art. 8. Publication of Consumer Products Standards- The concerned department shall, upon promulgation of the above standards, publish or cause the publication of the same in two (2) newspapers of general circulation of at least once a week for a period of not less than one (1) month; **PROVIDED, HOWEVER, THAT CONSUMER PRODUCTS STANDARDS THAT ARE VOLUMINOUS AND WHICH WILL ENTAIL UNREASONABLY HUGE PUBLICATION EXPENSES NEED NOT BE PUBLISHED IN ITS FULL TEXT BUT MAY BE IN THE FORM OF A NOTICE IN SUCH NEWSPAPERS, GIVING THE ABSTRACT OF THE SUBJECT THEREOF WITH A STATEMENT AS TO HOW AND WHERE COPIES OF THE FULL TEXT THEREOF MAY BE OBTAINED.** It may likewise conduct an information campaign through other means deemed effective to ensure the proper guidance of consumers, businesses, industries and other sectors concerned."

SEC. 3. Article 148 of Republic Act No. 7394 is hereby amended to read as follows:

"Art. 148. The National Consumer Affairs Council. To improve the management, coordination and effectiveness of consumer programs, a National Consumer Affairs council is hereby created, hereinafter referred to as the "Council" **WHICH SHALL BE DIRECTLY UNDER THE OFFICE OF THE PRESIDENT."**

SEC. 4. Article 149 of republic Act No. 7394 is hereby amended, by adding letters E and F, and changing letters (e) to (G) and (f) to (H), to read as follows:

"Art. 149. Composition – The Council shall be composed of representatives from the following government agencies and non-government agencies:

- (a) Department of Trade and Industry;
- (b) **DEPARTMENT OF EDUCATION;**
- (c) Department of Health;
- (d) Department of Agriculture;
- (E) **DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT;**
- (F) **PHILIPPINE INFORMATION AGENCY;**
- (G) [e] four (4) representatives from consumer organizations of nationwide base to be chosen by the president among the nominees submitted by various consumer groups in the Philippines;
- (H) [f] Two (2) representatives from the business industry/sector to be chosen by the president from among the nominees submitted by various business organizations.

PROVIDED THAT IN AGENCIES DIRECTLY IMPLEMENTING THE ACT, NO GOVERNMENT OFFICIAL LOWER THAN THE RANK OF AN ASSISTANT SECRETARY SHALL SIT IN THE COUNCIL."

SEC. 5. Article 152 of the Republic Act No. 7394 is hereby amended to read as follows:

"Art. 152. the Executive Director- the Council shall appoint an Executive Director who shall assist the Chairman and act as secretary of the Council. **THE EXECUTIVE DIRECTOR SHALL BE ASSISTED BY SUCH NUMBER OF PERSONNEL AS HE MAY DEEM NECESSARY FOR THE EFFECTIVE PERFORMANCE OF HIS/HER FUNCTIONS."**

SEC. 6. Article 153 of Republic Act No. 7392 is hereby amended to read as follows:

"Art. 152. Powers and Functions- the Council shall have the following powers and functions:

Xxx

xxx

xxx

- (d) to undertake a continuing education and information campaign to provide the consumer with among others:

- (1) facts about consumer products and services;
- (2) consumer rights and the mechanism for redress available to him;
- (3) information on new concepts and development on consumer protection;
- (4) general knowledge and awareness necessary for a critical and better judgment on consumption; and,
- (5) such other matters of importance to the consumer's general well-being.

- (F) **TO APPROVE FOR SUBMISSION TO THE DEPARTMENT OF BUDGET AND MANAGEMENT THE ANNUAL BUDGET OF THE COUNCIL;**
- (G) **TO PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE ESSENTIAL AND NECESSARY TO ATTAIN THE OBJECTIVES AND PURPOSE OF THIS ACT;**
- (H) **TO CREATE ADDITIONAL POSITIONS, BOTH IN THE CENTRAL AND REGIONAL OFFICES, INCLUDING, BUT NOT LIMITED TO HIRING OF CONSULTANTS, AS MAY BE NECESSARY TO CARRY OUT EFFECTIVELY AND EFFICIENTLY ITS FUNCTIONS AND DUTIES;**

- (I) TO RECEIVE AND UTILIZE, FOR FURTHERANCE OF THE COUNCIL'S ACTIVITIES, FUNDS, GIFTS, DONATIONS AND BEQUESTS FROM SOURCES OTHER THAN THE COUNCIL'S BUDGET APPROPRIATIONS. SUCH GIFTS, DONATIONS OR BEQUESTS SHALL BE EXEMPT FROM ALL TAXES, DUTIES, DUES, OR FEES WHATSOEVER, IMPOSED OR HEREAFTER TO BE IMPOSED BY THE NATIONAL GOVERNMENT, ITS AGENCIES, INSTRUMENTALITIES OR POLITICAL SUBDIVISIONS, AND THE SAME SHALL BE FULLY DEDUCTIBLE FROM THE GROSS INCOME OF THE DONOR OR GRANT FOR INCOME TAX PURPOSES;
- (J) TO PROVIDE FREE LEGAL REPRESENTATION, SUBJECT TO GUIDELINES THE COUNCIL MAY APPROVE, TO CONSUMERS WITH MERITORIOUS COMPLAINTS; AND,
- (K) GENERALLY, TO UNDERTAKE SUCH OTHER FUNCTIONS AND DUTIES AS MAY BE NECESSARY TO CARRY OUT THE OBJECTIVES AND PURPOSE OF THIS ACT.

SEC. 7. *Separability Clause.* Any portions or provisions of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions and provisions hereof as long as such remaining portion or provisions can still subsist and shall be given effect in their entirety.

SEC. 8. *Repealing Clause.* All laws, presidential decrees, executive orders, proclamations, and administrative regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 9. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes first.

Approved,