



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

7419
HOUSE BILL NO. _____



Introduced by Representative Joseph Sto. Niño B. Bernos

EXPLANATORY NOTE

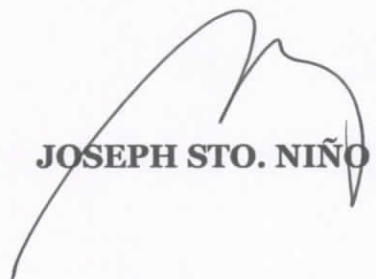
Motor vehicles are considered an economic tool that contributes to the productivity and common good of the people. Businesses often rely on their vehicles to transport their products from place to place. Employees use their cars to get to work on time. Families use their vehicles to go places and enjoy quality time together outside their homes. Vehicles provide so much utility, thus, we consider them an important investment that needs to be protected.

While there are already laws that protect consumers who buy automobiles such as the Philippine Lemon Law, Congress is yet to pass a law protecting vehicle owners from undue delay and misrepresentations of motor vehicle repair shops with regard to the repair of motor vehicles sent to them for repair. Vehicle owners are usually told that repair of their vehicle is not yet finished due to non-availability of spare parts, high volume of work and several excuses that indubitably cause losses and inconvenience to motor vehicle owners. Some motor vehicle repair shops take advantage of the customer's lack of technical knowledge in automotive repair and sometimes use this to persuade customers to undertake unnecessary repairs and replacement of car spare parts. Vehicle owners end up paying their car's monthly amortization without actually using their vehicles for the simple reason that it takes

too long to complete the necessary repairs. Worse, they are sometimes defrauded to pay repairs and spare parts replacement that were not actually undertaken.

This bill seeks to protect the public from undue delays in the repair of their motor vehicles and other fraudulent practices by motor vehicle repair shops. By requiring motor vehicle repair shops to complete the repair of motor vehicles and to replace automotive spare parts within a definite period of time, we can ensure that vehicle owners enjoy maximum utility of their motor vehicles. The proposed bill also seeks to prohibit certain fraudulent and unfair acts by motor vehicle repair shops in order to protect the interest of motor vehicle owners. With expensive fines imposed under this bill as penalty, motor vehicle repair shops are compelled to be mindful of the duration of the repairs and to not delay auto care services that must be undertaken. Motor vehicle owners deserve quality and trustworthy services for their vehicles. We want to make sure that the repair of motor vehicles is done in a timely, convenient and reliable manner.

Given the foregoing, immediate passage of this bill is earnestly sought.



JOSEPH STO. NIÑO B. BERNOS



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1 **AN ACT**
2 **REGULATING THE REPAIR OF MOTOR VEHICLES AND THE SALE OF**
3 **AUTOMOTIVE SPARE PARTS, PROVIDING PENALTIES FOR**
4 **VIOLATIONS THEREOF**

5
6 *Be it enacted by the Senate and House of Representatives of the Philippines in*
7 *Congress assembled:*
8

9 SECTION 1. **Short Title.** – This Act shall be known as the “*Motor Vehicle*
10 *Repair Act.*”

11 SEC. 2. **Declaration of Policy.** – It is the policy of the State to promote the
12 general welfare of the people. Pursuant to this policy, this Act recognizes that a motor
13 vehicle is a major consumer investment that needs to be protected and maintained
14 without delay. Towards this end, motor vehicle repair shops are imbued with the social
15 responsibility to complete the repair of motor vehicles and to replace automobile spare
16 parts as estimated and agreed upon to avoid damage and inconvenience to motor
17 vehicle owners caused by undue delay in repairing motor vehicles.
18

1 SEC. 3. **Coverage.** – This Act applies to all motor vehicle repair shops but
2 excludes the following:

3 (a) An employee of a motor vehicle repair shop who engages in the business
4 of repairing motor vehicles solely by reason of employment;

5 (b) Any person who is solely engaged in the business of repairing the motor
6 vehicles of a single commercial or industrial establishment, or of the national or a local
7 government or any agency thereof;

8 (c) Any person whose activities consist solely of fueling, changing oil, water,
9 batteries or tires, replacing fan belts, air filters or oil filters, installing windshield wiper
10 blades or light bulbs, or such other minor repair and servicing functions; and

11 (d) Any person solely engaged in the business of repairing farm or road
12 building machines, or such other utility vehicles.

13 For purposes of this Act, “*motor vehicle repair shop*” refers to any person or
14 business which, for compensation, engages or attempts to engage, wholly or partially,
15 in repairing, servicing, maintaining, and replacement of spare parts of motor vehicles
16 owned by other persons including any shop, drive-in station or garage operated by any
17 person, firm, corporation or association at which motor vehicles are inspected for
18 purposes of appraising, evaluating or estimating the extent or value of motor vehicle
19 damage or the necessity or cost of motor vehicle repairs.

20 SEC. 4. **Written Repair Estimate.** – The written repair estimate shall be
21 the contract between the customer and the motor vehicle repair shop. Every motor
22 vehicle repair shop shall prepare a written repair estimate which must include the
23 following details:

24 (a) Name, address and contact number of the motor vehicle shop;

25 (b) Name, address and contact number of the customer;

1 (c) Date and time the written repair estimate is prepared and accepted by
2 the customer;

3 (d) Year, make, model, odometer reading and license plate of the motor
4 vehicle;

5 (e) Itemized description of all labor, parts and merchandise supplied, and
6 the costs thereof;

7 (f) Statement identifying any replacement part as being used, rebuilt or
8 reconditioned, as the case may be;

9 (g) A statement indicating what, if anything, is guaranteed in connection
10 with the repair work and the period of time and odometric reading for which the
11 guarantee is effective; and

12 (h) Proposed work completion date from the date the repair estimate is
13 accepted by the customer.

14 Any variation of work to be undertaken by the motor vehicle repair shop shall
15 be communicated and, if accepted by the customer, shall be accompanied by bills of
16 materials and detailed estimate of the additional work to be done.

17 The period of repair or parts replacement may be extended if there are
18 additional repair works specified in the variation order agreed upon by both the motor
19 vehicle repair shop and the customer: *Provided*, that if the repair could not be
20 accomplished within twenty-four (24) hours, the motor vehicle repair shop shall be
21 required to issue a temporary vehicle to the customer, until the completion of the
22 repair. *Provided further*, That the aggregate period of repair or parts replacement
23 under the written estimate and variation orders shall not exceed sixty (60) days:
24 *Provided, finally*, That failure to complete all repairs and parts replacement within the

1 time agreed in the written repair estimate and any extension of time granted in the
2 variation order shall make the motor vehicle repair shop liable under this Act.

3 The motor vehicle repair shop shall not be required to give a written repair
4 estimate if the motor vehicle repair shop does not agree to perform the requested
5 repair.

6 SEC. 5. **Warranties.** – All repairs made and parts replaced shall be
7 accompanied by a warranty stipulated in the written repair estimate from the time the
8 unit has been turned over to the customer. If the customer has reason to believe that
9 the problem has not been corrected, the customer may return the vehicle to the motor
10 vehicle repair shop within the warranty period and the motor vehicle repair shop shall
11 make corrections at no cost to the customer or may opt to refund the agreed cost of the
12 repair as provided in Article 68 (f) of Republic Act No. 7394 also known as the
13 “Consumer Act of the Philippines.”

14 SEC. 6. **Prohibited Acts.** – It shall be prohibited for any motor vehicle repair
15 shop to:

16 (a) Complete all necessary motor vehicle repairs and replacement of
17 automotive spare parts beyond the period specified in the agreed written repair
18 estimate;

19 (b) Make or charge for repairs which have not been expressly or impliedly
20 authorized by the customer;

21 (c) Misrepresent that repairs have been made to a motor vehicle;

22 (d) Misrepresent that certain parts and repairs are necessary to repair a
23 vehicle;

1 (e) Misrepresent that a vehicle being inspected or diagnosed is in a
2 dangerous condition or that the continued use of the vehicle may be perilous for the
3 user or may cause great damage to the vehicle;

4 (f) Fraudulently alter any customer's contract, written repair estimate,
5 invoice or other document;

6 (g) Fraudulently misuse any customer's credit card;

7 (h) Make or authorize any written or oral statement which is untrue,
8 deceptive or misleading and which is known, or which by the exercise of reasonable
9 care should be known, to be untrue, deceptive or misleading;

10 (i) Make false promises of a character likely to influence, persuade or induce
11 a customer to authorize the repair, service or maintenance of a motor vehicle;

12 (j) Substitute used, rebuilt, salvaged or straightened parts for new
13 replacement parts without notice to the customer or the customer's insurer if the cost
14 of repair is to be paid pursuant to an insurance policy;

15 (k) Cause or allow a customer to sign any work order that does not state the
16 repairs requested by the customer or the automobile's odometer reading at the time of
17 repair;

18 (l) Fail or refuse to give to a customer a copy of any document requiring the
19 customer's signature upon completion or cancellation of the repair order;

20 (m) Willfully depart from or disregard accepted practices and professional
21 standards;

22 (n) Have repair work subcontracted without the knowledge or consent of the
23 customer unless the motor vehicle repair shop or employee thereof demonstrates that
24 the customer could not reasonably have been notified; and

1 (o) Perform any other act that violates this section or constitutes fraud or
2 misrepresentation.

3 SEC. 7. **Penalties.** – Any person who violates Section 6 of this Act shall be
4 liable to pay a fine of Fifty thousand pesos (P50,000.00) but not more than Five
5 hundred thousand pesos (P500,000.00) to the aggrieved party without prejudice to
6 any civil or criminal liability that may be incurred by any person responsible for the
7 violation of this Act.

8 SEC. 8. **Implementing Rules and Regulations.** – Within thirty (30) days
9 from the approval of this Act, the Secretary of Trade and Industry shall issue the
10 necessary rules and regulations for the effective implementation of this Act.

11 SEC. 9. **Repealing Clause.** – All laws, decrees, executive orders or parts
12 thereof inconsistent with the provisions of this Act are hereby repealed or modified
13 accordingly.

14 SEC. 10. **Effectivity.** – This Act shall take effect fifteen (15) days after its
15 publication in the *Official Gazette* or in a newspaper of general circulation.

16 Approved,