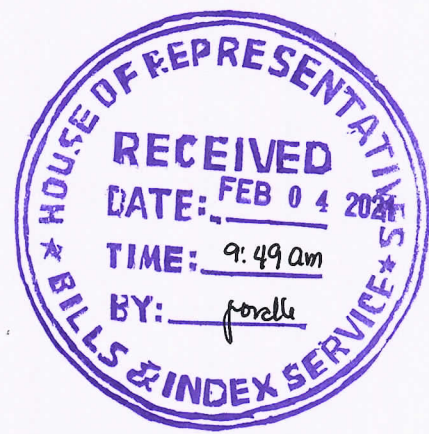


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8627



Introduced by Representative Wes Gatchalian

**AN ACT
PROVIDING FOR THE REVISED CONSUMER ACT OF THE PHILIPPINES
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

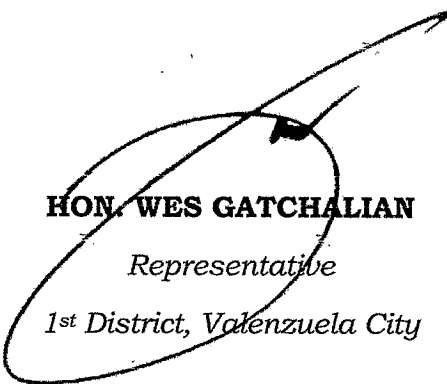
Almost twenty-nine years have passed since Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, was enacted. Back in 1992, no one could have expected how technology would propel us into the future. It was unimaginable then that the retail experience we have today is possible by just the tap of a finger. No one could have predicted how creative and scheming unscrupulous individuals have become, waiting to victimize innocent consumers. For these reasons, it is high time that the Consumer Act be revised to keep up with the times.

The amendments being introduced in this bill seek to update and improve the Consumer Act of the Philippines as the business climate when it was passed is vastly different from the economic climate we face today. For the first time in Philippine law, a bill of rights will be enacted provide protection to our consumers. No longer will they be at the mercy of the capricious whims of merchants. They will be protected by the mantle of this law and by the Department of Trade and Industry (DTI). The DTI will be empowered to effectively enforce these consumer rights and defend the hapless against oppressive and manipulative merchants.

To further improve consumer protection, the DTI shall establish a Philippine Online Dispute Resolution System to speed up and ease the disposition of consumer complaints. In keeping with the times, consumers can additionally benefit from the institutionalization of their dispute resolution with the aid of technology.

Finally, given the increasing number of victims of fraudulent transactions, it is imperative that the fines and penalties imposable for violations of this Act be likewise increased. It is the fervent hope of this representation that the higher penalties will deter fraudulent acts and protect innocent consumers in order to build trust and confidence in the retailing sector.

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



HON. WES GATCHALIAN

Representative

1st District, Valenzuela City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8627

Introduced by Representative Wes Gatchalian

AN ACT
PROVIDING FOR THE REVISED CONSUMER ACT OF THE PHILIPPINES
AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

TITLE I
GENERAL PROVISIONS

Article 1. Short Title. – This Act shall be known as the "**Revised Consumer Act of the Philippines**".

Article 2. Declaration of Basic Policy. – It is the policy of the State to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry.

The State recognizes that consumers often face imbalances in economic terms, educational levels, and bargaining power. Thus, the State needs to develop and implement a strong consumer protection policy, promote the general welfare of consumers, and establish standards of ethical conduct for brick and mortar and online business and industry. Further it shall ensure the access of consumers to quality, safe and non-

1 hazardous products and to just, equitable and sustainable economic and social
2 development and environmental protection.

3
4 Towards this end, the State shall implement measures to attain the following
5 objectives:

- 6
7 a) Develop and implement a strong consumer protection policy that will ensure the
8 access of consumers to quality safe and non-hazardous products and to just,
9 equitable and sustainable economic and social development and environmental
10 protection;
11
12 b) Encourage high standards of ethical conduct for those engaged in the
13 production and distribution of goods and services to consumers, including
14 digital or electronic commerce;
15
16 c) Curb abusive business practices by all enterprises which tends to or actually
17 adversely affect consumers;
18
19 d) Facilitate the recognition of independent consumer groups;
20
21 e) Foster international cooperation in the field of consumer protection;
22
23 f) Encourage the development of market conditions which provide consumers with
24 well-informed choice at reasonable prices; and
25
26 g) Promote sustainable consumption to facilitate production and distribution
27 patterns to balance the resources and the needs of the consumers.
28

29 **Article 3. Construction.** – The best interest of the consumer shall be considered in
30 the interpretation and implementation of the provisions of this Act, including its
31 implementing rules and regulations.
32

1 **Article. 4. Consumer Rights.** – Aligned with international best practices, a
2 consumer shall have the following basic rights:

- 3
- 4 a) **Right to basic needs.** The consumer shall have access to food, clothing, shelter,
5 health care, education and sanitation;
- 6
- 7 b) **Right to choose.** The consumer shall have access to a variety of options,
8 including products and services at competitive prices with an assurance of
9 satisfactory quality;
- 10
- 11 c) **Right to representation.** The consumer shall be entitled to express consumer
12 interests and be involved in the making and execution of government policies;
- 13
- 14 d) **Right to redress.** The consumer shall have access to appropriate remedies for
15 misrepresentation, substandard or defective products or unsatisfactory services;
- 16
- 17 e) **Right to consumer education.** The consumer shall have the right to consumer
18 education, including education on the environmental, social and economic
19 consequences of their choices;
- 20
- 21 f) **Right to safety.** The consumer shall be entitled to protection against the
22 marketing of goods or provision of services that are hazardous to health and life;
- 23
- 24 g) **Right to a healthy environment.** The consumer shall have the right to live and
25 work in an environment which is neither threatening nor dangerous, which
26 promotes well-being, and which permits a life of dignity; and
- 27
- 28 h) **Right to information.** The consumer shall be provided with the facts and
29 information needed to make an informed choice, and to protection against
30 dishonest or misleading advertising or labeling.
- 31

32 **Article 5. Consumer Responsibilities.** - Corresponding to the above rights, a
33 consumer shall have the following basic responsibilities:

- 1
- 2 a) **Critical awareness.** The consumer shall be alert and inquisitive about the use,
- 3 price, and quality of products and services;
- 4
- 5 b) **Action.** The consumer shall refrain from being passive and shall assert the right
- 6 to take action to ensure that one's rights as a consumer are amply protected;
- 7
- 8 c) **Social concern.** The consumer shall be more aware of the impact of one's
- 9 consumption on other citizens especially the disadvantaged or powerless groups,
- 10 whether in the local, national, or international community;
- 11
- 12 d) **Environmental awareness.** The consumer shall be constantly aware of the
- 13 impact and consciousness of human activity to the environment. the consumer
- 14 should recognize the obligation of individuals, and of society in general, to utilize
- 15 natural resources responsibly, and to secure and protect the earth for future
- 16 generations; and
- 17
- 18 e) **Solidarity.** Consumers shall organize themselves into groups or associations to
- 19 foster strength and influence in the formulation of policies that seek to promote
- 20 and protect their interests.
- 21

22 **Article 6. Definition of Terms.** -As used in this Act

23

- 24 a) **"Advertisement"** refers to the form through which the advertising information is
- 25 disseminated, which includes but is not limited to print, broadcast, cinema, out-
- 26 of-home, merchandising materials, digital, and mobile ads..
- 27
- 28 b) **"Advertising"** refers to the business of conceptualizing, presenting or making
- 29 available to the public, through any form of mass media, fact, data or
- 30 information about the attributes, features, quality or availability of consumer
- 31 products, services or credit usually intended to promote consumer transactions,
- 32 or to enhance a general standing of an entity or business in the marketplace or
- 33 the community.

- 1 c) **"Advertising agency or Agent"** refers to a service organization or enterprise
2 creating, conducting, producing, implementing or giving counsel on promotional
3 campaigns or programs through any medium for and in behalf of any advertiser.
4
- 5 d) **"Advertiser"** refers to the client of the advertising agency or the sponsor of the
6 advertisement on whose account the advertising is prepared, conceptualized,
7 presented or disseminated.
8
- 9 e) **"Agricultural purpose"** refers to a purpose related to the production, harvest,
10 processing, manufacture, distribution, storage, transportation, marketing,
11 exhibition or disposition of agricultural, fishery or marine products.
12
- 13 f) **"Amount financed"** in a consumer credit sale refers to the cash price plus non-
14 finance charges less the amount of any down payment whether made in cash or
15 in property traded in, or in a consumer loan the amount paid to, receivable by or
16 paid or payable to the buyer or to another person in his behalf.
17
- 18 g) **"Banned hazardous substance"** refers to (1) any toy or other articles intended
19 for use by children, which are hazardous per se, or which bear or contain
20 substances harmful to human beings; or (2) any hazardous substance intended
21 or packaged in a form suitable for use in the household, which the implementing
22 agency, by regulation, classifies as "banned hazardous substance"
23 notwithstanding the existence of cautionary labels, to safeguard public health
24 and safety: *Provided*, That the implementing agency may, by regulation, exempt
25 from this Act, articles which by reason of their functional purpose require the
26 inclusion of the hazardous substance involved and which bear appropriate
27 labels giving adequate directions and warnings for their safe use.
- 28 Procedures for the issuance, amendment or repeal of regulations pursuant to
29 Clause (2) or paragraph (g) of this Article shall be governed by the rules and
30 regulations promulgated by the Department of Health: *Provided*, That if the
31 Department of Health finds that the distribution for household use of the
32 hazardous substance involved presents an imminent hazards to the public
33 health, it may publish in a newspaper of general circulation a notice of such

finding and such substance shall be deemed to be a "banned hazardous substance" pending the issuance of regulation formally banning such substance.

h) **"Batch"** refers to a quantity of any consumer product produced during a given cycle of manufacture. This likewise refers to "Production Batch or Production Lot" which means a definite amount of material produced during a single manufacturing cycle, and intended to have uniform character and quality.

i) **"Business name, firm name, or style"** refers to any name or designation other than the true name of a person, partnership, corporation or association which is used or signed in connection with his/its business or in, 1) any written or printed receipt, including receipt for tax or business, 2) any written or printed contract not verified by a notary public, 3) any written or printed evidence of any agreement or business transaction, and 4) any sign or billboard kept conspicuously exhibited in plain view in or at the place of the business, announcing a firm name or business name or style.

j) **"Cash price or delivered price"** in case of trade transaction, refers to the amount of money which would constitute full payment upon delivery of the property (except money) or service purchased at the creditor's place of business. In the case of financial transactions, cash price represents the amount received by the debtor upon consummation of the credit transaction, net of finance charges collected at the time the credit is extended, if any.

k) **"Chain distribution plans" or "Pseudo-Investment"** without limiting the coverage of the said terms and regardless of nomenclature, refers to any offline or online business, sales or marketing plan or scheme, such as the following:

- i. Pyramid Sales Scheme refers to sale devices or plans whereby upon condition that an investment is made by way of purchasing goods or paying a fee, a person is granted by a manufacturer or the manufacturer's representative the right to sell products and services as

1 well as recruit one or more additional persons who will be granted such
2 right to recruit, upon condition of making similar investments;
3

4 ii. Ponzi Scheme refers to a business structure similar to the pyramid
5 scheme that is operated by a person or group, natural or juridical,
6 where there is no true product or service being offered in exchange for
7 the investment and where the money tendered by new investors are paid
8 to earlier investors;
9

10 iii. Telemarketing Fraud refers to a scheme where high pressure tactics are
11 made over-the-phone with the intent to make the investor buy into a
12 fraudulent or non-existent investment offering.
13

14 l) "**Closing out sale**" refers to a consumer sale wherein the seller uses the
15 announcement to create the impression that he is willing to give large discounts
16 or merchandise in order to reduce, dispose or close out his inventory and
17 business.
18

19 m) "**Commerce**" refers the sale, lease, exchange, traffic or distribution of goods,
20 commodities, productions, services or property, tangible or intangible through
21 physical or online means.
22

23 n) "**Consumer**" refers to a person who is an actual or prospective purchaser, lessee,
24 or recipient of products, services or credit, the primary purpose of which is for
25 personal, family, household or agricultural purposes.
26

27 o) "**Consumer credit**" refers to any credit extended by a creditor to a consumer for
28 the sale or lease of any consumer product or service under which part or all of
29 the price or payment therefor is payable at some future time, whether in full or
30 in installments.
31

32 p) "**Consumer loan**" refers to a loan made by the lender to a person which is
33 payable in installments for which a finance charge is or may be imposed. This

term includes credit transactions pursuant to an open-end-credit plan other than a seller credit card.

- q) **"Consumer products and services"** refer to goods, services and credits, debts or obligations which are primarily for personal, family, household or agricultural purposes, which shall include but not limited to health products, technology and other digital products and services.

q.1. Digital products refer to goods transacted over the internet.

q.2 Digital service refers to a service that allows the consumer to create, process, store, or access data in electronic form or allows the sharing of or any other interaction with data in electronic form uploaded or created by the consumer or other users of that service.

- r) **"Consumer transaction"** refers to (1) (i) a sale, lease, assignment, award by chance, or other disposition of consumer products, including chattels that are intended to be affixed to land, or of services, or of any right, title, or interest therein, except securities as defined in the Securities Act and contracts of insurance under the Insurance Code, or (ii) a grant of provision of credit to a consumer for purposes that are primarily personal, family, household or agricultural, or (2) a solicitation or promotion by a supplier with respect to a transaction referred to in Clause (1).

- s) **"Corrosive"** refers to any substance which on contact with living tissue will cause destruction of tissue by chemical action.

- t) **"Cosmetics"** refers to any substance or preparation intended to be placed in contact with the various external parts of the human body or with the teeth and the mucous membranes of the oral cavity, with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance and/or correcting body odor, and/or protecting the body or keeping them in good condition.

- 1
- 2 u) **"Counterfeit product"** refers to any consumer product which, or the container
- 3 or labeling of which, without authorization, bears the trademark, trade name, or
- 4 other identifying mark, imprint, or device, or any likeness thereof, of a consumer
- 5 product manufacturer, processor, packer, distributor, other than the person or
- 6 persons who in fact manufactured, processed, packed or distributed such
- 7 product and which thereby falsely purports or is represented to be the product
- 8 of, or to have been packed or distributed by such consumer product
- 9 manufacturer, processor, packer, or distributor: *Provided*, That in case of drugs
- 10 it shall refer to drug which do not contain the amounts as claimed; with wrong
- 11 ingredients; without active ingredients; or with insufficient quantity of active
- 12 ingredients, which result in the reduction of the products' safety, efficacy,
- 13 quality, strength, or purity. These also refer to products that are deliberately and
- 14 fraudulently mislabeled with respect to identity and/or source or with fake
- 15 packaging, and can apply to both branded and generic products, including the
- 16 following: (1) the drug product itself or the container or labeling thereof or any
- 17 part of such product, container, or labeling, bearing without authorization; the
- 18 trademark, trade name, or other identification marks or imprints or any likeness
- 19 to that which is owned or registered in the Intellectual Property Office of the
- 20 Philippines (IPOPHL) in the name of another natural or juridical person; (2) a
- 21 drug product refilled in containers bearing legitimate labels or marks, without
- 22 authority; and (3) a drug product which contains no amount of or a different
- 23 active ingredient; or less than eighty percent (80%) of the active ingredient it
- 24 purports to possess, as distinguished from an adulterated drug including
- 25 reduction or loss of efficacy due to expiration.
- 26
- 27 v) **"Credit card"** refers to any existing card, plate, coupon book or other single
- 28 credit device to be used and presented from time to time for the purpose of
- 29 paying for goods and/or services on credit, or obtaining cash advance/s.
- 30
- 31 w) **"Credit sale"** refers to a sale products, services or an interest in land to a
- 32 person on credit where a debt is payable in installments or a finance charge is
- 33 imposed and includes any agreement in the form of a bailment of products or

1 lease of products or real property if the bailee or lessee pays or agrees to pay
2 compensation for use a sum substantially equivalent to or in excess of the
3 aggregate value of the products or real property involved and it is agreed that the
4 bailee or lessee will become, or for no other or a nominal consideration has the
5 option to become, the owner of the products or real property upon full
6 compliance with the terms of the agreement.
7

8 x) **"Credit transaction"** refers to a transaction between a natural person and a
9 creditor in which real or personal property, services or money acquired on credit
10 and the person's obligation is payable in installment.
11

12 y) **"Creditor"** refers to any person engaged in the business of extending credit and
13 shall include any person who as a regular business practice makes loans or sells
14 or rents property or services on a time, credit or installment basis, either as
15 principal or as agent who requires as an incident to the extension of credit, the
16 payment of a finance charge.
17

18 z) **"Default or delinquency charge"** with respect to a consumer credit transaction,
19 refers to the penalty charge payable by the consumer-debtor for failure to pay an
20 amount or installment in full on the date the same becomes due and
21 demandable, or on or before the period specified for the purpose in the
22 consumer credit sale documents.
23

24 aa) **"Distributor"** refers to any person to whom a consumer product is delivered or
25 sold for purposes of distribution in commerce, except that such term does not
26 include a manufacturer or retailer of such product.
27

28 bb) **"Drugs"** refer to pharmaceutical products that pertain to chemical compounds or
29 biological substances, other than food, intended for use in the treatment,
30 prevention, or diagnosis of disease in humans or animals, including the
31 following: (1) any article recognized in the official United States
32 Pharmacopeia/National Formulary, Homeopathic Pharmacopeia of the United
33 States of America, Philippine Pharmacopeia, Philippine National Drug

1 Formulary, British Pharmacopoeia, European Pharmacopoeia, Japanese
2 Pharmacopoeia, and any official compendium or any supplement to them; (2)
3 any article intended for use in diagnosis, cure, mitigation, treatment, or
4 prevention of disease of man or animals; (3) any article, other than food,
5 intended to affect the structure or any function of the human body or animals;
6 (4) any article intended for use, as a component of articles, specified in Clauses
7 (1), (2) and (3), not including devices or their components, parts and accessories;
8 and (5) herbal or traditional drugs as defined in Republic Act No. 9502,
9 otherwise known as the "Universally Accessible Cheaper and Quality Medicines
10 Act of 2008".

11
12 cc) **"Expiry or expiration date"** refers to the date stated on the label of health
13 products, hazardous substance and as applicable to other consumer products
14 after which they are not expected to retain their claimed safety, efficacy and
15 quality or potency and after which it is no longer permissible to sell them.

16
17 dd) **"Extremely flammable"** refers to any substance which has a flash point at or
18 below negative six and six-tenths degrees centigrade as determined by the
19 Tagliabue Open Cub Tester; and term "combustible" shall apply to any
20 substance which has a flash point of above twenty-six and six-tenths degrees to
21 and including sixty-five and five-tenths degrees centigrade as determined by the
22 Tagliabue Open Cub Tester: *Provided*, That the flammability or combustibility of
23 solids and of the contents of self-pressurized containers shall be determined
24 through methods found by the implementing agency to be generally applicable to
25 such materials or containers, respectively, and established by regulations issued
26 by it.

27
28 ee) **"Food"** refers to any substance or product whether processed, partially
29 processed or unprocessed that is intended for human consumption. It includes
30 drinks, chewing gum, water and other substances which are intentionally
31 incorporated into the food during its manufacture, preparation and treatment.
32

1 ff) **"Food additive"** refers to any substance, the intended use of which results or
2 may reasonably be expected to result, directly or indirectly, in its becoming a
3 component or otherwise affecting the characteristics of any food -including any
4 substance intended for use in producing, manufacturing, packing, processing,
5 preparing, treating, packaging, transporting, or holding food; and including any
6 source of radiation intended for any such use, if such substance is not generally
7 recognized, among experts qualified as having been adequately shown through
8 scientific procedures to be safe under the conditions of the intended use.

9
10 gg) **"Generic name"** refers to the identification of drugs and medicines by their
11 scientifically and internationally recognized active ingredients or by their official
12 generic name as determined by the Food and Drug Administration of the
13 Department of Health.

14
15 hh) **"Guarantee"** refers to an expressed or implied assurance of the quality of the
16 consumer products and services offered for sale or length of satisfactory use to
17 be expected from a product or other similar specified assurances.

18
19 ii) **"Hazardous substance"** refers to:

- 20
21 (1) (i) Any substance or mixture of substances which is toxic, corrosive,
22 irritant, a strong sensitizer, flammable or combustible, or generates
23 pressure through decomposition, heat or other means, if such substance
24 or mixture or substances any cause substantial injury or substantial
25 illness during or as a proximate result of any customary or reasonably
26 foreseeable ingestion by children. (ii) Any substance which the
27 department finds to be under the categories enumerated in Clause (1) (i)
28 of this paragraph; (iii) Any radioactive substance, if, with respect to such
29 substance as used in a particular class of article or as packaged, the
30 Department determines by regulation that the substance is sufficiently
31 hazardous to require labeling in accordance with this section in order to
32 protect the public health;

(iv) Any toy or other articles intended for use by children which the director may, by regulation, determine the presence of an electrical, mechanical or thermal hazard.

(2) This term shall not apply to other health products nor to substances intended for use as fuels when stored in containers and used in the heating, cooking or refrigeration system of a house, but such term shall apply to any article which is not in itself a pesticide but which is a hazardous substance, as construed in Clause (a) of paragraph (1), by reason of bearing or containing such harmful substances described therein.

jj) **"Health Products"** refer to food, drugs, cosmetics, devices, biologicals, vaccines, in-vitro diagnostic reagents and household/urban hazardous substances and/or a combination of and/or a derivative thereof. It shall also refer to products that may have an effect on health which require regulations as determined by the Food and Drug Administration (FDA).

kk) **"Health-related Device"** refers to any device not used in health care but has been determined by the FDA to adversely affect the health of the people.

ll) **"Highly Toxic"** refers to any substance that meets the parameters defined under 'Acute Toxicity Category 2' or higher of the Globally Harmonized System for the Classification and Labeling of Chemicals, or its amendment or equivalence as may be determined through regulation by the implementing agency.

mm) **"Home solicitation sale"** refers to consumer sales or leases which are personally solicited by any person or organization by telephone, electronic mail (email), short message service (SMS), person-to-person contact or by written or printed communication other than general advertising or consummated at the buyer's residence or a place of business, at the seller's transient quarters, or away from a seller's regular place of business.

- 1
- 2 nn) **"Immediate container"** refers to the container or package which is immediately
- 3 after or near the substance but does not include package liners.
- 4
- 5 oo) **"Imminently Injurious, unsafe or dangerous product"** refers to a consumer
- 6 product which presents an unreasonable risk of death, serious illness or severe
- 7 personal injury.
- 8
- 9 pp) **"Irritant"** refers to any substance not corrosive within the meaning of Paragraph
- 10 (s) of this Article which, on immediate, prolonged or repeated contact with
- 11 normal living tissue will induce a local inflammatory reaction.
- 12
- 13 qq) **"Label, labeling"** refers to the display of written, printed or graphic matter on
- 14 any consumer product its immediate container, tag, literature or other suitable
- 15 material affixed thereto for the purpose of giving information as to identify,
- 16 components, ingredients, attributes, directions for use, specifications and such
- 17 other information as may be required by law or regulations.
- 18
- 19 rr) **"Manufacture"** refers to any and all operations involved in the production,
- 20 including preparation, propagation, processing, formulating, filling, packing,
- 21 repacking, altering, ornamenting, finishing or otherwise changing the container,
- 22 wrapper or labeling of a consumer product in the furtherance of the distribution
- 23 of the same from the original place of manufacture to the person who makes the
- 24 final delivery or sale to the ultimate consumer.
- 25
- 26 ss) **"Manufacturer"** refers to any person who manufactures, assembles or processes
- 27 consumer products, except that if the goods are manufactured, assembled or
- 28 processed for another person who attaches his own brand name to the
- 29 consumer products, the latter shall be deemed the manufacturer.
- 30
- 31 tt) **"Mass media"** refers to any means or methods used to convey advertisements to
- 32 the public such as television, radio, broadsheets, magazines, cinema, billboards,

posters, streamers, hand bills, leaflets, mails, the internet, mobile phones and the like.

uu) **"Materially defective product"** refers to a product which, because of the pattern of the defect, the number of defective products distributed in commerce and the severity of the risk or otherwise, creates a substantial risk of injury to the public.

vv) **"Medical device"** refers to any instrument, apparatus, implement, machine, appliance, implant, in-vitro reagent or calibrator, software, material, or other similar or related article intended by the manufacturer to be used alone, or in combination, for human beings for one or more of the specific purpose(s) of: diagnosis, prevention, monitoring, treatment or alleviation of disease; diagnosis, monitoring, treatment, alleviation of, or compensation for an injury; investigation, replacement, modification, or support of the anatomy or of a physiological process; supporting or sustaining life; preventing infection; control of conception; disinfection of medical devices; and providing information for medical or diagnostic purposes by means of in-vitro examination of specimens derived from the human body. this device does not achieve its primary intended action in or on the human body by pharmacological, immunological or metabolic means but which may be assisted in its intended function by such means.

ww) **"Mislabeled hazardous substance"** refers to any hazardous substance intended, or packaged in a form suitable, for use in households, especially by children, the packaging or labeling of which is in violation of the special packaging regulation issued by the Department of Health under Article 95 of this Act or if such substance fails to bear a label which (1) states conspicuously (i) the name and the exact address of the manufacturer, packer, distributor, or seller; (ii) the common or usual name of the hazardous substance or of each component which contributes substantially to the harmfulness of the substance, unless the Department by regulation approved by the Department permits or requires the use of the recognized generic name; (iii) the signal word "danger" on substances which are extremely flammable, corrosive, or highly toxic; (iv) the signal word

"warning" or "caution" on all other hazardous substances; (v) a frank statement of the principal hazard or hazards involved, as "flammable", "vapor harmful", "causes burns", "absorbed through skin", or similar wording describing the action to be followed or avoided, except when modified by regulation by the Department pursuant to Article 46 of this Act; (vi) instructions, when necessary or appropriate, for first aid treatment; (vii) the word "poison" for any hazardous substance which is defined as highly toxic; (viii) instructions for handling and storage of packages which require special care in handling or storage; and (ix) the statement "keep out of the reach of children", or its practical equivalent, if the article is intended for use by children and is not a banned hazardous substance, with adequate directions for the protection of children from the hazard involved. The aforementioned signal words, affirmative statements, description of precautionary measures, necessary instructions or other words or statements may be in the English language or its equivalent in Filipino; and (2) on which any statement required under Clause (1) of this paragraph are located prominently and in contrast by typography are located prominently and in contrast by typography, layout, with other printed matters on the label.

xx) **"New Drugs"** refer to (1) any drug the composition of which is such that said drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety, efficacy and quality of drugs as safe, efficacious and of good quality for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or (2) any drug the composition of which is such that said drug, as a result of its previous investigations to determine its safety, efficacy and good quality for use under certain conditions, has become so recognized but which has not, otherwise than in such investigations, been used to a material extent or for a material time under new conditions. It shall include drugs (a) containing a newly discovered active ingredient; (b) containing a new fixed combination of drugs, either by molecular or physical combination; (c) intended for new indications; (d) an additional new mode of administration; or (e) in an additional dosage or strength of the dosage form, which meets the conditions as defined under the new drug. The definition of "new drugs" covers, to the extent applicable, "new devices".

- 1
- 2 xx) **"New Product"** refers to a consumer product which incorporates a design,
- 3 material or form of energy exchange which has not previously been used
- 4 substantially in consumer products and as to which there exists a lack of
- 5 adequate information to determine the quality and safety of such product if used
- 6 by the consumers.
- 7
- 8 yy) **"Online merchant"** refers to any person, irrespective of whether privately or
- 9 publicly owned, that directly sells or offers for sale, any goods and services, in
- 10 the ordinary course of business over the internet, through a website, an online
- 11 marketplace, a social media website or application or through other similar
- 12 means.
- 13
- 14 zz) **"Online shopping"** refers to an action or activity which allows consumers to do
- 15 sales transactions through the use of the internet, through a website, an online
- 16 marketplace, a social media website or application or through other similar
- 17 means.
- 18
- 19 ab) **"Open-end-credit plan"** refers to a consumer credit extended on an account
- 20 pursuant to a plan under which:
- 21
- 22 1) the creditor may permit the person to make purchases or obtain loans,
- 23 from time to time, directly from the creditor or indirectly by use of credit
- 24 card, check or other device;
- 25
- 26 2) the person has the privilege of paying the balance; or
- 27
- 28 3) a finance charge may be computed by the creditor from time to time on an
- 29 outstanding unpaid balance.
- 30
- 31 ac) **"Package"** or **"packaging"** refers to any container or wrapping in which any
- 32 consumer product is enclosed for use in the delivery or display of that consumer
- 33 product to retail purchasers, but does not include:

- 1
- 2 1) shipping containers or wrappings used solely for the transportation of any
- 3 consumer product in bulk or in big quantities by manufacturers, packers,
- 4 or processors to wholesale retail distributors thereof;
- 5
- 6 2) shipping containers or outer wrappings used by retailers to ship or deliver
- 7 any product to retail customers if such containers and wrappings bear no
- 8 printed matter pertaining any particular product;
- 9
- 10 3) the wrappers or containers of consumer products sold in small quantities
- 11 by small retail stores to the consumer which by tradition are wrapped
- 12 with ordinary paper.
- 13
- 14 ad) **"Person"** refers to any individual, partnership, corporation or association, trust,
- 15 government or governmental subdivision or any other legal entity.
- 16
- 17 ae) **"Poisonous substance"** refers to any substance capable of destroying life or
- 18 seriously endangering health when applied externally to the body or introduced
- 19 internally in moderate doses.
- 20
- 21 af) **"Price comparison"** refers to the direct comparison in any advertisement of a
- 22 seller's current price for consumer products or services with any other price or
- 23 statement of value for such property or services expressed in pesos, centavos,
- 24 fractions or percentages.
- 25
- 26 ag) **"Price tag"** refers to any device, written, printed, affixed or attached to a
- 27 consumer product or displayed in a consumer repair or service establishment for
- 28 the purpose of indicating the retail price per unit or service.
- 29
- 30 ah) **"Principal display panel"** refers to that part of the label that is most likely to be
- 31 displayed, presented, shown or examined under normal and customary
- 32 conditions of display for retail or sale.
- 33

- 1 ai) **"Private labeler"** refers to an owner of a brand or trademark on the label of
2 consumer product other than a manufacturer of the product. A consumer
3 product bears a private label if (1) the product or its container is labeled with a
4 brand or trademark of a person other than its manufacturer; or (2) the brand or
5 trademark of the manufacturer of such product does not appear on such label.
6
- 7 aj) **"Product life span"** refers to the maximum period that the manufacturer ensures
8 the availability of the product's replacement parts in case of repair outside
9 warranty period.
10
- 11 ak) **"Radiation device"** refers to an electrical or electronic apparatus emitting any
12 ionizing or non-ionizing electromagnetic or particulate radiation; or any sonic,
13 infrasonic, or ultrasonic wave. it includes ionizing radiation emitting equipment
14 which is not intentionally designed to produce radioactive materials.
15
- 16 al) **"Radioactive substance"** refers to any substance which emits ionizing radiation.
17
- 18 am) **"Referral selling"** refers to the sales device employed by the sellers wherein the
19 buyer is induced to acquire goods or services by representing that after the
20 acquisition of the goods or services, he will receive a rebate, commission or other
21 benefit in return for the submission of names of potential customers or
22 otherwise helping the seller enter into other sales, if the receipt of such benefit is
23 contingent on an event occurring after the sale is made.
24
- 25 an) **"Repair and service firm"** refers to any business establishment, engaged directly
26 or indirectly, in the repair, service or maintenance of any consumer product.
27
- 28 ao) **"Retailer"** refers to a person engaged in the business of selling consumer
29 products directly to consumers.
30
- 31 ap) **"Sale or distribution"** refers to an act made by a manufacturer or seller, or their
32 respective representative or agent, to make available consumer products,

1 services or credit to the end consumers under a consumer sale transaction. It
2 shall not include sampling or any distribution not for sale.
3

4 aq) "**Sales Promotion**" refers to techniques utilizing mass or widespread multimedia
5 of information intended either to promote or increase the sales, patronage
6 and/or goodwill of a product or service, or for broad consumer participation,
7 through an opportunity to win prize, gift, free services, in cash or in kind; or as
8 reward for the purchase of a product, security, service; or winning in contest,
9 game, tournament and other similar competitions which involve determination of
10 winner or winners.
11

12 ar) "**Seller**" refers to a person engaged in the business of offline or online selling of
13 consumer products or services directly to consumers. It shall include a supplier
14 or distributor if (1) the seller is a subsidiary or affiliate of the supplier or
15 distributor; (2) the seller interchanges personnel or maintains common or
16 overlapping officers or directors with the supplier or distributor; or (3) the
17 supplier or distributor provides or exercises supervision, direction or control over
18 the selling practices of the seller.
19

20 as) "**Service**" with respect to repair and service firms, refers to services supplied in
21 connection with a contract for construction, maintenance, repair, processing,
22 treatment or cleaning of goods or of fixtures on land, or distribution of goods, or
23 transportation of goods.
24

25 at) "**Services**" refers to services that are the subject of a consumer transaction, either
26 together with, or separate from any kind of personal property, whether tangible
27 or intangible.
28

29 au) "**Special packaging**" refers to packaging that is designed or constructed to be
30 significantly difficult for children five years of age to open or to obtain a toxic or
31 harmful amount of the substance contained therein within a reasonable time
32 and not difficult for normal adults to use properly but does not mean packaging

1 which all such children cannot open or obtain a toxic or harmful amount within
2 a reasonable time.

3
4 av) "**Standard**" refers to a document which lays down product characteristics for their
5 related processes and production methods to ensure quality, efficacy
6 performance and safety.

7
8 aw) "**Stockpiling**" refers to manufacturing or importing a product between the date of
9 promulgation of the Philippine National Standard (PNS) and its effective date, at
10 a rate which is significantly greater than the rate at which such product was
11 produced or imported during a base period as prescribed in the regulation under
12 this paragraph, ending before the date of promulgation of the PNS.

13
14 ax) "**Strong sensitizer**" refers to any substance which will cause on normal living
15 tissue, allergy or photodynamic quality of hypersensitivity which becomes
16 evident on reapplication of the same substance, to be designated as such by the
17 implementing agency. Before designating any substance as a strong sensitizer,
18 the implementing agency, upon consideration of the frequency of occurrence and
19 severity of the reaction, shall find that the substance has a significant capacity
20 to cause hypersensitivity.

21
22 ay) "**Substandard product**" refers to a product which fails to conform to an applicable
23 PNS or Technical Regulation and creates a substantial risk of injury to the
24 public.

25
26 az) "**Supplier**" refers to a person, other than a consumer, who in the course of his
27 brick and mortar or online business, solicits, offers, advertises, or promotes the
28 disposition or supply of a consumer product or who other than the consumer,
29 engages in, enforces, or otherwise participates in a consumer transaction,
30 whether or not any privity of contract actually exists between that person and
31 the consumer, and includes the successor to, or assignee of, any right or
32 obligation on of the supplier.

- 1
- 2 b) assist the consumer in evaluating the quality, including safety, efficacy,
- 3 performance and comparative utility of consumer products;
- 4
- 5 c) protect the public against unreasonable risks of injury associated with consumer
- 6 products;
- 7
- 8 d) undertake research on quality improvement of products and investigation into
- 9 causes and prevention of product related deaths, illness and injuries;
- 10
- 11 e) assure the public of the consistency of standardized products;
- 12
- 13 f) develop a National Quality Policy that will provide opportunity to holistically
- 14 review quality issues mentioned in other relevant laws and make them comply
- 15 with international guidelines and rules, without disregarding public safety.
- 16

17 **Article 8. Implementing Agencies.** – The provisions of this Article and its

18 implementing rules and regulations shall be enforced by:

19

- 20 a) the Department of Health with respect to health products;
- 21 b) the Department of Agriculture with respect to products related to agriculture,
- 22 and
- 23 c) the Department of Trade and Industry with respect to other consumer products
- 24 not specified above.
- 25

26 **Article 9. Promulgation and Adoption of Consumer Product Standards.** – The

27 concerned department shall establish consumer product quality, efficacy, performance and

28 safety standards which shall consist of one or more, but not limited to the following

29 requirements:

30

- 31 a) as to performance, composition, contents, design, construction, finish,
- 32 packaging of a consumer product;
- 33 b) as to kind, class, grade, dimensions, weights, material;

- c) as to methods of sampling, tests and codes used to check the quality of the products;
- d) as to precautions in storage, transporting and packaging;
- e) that a consumer product be marked with or accompanied by clear and adequate safety warnings or instructions, or requirements respecting the form of warnings or instructions.

For this purpose, the concerned department shall adopt existing Philippine National Standards (PNS) for consumer products: *Provided*, That in the absence of such PNS, the concerned department shall develop a draft PNS, following established procedures for standards development consistent with the provisions of the World Trade Organization – Technical Barriers to Trade (WTO-TBT) Agreement Annex 3 or the Code of Good Practice for the Preparation, Adoption and Application of Standards, also known as the TBT Code of Good Practice or its amendment or equivalence. The draft PNS shall be submitted to the National Standards Body for promulgation as Philippine National Standard.

Article 10. Publication of Consumer Product Standards. – The concerned departments shall, upon promulgation of the above standards, publish or cause the publication of the title and description of the PNS in a newspaper of general circulation and in the official gazette or in the official website of the implementing agency. 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.

Article 11. Effectivity of Standards. – a) Each consumer product standard shall be effective and may be used as reference by any interested party fifteen (15) days after its publication.

b) The department may, by regulation, prohibit a manufacturer or importer from stockpiling consumer products so as to prevent such manufacturer, or importer, from circumventing the purposes of this paragraph. The term "stockpiling" means manufacturing or importing a product between the date of promulgation of its technical regulation and its effective date, at a rate which is significantly greater than the rate at

1 which such product was produced or imported during a base period as prescribed in the
2 regulation under this paragraph, ending before the date of promulgation of the technical
3 regulation.

4
5 **Article 12. Injurious, Dangerous and Unsafe Products.** – Whenever the
6 implementing agency, by its own initiative or by petition of a consumer, finds after due
7 notice and hearing, that a consumer product is found to be injurious, unsafe or
8 dangerous, whether or not the product is covered by a technical regulation, it shall make
9 the appropriate order for its recall, ban, prohibition, seizure from public sale or
10 distribution or closure of the business establishment found selling, manufacturing or
11 importing the same.

12
13 *Provided,* That the implementing agency shall order the immediate recall, ban,
14 prohibition, seizure, or closure of the business establishment under any of the following
15 circumstances:

- 16
17 a) After a sound determination of the Department, it has found that a product is
18 imminently injurious, unsafe or dangerous;
19 b) During a monitoring or enforcement activity, it found a product that is
20 manifestly injurious, unsafe or dangerous;
21 c) During a monitoring or enforcement activity, it found a product that has been
22 previously declared as injurious, unsafe or dangerous by any of the
23 implementing agencies.

24
25 In any of the above instances, the seller, distributor, manufacturer, producer or
26 importer thereof shall, within forty-eight (48) hours from receipt of the order declaring a
27 consumer product to be imminently injurious, unsafe or dangerous, show cause as to why
28 the said order should not remain in force.

29
30 The order to ban the sale and distribution of a consumer product adjudged
31 injurious, unsafe or dangerous, or imminently injurious, unsafe or dangerous, or the
32 closure or shutting down of the concerned establishment under this Article shall remain in
33 force until such time that the product's safety has been established.

1
2 **Article 13. Declaration of the Injurious, Unsafe or Dangerous Character of a**
3 **Consumer Product.** – In case the department, upon petition by an interested party or its
4 own initiative and after due notice and hearing, determines a consumer product to be
5 substandard, materially defective, injurious, unsafe or dangerous, it shall so notify the
6 manufacturer, importer, distributor or seller thereof of such finding and order such
7 manufacturer, importer, distributor or seller to give notice to the public of the defect or
8 failure to comply with the applicable standard or technical regulation.

9
10 The department shall also direct the manufacturer, importer, distributor or seller of
11 such product to extend any or all of the following remedies to the injured person:

- 12
13 a) bring such product into conformity with the requirements of the applicable
14 consumer product standards or technical regulation, or to repair the defect in
15 order to conform with the same;
16 b) replace the product with a like or equivalent product which complies with the
17 applicable consumer product standards which does not contain the defect;
18 c) refund the purchase price of the product less a reasonable allowance for use;
19 and
20 d) pay the consumer reasonable damages as may be determined by the
21 department.

22
23 The manufacturer, importer, distributor or seller shall not charge a consumer who
24 avails himself of the remedy as provided above of any expense and cost that may be
25 incurred.

26
27 **Article 14. Effectivity of Technical Regulations and their Amendment or**
28 **Revocation.** - Each technical regulation shall become effective fifteen (15) days after its
29 publication in a newspaper of general circulation and from the date of filing with the
30 University of the Philippines Law Center, unless a different date is fixed or specified in the
31 rule in cases of imminent danger to public health, safety and welfare, the existence of
32 which must be expressed in a statement accompanying the rule. The agency shall take

1 appropriate measures to make emergency rules known to persons who may be affected by
2 them.

3
4 Any amendment or revocation of a technical regulation made by the concerned
5 department shall specify the date on which it shall take effect after fifteen (15) days from
6 the date of amendment or revocation is published unless the concerned department finds,
7 for a good cause shown, that a later effective date, which shall not exceed one hundred
8 eighty (180) days, is in the public interest and publishes its reasons for such finding. The
9 department shall promulgate the necessary rules for the issuance, amendment or
10 revocation of any technical regulation.

11
12 **Article 15. Immediate Seizure of Non-conforming Consumer Products.** - If in
13 the course of its inspection, monitoring and enforcement, the appropriate department
14 apprehends products bearing no, or wanting of the, appropriate mandatory consumer
15 product certification, registration, marking or other requirements in conformity with the
16 product standards or technical regulations, it shall immediately seize and take possession
17 thereof until their disposal is ordered pending litigation or at the final determination of the
18 corresponding case filed as a result of the seizure.

19
20 **Article 16. New Products.** - The concerned department shall take measures to
21 make a list of new consumer products and to cause the publication by the respective
22 manufacturers or importers of such products a list thereof together with the descriptions
23 in a newspaper of general circulation.

24
25 **Article 17. Certification of Conformity to Consumer Product Standards.** - The
26 concerned department shall aim at having consumer product standards established for
27 every consumer product so that consumer products shall be distributed in commerce only
28 after inspection and certification of its quality and/or safety standards by the department.
29 The manufacturer shall avail of the Product ~~Standard~~ Certification Mark which the
30 department shall grant after determining the product's conformance with the relevant
31 standard in accordance with the implementing rules and regulations.

1 **Article 18. Imported Products.** – a) Any consumer product offered for importation
2 into the customs of the Philippine territory shall be refused admission if such product:

- 3
4 1) fails to comply with an applicable consumer product quality and/or safety
5 standard or technical regulation;
6 2) is or has been determined to be injurious, unsafe and dangerous;
7 3) is substandard; or
8 4) has material defect.

9
10 b) Samples of consumer products being imported into the Philippines in a quantity
11 necessary for purposes of determining the existence of any of the above causes for non-
12 admission may be obtained by the concerned department or agency without charge from
13 the owner or consignee thereof. The owner or consignee of the imported consumer product
14 under examination shall be afforded an opportunity to a hearing with respect to the
15 importation of such products into the Philippines. If it appears from examination of such
16 samples or otherwise that an imported consumer product does not conform to the
17 technical regulation or is injurious, unsafe and dangerous, is substandard or has a
18 material defect, such product shall be refused admission unless the owner or the
19 consignee thereof substantially proves and under bond that none of the above ground for
20 non-admission exists or that measures have been taken to cure them before they are sold,
21 distributed or offered for sale to the general public.

22
23 Any consumer product, the sale or use of which has been banned or withdrawn in
24 the country of origin, source or manufacture, shall not be imported into the country.

25
26 c) If it appears that any consumer product which may not be admitted pursuant to
27 paragraph (a) of this Article can be so modified that it can already be accepted, the
28 concerned department may defer final examination as to the admission of such product for
29 a period not exceeding ten (10) days, and in accordance with such regulations as the
30 department and the Commissioner of Customs shall jointly release from customs custody
31 under bond for the purpose of permitting the owner or consignee an opportunity to so
32 modify such product.

1 d) All modifications taken by an owner or consignee for the purpose of securing
2 admission of an imported consumer product under paragraph (c) of this Article shall be
3 subject to the supervision of the concerned department. If the product cannot be so
4 modified, or if the owner or consignee is not proceeding to satisfactorily modify such
5 product, it shall be refused admission and the department may direct redelivery of the
6 product into customs custody, and to seize the product if not so redelivered.

7
8 e) Imported consumer products not admitted must be exported, except that upon
9 application, the Commissioner of Customs may permit the destruction of the product if,
10 within a reasonable time, the owner or consignee thereof fails to export the same.

11
12 f) All expenses in connection with the destruction provided for in this Article, and all
13 expenses in connection with the storage, cartage or labor with respect to any consumer
14 product refused admission under this Article, shall be paid by the importer, owner or
15 consignee and, in default of such payment, shall constitute a lien against any future
16 importation made by such importer, owner or consignee.

17
18 **Article 19. Consumer Products for Export.** –The preceding Article on safety does
19 not apply to any consumer product if:

20
21 a) it can be shown that such product is manufactured, sold or held for sale for
22 export from the Philippines, or that such product was imported for export,
23 unless such consumer product is in fact distributed in commerce for use in the
24 Philippines; and

25
26 b) such consumer product or the packaging thereof bears a stamp or label stating
27 that such consumer product is intended for export and actually exported.

28
29 **Article 20. Powers, Functions and Duties.** – In addition to their powers, functions
30 and duties under existing laws, the concerned department shall have the following powers,
31 functions and duties:

- 1 a) administer and supervise the implementation of this Article and its
2 implementing rules and regulations;
3
- 4 b) undertake researches, develop and establish consumer product standards or
5 technical regulations in coordination with other government and private
6 agencies closely associated with these products;
7
- 8 c) inspect and analyze consumer products for purposes of determining conformity
9 to established quality and safety consumer product standards or technical
10 regulations;
11
- 12 d) levy, assess, collect and retain fees as are necessary to cover the cost of
13 inspection, certification, analysis and tests of samples of consumer products
14 and materials submitted in compliance with the provisions of this Act;
15
- 16 e) investigate the causes of and maintain a record of product-related deaths,
17 illnesses and injuries for use in researches or studies on the prevention of such
18 product-related deaths, illnesses and injuries;
19
- 20 f) enter at reasonable hours, through their duly designated officers or employees,
21 warehouses, stores, and such other premises of business establishments where
22 consumer products are displayed or stored and conduct inspection therein to
23 enforce or ensure compliance with quality and safety consumer product
24 standards or technical regulations;
25
- 26 g) declare a product as imminently injurious, unsafe or dangerous and order its
27 immediate recall, ban, prohibition or seizure from public sale or distribution, or
28 the closure of the business establishment, after due notice and hearing;
29
- 30 h) seize and hold in custody pending proceedings, after due notice and hearing,
31 when the department has reasonable cause to believe from fact found by it or an
32 authorized officer or employee of the department that such consumer products
33 may cause injury or prejudice to the consuming public;

- 1
- 2 i) accredit independent, competent non-government bodies, to assist in (1)
- 3 monitoring the market for the presence of hazardous or non-certified products
- 4 and other forms of violations of Article 21 of this Act; and (2) other appropriate
- 5 means to expand the monitoring and enforcement outreach of the department in
- 6 relation to its manpower, testing and certification resources at a given time;
- 7
- 8 j) accredit independent competent testing laboratories;
- 9
- 10 k) strengthen their regulatory capacities;
- 11
- 12 l) call on the assistance of other agencies or bodies for the effective and efficient
- 13 implementation of this Act.
- 14

15 **Article 21. Prohibited Acts.** – It shall be unlawful for any person to:

- 16 a) manufacture for sale, offer for sale, distribute in commerce, or import into the
- 17 Philippines any consumer product which is not in conformity with an applicable
- 18 consumer product quality or safety standard promulgated in this Act;
- 19 b) manufacture for sale, offer for sale, distribute in commerce, or import into the
- 20 Philippines any consumer product which has been declared as banned
- 21 consumer product by a rule in this Act;
- 22 c) refuse access to or copying of pertinent records or fail or refuse to permit entry
- 23 of or inspection by authorized officers or employees of the department;
- 24 d) fail to comply with an order issued under Articles 12 and 13 of this Act relating
- 25 to notifications of substantial product hazards and to recall, repair, replacement
- 26 or refund of unsafe products;
- 27 e) fail to comply with the rule prohibiting stockpiling.
- 28

29 **Article 22. Sanctions and Penalties.** a) The implementing agencies or the court

30 shall, after due notice and hearing, impose sanctions and penalties provided in Articles

31 158 and 159 of this Act against any person found to have violated any provision of this

32 Chapter.

1 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
2 penalties prescribed, be deported without further proceedings after service of sentence and
3 maybe permanently barred from re-entering the Philippines.

4
5 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
6 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
7 registration in the civil register and immediate deportation after service of sentence and
8 payment of fine and may be permanently barred from re-entering the Philippines.

9
10 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
11 of the acts or practices constituting a violation of Article 21 of this Act, and who has
12 knowledge or notice of noncompliance received by the corporation from the concerned
13 department, shall be subject to penalties to which that corporation may be subject.

14
15 In case the violation is committed by, or in the interest of a foreign juridical person duly
16 licensed to engage in business in the Philippines, such license to engage in business in the
17 Philippines shall immediately be revoked.

18
19 **CHAPTER II**
20 **HEALTH PRODUCTS**
21

22 **Article 23. Declaration of Policy.** — The State shall ensure effective, safe and good
23 quality health products and regulate their production, sale, distribution, advertisement,
24 and promotion to protect the health of the consumer.

25
26 **Article 24. Implementing Agency.** — In the implementation of the foregoing
27 policy, the State, through the Department of Health, hereby referred as the Department,
28 shall, in accordance with the provisions of this Act:

- 29
30 a) establish standards and quality measures for health products;
31 b) adopt measures to ensure pure and safe, good quality, and as applicable,
32 effective supply of health products in the country;

- 1 c) adopt measures to ensure the rational use of drugs, medical device, radiation
2 device, and health-related device, such as, but not limited to, banning, recalling
3 or withdrawing from the market drugs, medical device, radiation device, and
4 health-related device which are unregistered, unsafe, inefficacious or of doubtful
5 therapeutic value, the adoption of an official National Drug Formulary, and the
6 use of generic names in the labeling of drugs;
7 d) strengthen the Food and Drug Administration.
8

9 **Article 25. Rules and Regulations on Definitions and Standards.** — Whenever in
10 the judgment of the Department such action will promote honesty and fair dealing in the
11 interest of consumers, it shall promulgate rules and regulations fixing and establishing,
12 among others, a reasonable definition and standard of identity, a reasonable standard of
13 quality, efficacy or reasonable standard of fill of containers for health products.
14

15 **Article 26. Adulterated Food.** — Food shall be deemed to be adulterated:
16

17 a)1) if it bears or contains any poisonous or deleterious substance which may
18 render it injurious to health; but in case the substance is not an added substance, such
19 food shall not be considered adulterated under this clause if the quantity of such
20 substance does not ordinarily render it injurious to health;

21 2) if it bears or contains any added poisonous or deleterious substance other than
22 one which is (i) a pesticide chemical in or on a raw agricultural commodity, (ii) a food
23 additive, (iii) a color additive, for which tolerances have been established and it conforms
24 to such tolerances;

25 3) if it consists in whole or in part of any filthy, putrid or decomposed substance, or
26 if it is otherwise unfit for food;

27 4) it has been prepared, packed or held under unsanitary conditions whereby it may
28 have become contaminated with filth, or whereby, it may have been rendered injurious to
29 health;

30 5) if it is, in whole or part, the product of a diseased animal or of an animal which
31 has died other than by slaughter;

32 6) its container is composed, in whole or in part, of any poisonous or deleterious
33 substance which may render the contents injurious to health;

1 7) if it has passed its expiry date, or expired ingredients were used; or

2 8) if it has been intentionally subjected to radiation unless the use of radiation is in
3 conformity with an existing regulation or exemption.

4
5 b)1) If any valuable constituent has been, in whole or in part, omitted or abstracted
6 therefrom and the same has not been substituted by any healthful equivalent of such
7 constituent; 2) if any substance, not a valuable constituent, has been added or substituted
8 or in part therefor; 3) if damage or inferiority has been concealed in any manner; or 4) if
9 any substance has been added thereto or packed therewith so as to increase its bulk or
10 weight, reduce its quality or strength, or make it appear better or of greater value than it
11 is.

12
13 c) if it is, or bears or contains a color additive which is unsafe under existing regulations:
14 *Provided*, That the Department shall promulgate regulations providing for the listing of
15 color additives which are harmless and suitable for use in food for which tolerances have
16 been established;

17
18 d) if it is confectionary, and it bears or contains any alcohol or non-nutritive article or
19 substance except harmless coloring, harmless flavoring, harmless resinous glass not in
20 excess of four-tenths (4/10) of one per centum (1%) natural gum and pectin: *Provided*,
21 That this clause shall not apply to a safe non-nutritive article or substance if, in the
22 judgment of the Department as provided by regulations, (1) such article or substance is of
23 practical functional value in the manufacture, packaging or storage of such confectionery,
24 (2) if the use of the substance does not promote deception of the consumer or otherwise
25 results in adulteration or mislabeling in violation of any provision of this Act, and (3)
26 would not render the product injurious or hazardous to health: *Provided further*, That this
27 paragraph shall not apply to any confectionery by reason of its containing less than one-
28 half (1/2) of one per centum (1%) by volume of alcohol, derived solely from the use of
29 flavoring extracts, or to any chewing gum by reason of its containing harmless non-
30 nutritive masticatory substance: *Provided finally*, That the Department may, for the
31 purposes of avoiding or resolving uncertainty as to the application of this clause,
32 promulgate regulations allowing or prohibiting the use of particular non-nutritive
33 substances;

1
2 e) if it is oleomargarine, margarine or butter and any of the raw materials used therein
3 consists in whole or in part of any filthy, putrid or decomposed substance, or such
4 oleomargarine, margarine or butter is otherwise unfit for food;

5
6 f) if it has not been prepared in accordance with current acceptable manufacturing
7 practice established by the Department through regulations.
8

9 **Article 27. Regulation of Unprocessed Food.** — The provincial, municipal and city
10 governments or the Department of Agriculture shall regulate the preparation and sale of
11 meat, fresh fruits, poultry, milk, fish, vegetables and other foodstuff for public
12 consumption, pursuant to the Local Government Code or the Food Safety Law as the case
13 may be.
14

15 **Article 28. Tolerance for Poisonous Ingredients in Food.** — Any poisonous or
16 deleterious substance added to any food shall be deemed to be unsafe, except when such
17 substance is required or cannot be avoided in its production or cannot be avoided by good
18 manufacturing practice. In such case, the Department shall promulgate regulations
19 limiting the quantity therein in such extent as he finds necessary for the protection of
20 public health, and any quantity exceeding the limits so fixed shall be deemed to be unsafe.
21 In determining the quantity of such added substance to be tolerated in different articles of
22 food, the Department shall consider the extent to which the use of such article is required
23 or cannot be avoided in the production or manufacture of such articles and the other ways
24 in which the consumer may be affected by the same or other poisonous or deleterious
25 substance.
26

27 **Article 29. Unsafe Food Additives, Exceptions for Conformity with Regulation.**
28 — A food additive, with respect to any particular use or intended use, shall be deemed
29 unsafe unless:
30

31 a) it and its use or intended use conforms to the terms of an exemption for being
32 solely intended for investigational use by qualified experts; or

1 b) it and its use or intended use is in conformity with a regulation issued by the
2 Department prescribing the conditions under which such additives may be
3 safely used.

4 **Article 30. Petition for Regulation of Food Additive.** — Any person may, with
5 respect to any intended use of a food additive, file with the Department a petition
6 proposing the issuance of a regulation prescribing the conditions under which such
7 additives may be safely used.

8
9 The Department shall (1) establish a regulation prescribing, with respect to one or
10 more proposed uses of the food additive involved, (i) the conditions under which a food
11 additive may be safely used including, but not limited to, specifications as to the particular
12 food, or classes of food, in which such additive may be used, (ii) the maximum quantity
13 which may be used, or permitted to remain in or on such food; (iii) the manner in which
14 such additive may be added to or used in or on such food, and (iv) any directions or other
15 labeling or packaging requirement for such additive deemed necessary to assure the safety
16 of such use, and shall notify the petitioner of such order and the reasons for such action;
17 or (2) deny the petition and notify the petitioner of and the reasons for such action.

18
19 The Department may, at any time upon his own initiative, issue a regulation
20 prescribing, with respect to any particular food additive, the conditions under which such
21 additive may be safely used and the reasons thereof, and cause the publication of the
22 same.

23
24 **Article 31. Effectivity of Regulations.** — The regulations promulgated under the
25 preceding Articles shall take effect fifteen (15) days after its publication in a newspaper of
26 general circulation but the Department may stay such effectivity if, after issuance of such
27 order, a hearing is sought by any person adversely affected by such order.

28
29 **Article 32. Adulterated Drugs and Devices.** — A drug or device shall be deemed to
30 be adulterated:

31
32 a) 1) if it contains in whole or in part any filthy, putrid, or decomposed substance
33 which may affect its safety, efficacy or good quality; or (2) if it has been

1 manufactured, prepared or held under unsanitary conditions whereby it may have
2 been contaminated with dirt or filth or whereby it may have been rendered injurious
3 to health; or (3) if its container is composed, in whole or in part, of any poisonous or
4 deleterious substance which may render the contents injurious to health; or (4) if it
5 bears or contains any color other than a permissible one as determined by the
6 Department, taking into consideration standards of safety, efficacy or good quality.

7 b) If it purports to be or is represented as a drug, the name of which is recognized in
8 an official compendium, and its strength differs from, or its safety, efficacy, quality
9 or purity falls below the standards set forth in such compendium, except that
10 whenever tests or methods of assay as prescribed are, in the judgment of the
11 Department, insufficient for the making of such determination, the Department
12 shall promulgate regulations prescribing appropriate tests or methods of assay in
13 accordance with which such determination as to strength, safety, efficacy, quality or
14 purity shall be made. No drug defined in an official compendium shall be deemed to
15 be adulterated under this paragraph because it differs from the standards of
16 strength, safety, efficacy, quality or purity therefor set forth in such compendium, if
17 its difference in strength, safety, efficacy, quality or purity from such standards is
18 plainly stated in its label and approved for registration as such.

19 c) If it is not subject to the provisions of paragraph (b) and its strength differs from,
20 or its efficacy, quality or purity falls below, that which it purports or is represented
21 to possess.

22 d) If a drug or device and any substance has been mixed or packed therewith, or
23 any substance has been substituted wholly or in part thereof, so as to reduce its
24 safety, efficacy, quality, strength or purity.

25 e) If the methods used in, or the facilities or controls used for its manufacture or
26 holding do not conform to or are not operated or administered in conformity with
27 current good manufacturing practice to assure that such drug meets the
28 requirements of this Act as to safety, quality and efficacy, and has the identity and
29 strength, and meets the quality and purity characteristics which it purports or is
30 represented to possess.

31
32 **Article 33. Exemption in Case of Drugs and Devices.** — a) The Department is
33 hereby directed to promulgate regulations exempting from any labeling or packaging

1 requirement of this Act drugs and devices which are, in accordance with the practice of the
2 trade, to be processed, labeled or repacked in substantial quantities at establishments
3 other than those where originally processed or packed, on condition that such drugs and
4 devices are not adulterated or mislabeled under the provisions of this Act upon removal
5 from such processing, labeling or repacking establishment.

6 b) 1) Drugs intended for use by man which:

7 (i) are habit-forming;

8 (ii) because of their toxicity or other potentiality for harmful effect, or method of
9 their use is not safe for use except under the supervision of practitioner licensed
10 by law to administer such drug; or

11 (iii) are new drugs whose applications are limited to investigational use;

12 shall be dispensed only (a) upon written prescription of a practitioner licensed by law to
13 administer such drug, or (b) upon an oral prescription of such practitioner which is
14 reduced promptly to writing and filed by the pharmacist, or (c) by refilling any such written
15 or oral prescription if such refilling is authorized by the prescriber either in the original
16 prescription or by oral order which is reduced promptly to writing and filed by the
17 pharmacist. The act of dispensing a drug contrary to the provisions of this paragraph shall
18 be deemed to be an act which results in the drug being mislabeled while held for sale.

19 2) Any drug dispensed by filling or refilling a written prescription of a practitioner licensed
20 by law to administer such drug shall be exempt from the requirements of Article 93, except
21 paragraphs (a), (h), (2) and (3), and the packaging requirements of paragraphs (f) and (g), if
22 the drug bears a label containing the name and address of the dispenser, the serial
23 number and date of the prescription or its filling, the name of the prescriber and, if stated
24 in the prescription the name of the patient and the directions for use and cautionary
25 statements, if any, contained in such prescription.

26
27 3) The Department may, by regulation, remove drugs subject to Article 93 (d) and Article
28 34 from the requirements of Sub-Article (b)(1) of this Article, when such requirements are
29 not necessary for the protection of the public health.

30 4) A drug which is subject to Sub-Article (b)(1) of this Article shall be deemed to be
31 mislabeled if at any time prior to dispensing, its label fails to bear the statement "*Caution:*
32 *Should not be dispensed without prescription.*" A drug to which Sub-Article (b)(1) of this

Article does not apply shall be deemed to be mislabeled if at any time prior to dispensing, its label bears the caution statement quoted in the preceding sentence.

Article 34. Licensing and Registration.

a) No person shall manufacture, sell, offer for sale, import, export, distribute or transfer any drug or device, unless an application for registration filed pursuant to Sub-Article (b) hereof is approved with respect to such drug or device.

b) Any person may file with the Department, through the Department, an application under oath with respect to any drug or device subject to the provisions of Sub-Article (a) hereof. Such persons shall submit to the Department: (1) full reports of investigations which have been made to show whether or not such drug or device is safe, efficacious and of good quality for use based on clinical studies conducted in the Philippines; (2) a full list of the articles used as components of such drug or device; (3) a full statement of the composition of such drug or device; (4) a full description of the methods used in and the facilities and controls used for the manufacture of such drug or device; (5) such samples of such drug or device and of the articles used as components thereof as the Department may require; (6) specimens of the labeling proposed to be used for such drug or device; and (7) such other requirements as may be prescribed by regulations to ensure safety, efficacy and good quality of such drug or device.

c) Within one hundred eighty (180) days after the filing of an application under this Sub-Article, or such additional period as may be agreed upon by the Department and the applicant except for cancer medicines which shall not exceed one year, the Department shall either (1) approve the application if he then finds that none of the grounds for denying approval specified in Sub-Article (d) applies, or (2) give the applicant notice of an opportunity for a hearing before the Department under Sub-Article (d) on the question whether such application is approvable.

d) If the Department finds, after due notice to the applicant and giving him an opportunity for a hearing, that (1) the reports of the investigations which are required to be submitted to the Department pursuant to Sub-Article (b) hereof, do not include adequate tests by all methods reasonably applicable to show whether or not such drug or device is safe,

1 efficacious and of good quality for use under the conditions prescribed, recommended or
2 suggested in the proposed labeling thereof; (2) the results of such test show that such drug
3 or device is unsafe, inefficacious or of doubtful therapeutic value for use under such
4 conditions or do not show that such drug or device is safe, efficacious or of good quality for
5 use under such conditions; (3) the methods used in, and the facilities and controls used
6 for the manufacture of such drug or device are inadequate to preserve its identity,
7 strength, quality and purity; or (4) upon the basis of the information submitted to him as
8 part of the application, or upon the basis of any other information before him with respect
9 to such drug or device, he has insufficient information to determine whether such drug or
10 device is safe, efficacious or of good equality for use under such conditions; or (5)
11 evaluated on the basis of the information submitted to him as part of the application, and
12 any other information before him with respect to such drug or device, there is a lack of
13 substantial evidence that the drug or device will have the effect it purports or is
14 represented to have under the conditions of use prescribed, recommended or suggested in
15 the proposed labeling thereof; or (6) based on a fair evaluation of all material facts, such
16 labeling is false or misleading in any way; he shall issue an order disapproving the
17 application.

18
19 e) The effectiveness of an application with respect to any drug or device shall, after due
20 notice and opportunity for hearing to the applicant, by order of the Department be
21 suspended if it finds (1) that clinical experience, tests by new methods, or tests by
22 methods not deemed reasonably applicable when such application became effective show
23 that such drug or device is unsafe or ineffective for use under the conditions of use upon
24 the basis of which the application became effective, or (2) that the application contains any
25 untrue statement of a material fact. The order shall state the findings upon which it is
26 based.

27
28 f) The Department shall promulgate regulations for exempting from the operation of this
29 Article drugs and devices intended solely for investigational use by experts qualified by
30 scientific training and experience to investigate the safety and effectiveness of drugs and
31 devices.

1 g) No person shall manufacture, sell, offer for sale, import, export, distribute or transfer
2 any drug or device without first securing a license to operate from the Department after
3 due compliance with technical requirements in accordance with the rules and regulations
4 promulgated by the Department pursuant to this Act.

5
6 h) No drug or device shall be manufactured, sold, offered for sale, imported, exported,
7 distributed or transferred, unless registered by the manufacturer, importer or distributor
8 thereof in accordance with rules and regulations promulgated by the Department
9 pursuant to this Act.

10
11 i) The Department shall promulgate a schedule of fees for the issuance of the certificate of
12 product registration and license to operate provided for under this Article.

13
14 **Article 35. Dangerous Drugs.** — The importation, distribution, manufacture,
15 production, compounding, prescription, dispensing and sale of, and other lawful acts in
16 connection with, dangerous drugs of such kind and quantity as may be deemed necessary
17 according to the medical and research needs of the country and the determination of the
18 quantity/quantities to be imported, manufactured and held in stock at any given time by
19 an authorized importer, manufacturer or distributor of dangerous drugs shall be under the
20 jurisdiction and authority of the Dangerous Drugs Board as provided for by existing laws
21 and regulations.

22
23 **Article 36. Banned or Restricted Drugs.** — Banned or severely restricted drugs for
24 health and safety reasons in their country of origin **OR MANUFACTURE** shall be banned
25 and confiscated or its uses severely restricted, whichever is appropriate, by the
26 Department. The Department shall monitor the presence in the market of such drugs and
27 cause the maintenance and regular publications of an updated consolidated list thereof.

28
29 **Article 37. Certification of Certain Drugs.** — a) The Department shall, by
30 regulations, provide for the certification of batches of drugs composed wholly or partially of
31 any kind of antibiotic. A batch of such drug shall be certified if such drug has such
32 characteristics of identity, strength, quality and purity, as the Department prescribes in
33 such regulations as necessary to insure adequately safety and efficacy of use and good

1 quality. Prior to the effective date of such regulations the Department, in lieu of
2 certification, shall issue a release for any batch which, in his judgment, may be released
3 without risk as to the safety and efficacy of its use. Such release shall prescribe the date of
4 its expiration and other conditions under which it shall cease to be effective as to such
5 batch and as to portions thereof. For purposes of this Article and of Article 93 (j) of this
6 Act, the term "antibiotic drug" means any drug intended for use by man containing any
7 quantity of any chemical substance which is produced by a micro-organism and which has
8 the capacity to inhibit or destroy micro-organisms in dilute solution, including the
9 chemically synthesized equivalent of any such substance.

10
11 b) Whenever in the judgment of the Department, the requirements of this Article and of
12 Article 93 (j) of this Act with respect to any drug or class of drugs are not necessary to
13 insure safety and efficacy of use and good quality, the Department shall promulgate
14 regulations exempting such drug or class of drugs from such requirements.

15
16 c) The Department shall promulgate regulations exempting from any requirement of this
17 Article and of Article 93 (j) of this Act, (1) drugs which are to be stored, processed, labeled,
18 or repacked at establishments other than those where manufactured, or condition that
19 such drugs comply with all such requirements upon removal from such establishments;
20 (2) drugs which conform to applicable standards of identity, strength, quality, and purity
21 prescribed by these regulations and are intended for use in manufacturing other drugs;
22 and (3) drugs which are intended for investigational use by experts qualified by scientific
23 training and experience to investigate the safety and efficacy of drugs.

24
25 **Article 38. Adulterated Cosmetics.** — A cosmetic shall be deemed to be
26 adulterated:

27
28 a) if it bears or contains any poisonous or deleterious substance which may render it
29 injurious to users under the condition of use prescribed in the labeling thereof, or under
30 the condition of use as are customary or usual: *Provided*, That this provision shall not
31 apply to color additive hair dye, the label of which bears the following legend
32 conspicuously displayed thereon: "*Caution: this product contains ingredients which may*
33 *cause skin irritation on certain individuals and a preliminary test according to accompanying*

1 *directions should first be made. This product must not be used for dyeing the eyelashes or*
2 *eyebrows; to do so may cause blindness” and labeling of which bears adequate directions*
3 *for such preliminary testing. For purposes of this paragraph (e) the term “hair dye” shall*
4 *not include eyelash dyes or eyebrow dyes.*

5 b) if it consists in whole or in part of any filthy, putrid, or decomposed substance.

6 c) if it has been prepared, packed or held under unsanitary conditions whereby it may
7 have become contaminated with filth, or whereby it may have been rendered injurious to
8 health.

9 d) if its container is composed, in whole or in part, of any poisonous or deleterious
10 substance which may render the contents injurious to health.

11 e) if it is not a hair dye, and it bears or contains color additive other than which is
12 permissible.

13 f) if any of its substances has been (1) mixed or packed therewith so as to reduce its
14 quality or strength or (2) substituted wholly or in parts therefor.

15 g) if it does not comply with the technical regulations as to composition or content imposed
16 by the department.

17
18 **Article 39. Factory Inspection.** — a) For purposes of enforcement of this Article,
19 officers or employees duly designated by the Department, upon presenting appropriate
20 credentials to the owner, operator, or agent in charge, are authorized (1) to enter, at
21 reasonable hours, any factory, warehouse or establishment in which health products are
22 manufactured, processed, packed or held, for introduction into domestic commerce or are
23 held after such introduction, or to enter any vehicle being used to transport or hold such
24 health products in domestic commerce; and (2) to inspect, in a reasonable manner, such
25 factory, warehouse, establishment or vehicle and all pertinent equipment, finished and
26 unfinished materials, containers and labeling therein.

27
28 b) If the officer or employee making any such inspection of a factory, warehouse or other
29 establishment has obtained any sample in the course of the inspection, upon completion
30 of the inspection and prior to leaving the premises he shall give to the owner, operator, or
31 agent in charge a receipt describing the samples obtained.

32 c) Whenever in the course of any such inspection of a factory or other establishment where
33 health product is manufactured, processed, packed, or held, the officer or employee

1 making the inspection obtains a sample of any such health products, and an analysis or
2 verification made of such sample for the purpose of ascertaining whether such health
3 products complies with applicable standards for safety, efficacy or quality. A copy of the
4 results of such analysis or verification shall be furnished promptly to the owner, operator
5 or agent in charge.

6
7 **Article 40. Provisional Permits.** — Whenever the Department finds, after
8 investigation, that the sale or distribution in commerce of any class of health products,
9 may be injurious to health, and that such injurious nature cannot be adequately
10 determined after such articles have entered into domestic commerce, it shall promulgate
11 regulations providing for the issuance, suspension and revocation of provisional permits,
12 offer for sale or transfer of such classes of health products to manufacturers, processors,
13 packers, or importers of the same in such locality to which shall be attached such
14 conditions governing the manufacture, processing or packing of such consumer products
15 for such temporary period of time as may be necessary to protect public health; and after
16 the effective date of such regulations, and during such temporary period, no person shall,
17 offer for sale or transfer any such health products unless such manufacturer, processor,
18 packer or importer holds such permit.

19 **Article 41. Publicity and Publication.** — a) The Department may cause to be
20 disseminated information regarding health products in situations involving, in the opinion
21 of the Department, imminent danger to health, or gross deception to the consumer.
22 Nothing in this Article shall be construed to prohibit the Department from collecting,
23 reporting, and illustrating the results of its investigations.

24 b) The Department shall publish a Drug Reference Manual and Drug Bulletin to serve as
25 reference by manufacturers, importers, distributors, physicians, consumers and such
26 other groups as may be deemed necessary. The Department is hereby authorized to sell
27 the Drug Reference Manual at cost.

28
29 **Article 42. Prohibited Acts.** — The following acts and the causing thereof are
30 hereby prohibited:

- 31 a) the manufacture, importation, exportation, sale, offering for sale, distribution,
32 transfer, non-consumer use, promotion, advertising, or sponsorship of any
33 health products that is adulterated or mislabeled;

- 1 b) the adulteration or misbranding of any health products or carrying out of any
2 other acts contrary to good manufacturing practices;
- 3 c) the refusal to permit entry or inspection as authorized by Article 39 of this Act,
4 or access to pertinent records, or to allow samples to be collected;
- 5 d) the giving of a guaranty or undertaking which guaranty or undertaking is false,
6 except by a person who relied upon a guaranty or undertaking to the same effect
7 signed by, and containing the name and address of, the person residing in the
8 Philippines from whom he received in good faith the health product;
- 9 e) forging, counterfeiting, simulating, or falsely representing or without proper
10 authority using any mark, stamp, tag, label, or other identification device, or
11 documents authorized or required by regulations promulgated under the
12 provisions of this Act;
- 13 f) the using by any person to his own advantage, or revealing, other than to the
14 Department or to the courts when relevant in any judicial proceeding under this
15 Act, any information concerning any method or process which as a trade secret
16 is entitled to protection;
- 17 g) the alteration, mutilation, destruction, obliteration, or removal of the whole or
18 any part of the labeling of, or the doing of any other act with respect to health
19 products if such act is done while such product is held for sale; whether or not
20 the first sale and results in such product being adulterated or mislabeled:
21 *Provided,* That a retailer may sell in smaller quantities, subject to guidelines
22 issued by the department;
- 23 h) the use, on the labeling of any health products or in any advertising relating to
24 any representation or suggestion that such health products is registered, which
25 representation or suggestion is false or that such health products comply with
26 the requirements of registration;
- 27 i) the use, in labeling, advertising or other sales promotion, of any reference to any
28 report or analysis furnished in compliance with Section 19 of Executive Order
29 175, series of 1987, entitled: "Further Amending Republic Act No. 3720, Entitled
30 "An Act To Ensure The Safety And Purity Of Foods, Drugs, And Cosmetics Being
31 Made Available To The Public By Creating The Food And Drug Administration
32 Which Shall Administer And Enforce The Laws Pertaining Thereto", As Amended,
33 And For Other Purposes";

- j) the manufacture, importation, exportation, sale, offering for sale, distribution, or transfer of any health products which is not registered or not notified in case of cosmetics with the Department pursuant to this Act;
- k) the manufacture, importation, exportation, sale, offering for sale, distribution, or transfer of any health products by any person without the license from the Department required in this Act;
- l) the sale or offering for sale of any health products beyond its expiration or expiry date;
- m) the release for sale or distribution of a batch of drugs without batch certification when required under Article 37 of this Act;
- n) connivance with manufacturer, importer, exporter, distributor, seller, retailer, their agents, or inspectors, which may result in health products' safety risks to consumers.

Article 43. Sanctions and Penalties. a) The implementing agencies or the court shall, after due notice and hearing, impose sanctions and penalties provided in Articles 158 and 159 of this Act against any person found to have violated any provision of this Chapter.

b) A foreign national, who violates any provision of this Chapter shall, in addition to the penalties prescribed, be deported without further proceedings after service of sentence and maybe permanently barred from re-entering the Philippines.

c) In case the offender is a naturalized citizen, he shall, in addition to the penalty prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its registration in the civil register and immediate deportation after service of sentence and payment of fine and may be permanently barred from re-entering the Philippines.

d) Any director, officer or agent of a corporation who shall authorize, order or perform any of the acts or practices constituting a violation of Article 42 of this Act, and who has knowledge or notice of noncompliance received by the corporation from the concerned department, shall be subject to penalties to which that corporation may be subject.

In case the violation is committed by, or in the interest of a foreign juridical person duly licensed to engage in business in the Philippines, such license to engage in business in the Philippines shall immediately be revoked.

1 **CHAPTER III**

2 **HAZARDOUS SUBSTANCE**

3 **Article 44. Declaration of Policy.** — The State shall adopt measures designed to
4 protect the consumer against substances other than health products that are hazardous
5 to his health and safety.

6
7 **Article 45. Implementing Agency.** The Department of Health, hereby referred to
8 as the Department, shall enforce the provisions of this Chapter.

9
10 **Article 46. Regulations.** - To resolve any uncertainty as to the coverage of this
11 Article, the Department may, by regulations, declare as hazardous any substance or
12 mixture of substances which it finds to meet the requirements of paragraph (ii), Clause
13 (1)(i) of Article 6 of this Act.

14
15 If the Department finds that for good and sufficient reasons, full compliance with
16 the labeling requirements otherwise applicable under this Chapter is impracticable or is
17 not necessary for the adequate protection of public health and safety, it shall promulgate
18 regulations exempting such substances from these requirements to the extent it deems
19 consistent with the objective of adequately safeguarding public health and safety, and any
20 hazardous substance which does not bear a label in accordance with such regulations
21 shall be deemed to be a mislabeled hazardous substance.

22
23 **Article 47. Imports: Regulations on Imported Hazardous Substances.** — a) The
24 Commissioner of Customs shall deliver to the Department, upon its request, samples of
25 hazardous substances being imported or offered for import to the Philippines, giving notice
26 thereof to the owner or consignee who may appear before the Department and exercise the
27 right to make testimony. If it appears from the examination of such samples that such
28 hazardous substance is a mislabeled hazardous substance or banned hazardous
29 substance, then such hazardous substance shall be refused admission except as may be
30 provided in an order issued by the Department authorizing delivery of the refused
31 products or substance under the requirements imposed therein. The Commissioner of
32 Customs shall cause the destruction of any hazardous substance refused admission
33 unless such is exported, under regulations issued by the Commissioner within ninety (90)

1 days from the date of notice of such refusal or within such additional time as may be fixed
2 by him.

3
4 b) Pending decision on the admissibility of a hazardous substance being imported or
5 offered for import, the Commissioner of Customs may authorize delivery of such
6 hazardous substance to the owner or consignee upon execution by him of a good and
7 sufficient bond providing for the payment of such liquidated damages in the event of
8 default. If it appears to the Department that the hazardous substance can by relabeling or
9 other action be made to comply with the requirements of this Article final determination as
10 to the admission of such hazardous substance may be deferred and upon filing of a timely
11 written application by the owner or consignee and the execution by him of a bond as
12 provided in the provision of this paragraph. The Department may, in accordance with
13 regulations, authorize the applicant to perform such relabeling or other action specified in
14 such authorization, including destruction or export of such rejected hazardous substance.
15 All such relabeling or other action pursuant to such authorization shall be in accordance
16 with regulations and shall be under the supervision of an officer or employee of the
17 Commission of Customs and the Department.

18
19 **Article 48. Prohibited Acts.** — It shall be unlawful for any person to:

20 a) introduce or deliver for introduction into commerce of any mislabeled hazardous
21 substance or banned hazardous substance;

22
23 b) alter, mutilate, destroy, obliterate or remove the whole or any part of the label of a
24 mislabeled hazardous substance, or banned hazardous substance, if such act is done
25 while the substance is in commerce or while the substance is held for sale, whether or not
26 it is the first sale;

27
28 c) receive in commerce any mislabeled hazardous substance or banned hazardous
29 substance and the delivery or preferred delivery thereof at cost or otherwise;

30
31 d) give the guaranty or undertaking referred to in paragraph (b) of Article 97 and
32 paragraph (b) of Article 47 of this Act if such guaranty or undertaking is false, except by a
33 person who relied upon a guaranty or undertaking which he received in good faith;

1 e) introduce or deliver for introduction into commerce or receive in commerce and
2 subsequently deliver or preferred at cost or otherwise, or a hazardous substance in a
3 reused health products container or in a container which, though not a reused container,
4 is identifiable as a health product container by its labeling or by other identification. The
5 use of a used food, drug, cosmetic or device container for a hazardous substance does not
6 diminish the danger posed by the hazardous substance involved, therefore, such
7 substance shall be deemed a mislabeled hazardous substance.

8
9 **Article 49. Sanctions and Penalties.** a) The implementing agencies or the court
10 shall, after due notice and hearing, impose sanctions and penalties provided in Articles
11 158 and 159 of this Act against any person found to have violated any provision of this
12 Chapter.

13
14 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
15 penalties prescribed, be deported without further proceedings after service of sentence and
16 maybe permanently barred from re-entering the Philippines.

17
18 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
19 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
20 registration in the civil register and immediate deportation after service of sentence and
21 payment of fine and may be permanently barred from re-entering the Philippines.

22
23 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
24 of the acts or practices constituting a violation of Article 48 of this Act, and who has
25 knowledge or notice of noncompliance received by the corporation from the concerned
26 department, shall be subject to penalties to which that corporation may be subject.
27 In case the violation is committed by, or in the interest of a foreign juridical person duly
28 licensed to engage in business in the Philippines, such license to engage in business in the
29 Philippines shall immediately be revoked.

30
31 **TITLE III**
32 **PROTECTION AGAINST DECEPTIVE, UNFAIR**
33 **AND UNCONSCIONABLE SALES ACTS OR PRACTICES**

1

2 **CHAPTER I**

3 **DECEPTIVE, UNFAIR AND UNCONSCIONABLE SALES ACTS OR PRACTICES**

4

5 **Article 50. Declaration of Policy.** – The State shall promote and encourage fair,
6 honest and equitable relations among parties in consumer transactions and protect the
7 consumer against deceptive, unfair and unconscionable sales acts or practices.

8

9 **Article 51. Implementing Agency.** – The Department of Trade and Industry,
10 hereby referred to as the Department, shall enforce the provisions of this Chapter.

11

12 **Article 52. Prohibition Against Deceptive Sales Acts or Practices.** – A deceptive
13 act or practice by a seller or supplier in connection with a consumer transaction violates
14 this Act whether it occurs before, during or after the transaction. An act or practice shall
15 be deemed deceptive whenever the producer, manufacturer, supplier or seller, through
16 concealment, false representation of fraudulent manipulation, induces a consumer to
17 enter into a sales or lease transaction of any consumer product or service.

18

19 Without limiting the scope of the above paragraph, the act or practice of a seller or
20 supplier is deceptive when it represents that:

21

- 22 a) a consumer product or service has the sponsorship, approval, performance,
23 characteristics, ingredients, accessories, uses, or benefits it does not have;
- 24 b) a consumer product or service is of a particular standard, quality, grade, style,
25 or model when in fact it is not;
- 26 c) a consumer product is new, original or unused, when in fact, it is in a
27 deteriorated, altered, reconditioned, reclaimed or second-hand state;
- 28 d) a consumer product or service is available to the consumer for a reason that is
29 different from the fact;
- 30 e) a consumer product or service has been supplied in accordance with the
31 previous representation when in fact it is not;

- f) a consumer product or service can be supplied in a quantity greater than the supplier intends;
- g) a service, or repair of a consumer product is needed when in fact it is not;
- h) a specific price advantage of a consumer product exists when in fact it does not;
- i) the sales act or practice involves or does not involve a warranty, a disclaimer of warranties, particular warranty terms or other rights, remedies or obligations if the indication is false;
- j) the seller or supplier has a sponsorship, approval, or affiliation he or she does not have, and
- k) the seller or supplier, of any consumer product or service through any mode, platform or means represents that he holds the necessary applicable government permits, licenses, accreditation, or recognition in connection with its business of selling consumer products when in fact he/she does not have.

Article 53. Deceptive Sales Act or Practice by Regulation. – The Department shall, after due notice and hearing, promulgate regulations declaring as deceptive any sales act, practice or technique which is a misrepresentation of facts other than these enumerated in Article 53 of this Act.

Article 54. Unfair or Unconscionable Sales Act or Practice. – An unfair or unconscionable sales act or practice by a seller or supplier in connection with a consumer transaction violates this Chapter whether it occurs before, during or after the consumer transaction. An act or practice shall be deemed unfair or unconscionable whenever the producer, manufacturer, distributor, supplier or seller, takes advantage of the vulnerable consumers such as but not limited to those who have consumer's physical or mental infirmity, ignorance, illiteracy, lack of time or the general conditions of the environment or surroundings, induces the consumer to enter into a sales or lease transaction grossly inimical to the interests of the consumer or grossly one-sided in favor of the producer, manufacturer, distributor, supplier or seller.

In determining whether an act or practice is unfair and unconscionable, the following circumstances shall be considered:

- 1 a) that the producer, manufacturer, distributor, supplier or seller took advantage of
2 the inability of the consumer to reasonably protect his interest because of his
3 inability to understand the language of an agreement, or similar factors;
4 b) that when the consumer transaction was entered into, the price grossly exceeded
5 the price at which similar products or services were readily obtainable in similar
6 transaction by like consumers;
7 c) that when the consumer transaction was entered into, the consumer was unable
8 to receive a substantial benefit from the subject of the transaction;
9 d) that when the consumer was entered into, the seller or supplier was aware that
10 there was no reasonable probability or payment of the obligation in full by the
11 consumer;
12 e) that the transaction that the seller or supplier induced the consumer to enter
13 into was excessively one-sided in favor of the seller or supplier such as, but not
14 limited to, the following:
15 1) at the time the consumer transaction was entered into, the seller or
16 supplier imposed certain terms and conditions grossly disadvantageous to
17 the consumer who has been induced to take the option of accepting the
18 contract or giving it up, thereby completely depriving the latter of the
19 opportunity to bargain or decide on his/her own; or
20 2) the seller or supplier employs a marketing method or scheme that
21 constrains or impairs the consumer's freedom of choice in connection
22 with the purchase of a product or service, or which causes, or is likely to
23 cause, the consumer to enter into a transaction other than that which he
24 intended.

25
26 **Art. 55. Unfair or Unconscionable Sales Act or Practice by Regulation.** – The
27 Department shall, after due notice and hearing, promulgate regulations declaring as unfair
28 or unconscionable any sales act, practice or technique other than these enumerated in
29 Article 55 of this Act.

30
31 A sales act that imposes payment to be made solely on installment basis as a
32 condition for the sale shall be deemed unfair or unconscionable.
33

1 During a declared calamity, emergency or disaster, or during the existence of other
2 extraordinary circumstances in the country or in a particular area where products and
3 services are sold by the producer, manufacturer, distributor, supplier or seller at highly
4 unreasonable prices, taking into consideration the prices of such products and services
5 prior to the occurrence of the aforementioned conditions, such act shall likewise be
6 declared unfair or unconscionable.

7
8 **Article 56. Chain Distribution Plans or Pyramid Sales Schemes.** – Chain
9 distribution plans or pyramid sales schemes shall not be employed in the sale of consumer
10 products or services. Without limiting the coverage of the term “chain distribution plan or
11 pyramid sales scheme” above, business, sales or marketing plan or scheme is considered
12 as chain distribution plan or pyramid sales scheme if:

- 13
14 a) A promoter persuades recruits to purchase products, services, credit, title or
15 rank whereby the recruits can receive income primarily from the mere
16 introduction, recruitment or sponsorship of other participants into the scheme
17 rather than from the marketing and sale of products; or
18 b) An individual is offered distributorship or franchise to market a particular
19 product where the real profit is earned, not by or from the sale of the product,
20 but by and from the sale of new distributorship, or
21 c) Where the profits of the person employing such are derived primarily from the
22 recruitment of the other persons into the plan or scheme rather than from the
23 sale of consumer products, services and credit and said plan/scheme includes,
24 but not limited to, one or more of the following attributes:
25 1) revenues or income are derived from participants' entry fees;
26 2) in order to earn income, participants must sponsor a fixed number of
27 other participants, each of whom must in turn sponsor a fixed number of
28 participants as in a plan compensating participants balancing number of
29 recruits than number of sales volumes;
30 3) a participant's income is dependent primarily upon the participant's slot
31 or position within the organization as determined by the time, date and
32 order of participation;

- 1 4) participants are not allowed to return marketable and unused products
2 for refund within a reasonable period of time or the conditions for such
3 product return are contrary to the provisions of this Act or its
4 Implementing Rules and Regulation;
5 5) there is no fair market value for the goods received. For purposes of this
6 Act, fair market value is a price determined an open market system. An
7 indicator would be that consumers would still be willing to buy a product
8 at its quoted price even without participating in the compensation plan.
9

10 **Article 57. Home Solicitation Sales.** – No business entity shall conduct any home
11 solicitation sale of any consumer product or service without first obtaining a permit from
12 the Department of Trade and Industry. Such permit may be denied suspended or revoked
13 upon cause as provided in the rules and regulations promulgated by the Department, after
14 due notice and hearing.
15

16 **Article 58. Home Solicitation Sales; When Conducted.** – Home solicitation sales
17 may be conducted only between the hours of nine o'clock in the morning and seven o'clock
18 in the evening of each working day: *Provided*, That solicitation sales may be made at a time
19 other than the prescribed hours where the person solicited has previously agreed to the
20 same.
21

22 **Article 59. Home Solicitation Sales; By Whom Conducted.** – Home solicitation
23 sales shall only be conducted by a person who has the proper identification and authority
24 from his principal to make such solicitations.
25

26 **Article 60. Receipts for Home Solicitation Sales.** – Sales generated from home
27 solicitation sales shall be properly receipted as per existing laws, rules and regulations on
28 sale transactions.
29

30 **Article 61. Prohibited Representations.** – A home solicitation sale shall not
31 represent that:
32

- 33 a) the buyer has been specially selected;

- 1 b) a survey, test or research is being conducted; or
2 c) the seller is making a special offer to a few persons only for a limited period of
3 time.

4
5 **Article 62. Referral Sales.** – Referral selling plans shall not be used in the sale of
6 consumer products unless the seller executes in favor of the buyer a written undertaking
7 that will grant a specified compensation or other benefit to said buyer in return for each
8 and every transaction consummated by said seller with the persons referred by said buyer
9 or for subsequent sales that said buyers has helped the seller enter into.

10
11 **Article 63. Sanctions and Penalties.** a) The implementing agencies
12 or the court shall, after due notice and hearing, impose sanctions and penalties provided in
13 Articles 158 and 159 of this Act against any person found to have violated any provision of
14 this Chapter.

15
16 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
17 penalties prescribed, be deported without further proceedings after service of sentence and
18 maybe permanently barred from re-entering the Philippines.

19
20 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
21 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
22 registration in the civil register and immediate deportation after service of sentence and
23 payment of fine and may be permanently barred from re-entering the Philippines.

24
25 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
26 of the acts or practices constituting a violation of this Chapter, and who has knowledge or
27 notice of noncompliance received by the corporation from the concerned department, shall
28 be subject to penalties to which that corporation may be subject.

29
30 In case the violation is committed by, or in the interest of a foreign juridical person duly
31 licensed to engage in business in the Philippines, such license to engage in business in the
32 Philippines shall immediately be revoked.

CHAPTER II
REGULATION OF PRACTICES RELATIVE TO WEIGHTS AND MEASURES
GENERAL PROVISIONS

Article 64. Implementing Agency. – The provincial, city, or municipal treasurers shall strictly enforce the provisions of this Chapter, and its implementing rules and regulations: *Provided*, That with respect to the use of the Metric System, it shall be enforced by the Department of Trade and Industry.

Article 65. Sealing and Testing of Instruments of Weights and Measure. – All instruments for determining weights and measures in all consumer and consumer related transactions shall be tested, calibrated and sealed every six (6) months by the official sealer who shall be the provincial or city or municipal treasurer or his authorized representative upon payment of fees required under existing law: *Provided*, That all instruments of weights and measures shall continuously be inspected for compliance with the provisions of this Chapter.

Article 66. Use of Metric System. – The system of weights and measures to be used for all products, commodities, materials, utilities, services and commercial transactions, in all contracts, deeds and other official and legal instruments and documents shall be the metric system, in accordance with existing laws and their implementing rules and regulations.

The Department of Trade and Industry shall also adopt standard measurement for garments, shoes and other similar consumer products.

Article 67. Fraudulent Practices Relative to Weights and Measures. – The following acts relating to weights and measures are prohibited:

- a) for any person other than the official sealer or his duly authorized representative to place or attach an official tag, seal, sticker, mark, stamp, brand or other characteristic sign used to indicate that such instrument of weight and measure has officially been tested, calibrated, sealed or inspected;

- 1 b) for any person to imitate any seal, sticker, mark, stamp, brand, tag or other
2 characteristic sign used to indicate that such instrument of weight or measures
3 has been officially tested, calibrated, sealed or inspected;
4
- 5 c) for any person other than the official sealer or his duly authorized representative
6 to alter in any way the certificate or receipt given by the official sealer or his duly
7 authorized representative as an acknowledgment that the instrument for
8 determining weight or measure has been fully tested, calibrated, sealed or
9 inspected;
10
- 11 d) for any person to make or knowingly sell or use any false or counterfeit seal,
12 sticker, brand, stamp, tag, certificate or license or any dye for printing or
13 making the same or any characteristic sign used to indicate that such
14 instrument of weight or measure has been officially tested, calibrated, sealed or
15 inspected;
16
- 17 e) for any person other than the official sealer or his duly authorized representative
18 to alter the written or printed figures, letters or symbols on any official seal,
19 sticker, receipt, stamp, tag, certificate or license used or issued;
20
- 21 f) for any person to use or reuse any restored, altered, expired, damaged stamp,
22 tag certificate or license for the purpose of making it appear that the instrument
23 of weight of measure has been tested, calibrated, sealed or inspected;
24
- 25 g) for any person engaged in the buying and selling of consumer products or of
26 furnishing services the value of which is estimated by weight or measure to
27 possess, use or maintain with intention to use any scale, balance, weight or
28 measure that has not been sealed or if previously sealed, the license therefor
29 has expired and has not been renewed in due time;
30
- 31 h) for any person to fraudulently alter any scale, balance, weight, or measure after
32 it is officially sealed;
33

- 1 i) for any person to knowingly use any false scale, balance, weight or measure,
2 whether sealed or not;
3
4 j) for any person to fraudulently give short weight or measure in the making of a
5 scale;
6
7 k) for any person, assuming to determine truly the weight or measure of any article
8 bought or sold by weight or measure, to fraudulently misrepresent the weight or
9 measure thereof; or
10
11 l) for any person to procure the commission of any such offense abovementioned
12 by another.
13

14 Instruments officially sealed at some previous time which have remained unaltered
15 and accurate and the seal or tag officially affixed thereto remains intact and in the same
16 position and condition in which it was placed by the official sealer or his duly authorized
17 representative shall, if presented for sealing, be sealed promptly on demand by the official
18 sealer or his authorized representative without penalty except a surcharge fixed by law or
19 regulation.
20

21 **Article 68. Sanctions and Penalties.** a) The implementing agencies or the court
22 shall, after due notice and hearing, impose sanctions and penalties provided in Articles
23 158 and 159 of this Act against any person found to have violated any provision of this
24 Chapter, particularly Article 67 thereof.
25

26 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
27 penalties prescribed, be deported without further proceedings after service of sentence and
28 maybe permanently barred from re-entering the Philippines.
29

30 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
31 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
32 registration in the civil register and immediate deportation after service of sentence and
33 payment of fine and may be permanently barred from re-entering the Philippines.

1
2 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
3 of the acts or practices constituting a violation of Article 67 of this Act, and who has
4 knowledge or notice of noncompliance received by the corporation from the concerned
5 department, shall be subject to penalties to which that corporation may be subject.
6

7 In case the violation is committed by, or in the interest of a foreign juridical person duly
8 licensed to engage in business in the Philippines, such license to engage in business in the
9 Philippines shall immediately be revoked.
10

11 **CHAPTER III**

12 **CONSUMER PRODUCT AND SERVICE WARRANTIES**

13

14 **Article 69. Implementing Agency.** – The Department of Trade and Industry shall
15 strictly enforce the provision of this Chapter and its implementing rules and regulations.
16

17 **Article 70. Applicable Law on Warranties.** – The provisions of the Civil Code on
18 conditions and warranties shall govern all contracts of sale with conditions and
19 warranties.
20

21 **Article 71. Additional Provisions on Warranties.** – In addition to the Civil Code
22 provisions on sale with warranties, the following provisions shall govern the sale of
23 consumer products with warranty:
24

25 a) Terms of express warranty. – Any seller or manufacturer who gives an express
26 warranty shall:

- 27 1) set forth the terms of warranty in clear and readily understandable
- 28 language and clearly identify himself as the warrantor;
- 29 2) identify the party to whom the warranty is extended;
- 30 3) state the products or parts covered;
- 31 4) state what the warrantor will do in the event of a defect, malfunction
- 32 of failure to conform to the written warranty and at whose expense;

- 1 5) state what the consumer must do to avail of the rights which accrue to
2 the warranty; and
- 3 6) stipulate the period within which, after notice of defect, malfunction or
4 failure to conform to the warranty, the warrantor will perform any
5 obligation under the warranty.
- 6 b) Express warranty – operative from moment of sale. – All written warranties or
7 guarantees issued by a manufacturer, producer, or importer shall be operative
8 from the moment of sale.
- 9 1) Sales Report. – All sales made by distributors of products covered by this
10 Article shall be reported to the manufacturer, producer, or importer of the
11 product sold within thirty (30) days from date of purchase, unless
12 otherwise agreed upon. The report shall contain, among others, the date
13 of purchase, model of the product bought, its serial number, name and
14 address of the buyer. The report made in accordance with this provision
15 shall be equivalent to a warranty registration with the manufacturer,
16 producer, or importer. Such registration is sufficient to hold the
17 manufacturer, producer, or importer liable, in appropriate cases, under
18 its warranty.
- 19 2) Failure to make or send report. – Failure of the distributor to make the
20 report or send them the form required by the manufacturer, producer, or
21 importer shall relieve the latter of its liability under the warranty:
22 *Provided however,* That the distributor who failed to comply with its
23 obligation to send the sales reports shall be personally liable under the
24 warranty. For this purpose, the manufacturer shall be obligated to make
25 good the warranty at the expense of the distributor.
- 26 3) Retail. – The retailer shall be solidarily liable under the warranty in case of
27 failure of both the manufacturer and distributor to honor the warranty. In
28 such case, the retailer shall shoulder the expenses and costs necessary to
29 honor the warranty. Nothing therein shall prevent the retailer from
30 proceeding against the distributor or manufacturer.
- 31 4) Enforcement of warranty or guarantee. – The warranty rights can be
32 enforced by presentment of a claim. To this end, the purchaser needs only
33 to present to the immediate seller either the warranty card or the official

1 receipt along with the product to be serviced or returned to the immediate
2 seller. No other documentary requirement shall be demanded from the
3 purchaser. If the immediate seller is the manufacturer's factory or
4 showroom, the warranty shall immediately be honored. If the product was
5 purchased from a distributor, the distributor shall likewise immediately
6 honor the warranty. In the case of a retailer other than the distributor,
7 the former shall take responsibility without cost to the buyer of presenting
8 the warranty claim to the distributor in the consumer's behalf.

9 5) Record of purchases. – Distributors and retailers covered by this Article
10 shall keep a record of all purchases covered by a warranty or guarantee
11 for such period of time corresponding to the lifetime of the product's
12 respective warranties or guarantees.

13 6) Contrary stipulations – null and void. – All covenants, stipulations or
14 agreements contrary to the provisions of this Article shall be without legal
15 effect.

16 c) Designation of warranties. – A written warranty shall clearly and conspicuously
17 designate such warranty as:

18 1) "Full warranty" if the written warranty meets the minimum requirements
19 set forth in paragraph (d); or

20 2) "Limited warranty" if the written warranty does not meet such minimum
21 requirements.

22 d) Minimum standards for warranties. – For the warrantor of a consumer product to
23 meet the minimum standards for warranty, he shall:

24 1) remedy such consumer product within a reasonable time and without
25 charge in case of a defect, malfunction or failure to conform to such
26 written warranty;

27 2) permit the consumer to elect whether to ask for a refund or replacement
28 without charge of such product or part, as the case may be, where after
29 reasonable number of attempts to remedy the defect or malfunction, the
30 product continues to have the defect or to malfunction.

31 The warrantor will not be required to perform the above duties if he can
32 show that the defect, malfunction or failure to conform to a written
33 warranty was caused by damage due to unreasonable use thereof.

1 e) Duration of warranty. – The seller and the consumer may stipulate the period
2 within which the express warranty shall be enforceable. If the implied warranty
3 on merchantability accompanies an express warranty, both will be of equal
4 duration.

5 Any other implied warranty shall endure not less than sixty (60) days nor more
6 than one (1) year following the sale of new consumer products.

7 f) Breach of warranties. – 1) In case of breach of express warranty, the consumer
8 may elect to have the goods repaired or its purchase price refunded by the
9 warrantor. In case the repair of the product in whole or in part is elected, the
10 warranty work must be made to conform to the express warranty within thirty
11 (30) days by either the warrantor or his representative. The thirty-day period,
12 however, may be extended by conditions which are beyond the control of the
13 warrantor or his representative. In case the refund of the purchase price is
14 elected, the amount directly attributable to the use of the consumer prior to the
15 discovery of the non-conformity shall be deducted. 2) In case of breach of
16 implied warranty, the consumer may retain in the goods and recover damages,
17 or reject the goods, cancel and contract and recover from the seller so much of
18 the purchase price as has been paid, including damages. (Art. 68, f)

19 g) Enforcement of warranty or guaranty. - the warranty rights can be enforced by
20 presentment of a claim directly to the manufacturer, distributor/dealer/supplier
21 or retailer. to this end, the purchaser needs only to present either the warranty
22 card or the official receipt along with the product to be serviced or returned, if
23 practicable, to the immediate seller. no other documentary requirement shall be
24 demanded from the purchaser. if the immediate seller is the manufacturer's
25 factory or showroom, the warranty shall immediately be honored. if the product
26 was purchased from a distributor, the distributor shall likewise immediately
27 honor the warranty. In the case of a retailer other than the distributor, the
28 former shall take responsibility without cost to the buyer of presenting the
29 warranty claim to the distributor in the consumer's behalf.

30 Where the product to be serviced, returned or replaced is not capable of manual
31 delivery by reason of its size, weight, volume and similar factors, and its
32 shipment to the immediate seller will entail expense other than the ordinary fare
33 for the person of the purchaser, presentation of either the warranty card or

1 official receipt to the immediate seller shall be sufficient as presentment of claim.
2 all costs necessary and incidental to perform the obligation under the warranty,
3 including but not limited to the cost of transportation or shipment, shall be
4 borne by the manufacturer, distributor or the immediate seller of the product.
5 For this purpose, manufacturers, distributors, suppliers, or retailers shall
6 maintain consumer hotlines or call centers or service centers which consumers
7 can easily reach for complaints and inquiries. consumers shall not be made to
8 suffer great inconvenience in contacting manufacturers, distributors, suppliers,
9 or retailers to claim warranties and other needed services.

10
11 **Article 72. Warranties in Supply of Services.** – a) In every contract for the supply
12 of services to a consumer made by a seller in the course of a business, there is an implied
13 warranty that the service will be rendered with due care and skill and that any material
14 supplied in connection with such services will be reasonably fit for the purpose for which it
15 is supplied.

16
17 b) Where a seller supplies consumer services in the course of a business and the
18 consumer, expressly or by implication, makes known to the seller the particular purpose
19 for which the services are required, there is an implied warranty that the services supplied
20 under the contract and any material supplied in connection therewith will be reasonably
21 fit for that purpose or are of such a nature or quality that they might reasonably be
22 expected to achieve that result, unless the circumstances show that the consumer does
23 not rely or that it is unreasonable for him to rely, on the seller's skill or judgment.

24
25 **Article 73. Professional Services.** – The provision of this Act on warranty shall not
26 apply to professional services of certified public accountants, architects, engineers,
27 lawyers, veterinarians, optometrists, pharmacists, nurses, nutritionists, dietitians,
28 physical therapists, salesmen, medical and dental practitioners and other professionals
29 engaged in their respective professional endeavors.

30
31 **Article 74. Guaranty of Service Firms.** – Service firms shall guarantee
32 workmanship and replacement of spare parts for a period not less than ninety (90) days
33 which shall be indicated in the pertinent invoices.

1
2 **Article 75. Prohibited Acts.** – The following acts are prohibited:
3

- 4 a) Non-issuance of express warranty by a manufacturer or service supplier of
5 brand-new products;
6 b) Refusal without any valid legal cause by the total manufacturer or any person
7 obligated under the warranty or guarantee to honor a warranty or guarantee
8 issued;
9 c) Unreasonable delay by the local manufacturer or any person obligated under the
10 warranty or guarantee in honoring the warranty;
11 d) Removal by any person of a product's warranty card for the purpose of evading
12 said warranty obligation;
13 e) Any false representation in an advertisement as to the existence of a warranty or
14 guarantee.
15

16 **Article 76. Sanctions and Penalties.** a) The implementing agencies
17 orthecourtshall, after due notice and hearing, impose sanctions and penalties provided in
18 Articles 158 and 159 of this Act against any person found to have violated any provision of
19 this Chapter, particularly Article 75 thereof.
20

21 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
22 penalties prescribed, be deported without further proceedings after service of sentence and
23 maybe permanently barred from re-entering the Philippines.
24

25 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
26 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
27 registration in the civil register and immediate deportation after service of sentence and
28 payment of fine and may be permanently barred from re-entering the Philippines.
29

30 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
31 of the acts or practices constituting a violation of Article 75 of this Act, and who has
32 knowledge or notice of noncompliance received by the corporation from the concerned
33 department, shall be subject to penalties to which that corporation may be subject.

1
2 In case the violation is committed by, or in the interest of a foreign juridical person
3 duly licensed to engage in business in the Philippines, such license to engage in business
4 in the Philippines shall immediately be revoked.
5

6 The imposition of any of the penalties herein shall be without prejudice to the
7 responsibility or responsibilities provided under the warranty or guarantee.
8

9 **CHAPTER IV**
10 **LABELING AND FAIR PACKAGING**
11

12 **Article 77. Declaration of Policy.** – The State shall enforce compulsory labeling,
13 and fair packaging to enable the consumer to obtain accurate information as to the
14 nature, quality and quantity of the contents of consumer products and to facilitate his
15 comparison of the value of such products.
16

17 **Article 78. Implementing Agency.** –The provisions of this Article and its
18 implementing rules and regulations shall be enforced by:
19

- 20 a) the Department of Health with respect to health products;
21 b) the Department of Agriculture with respect to products related to agriculture;
22 and
23 c) the Department of Trade and Industry with respect to other consumer products
24 not specified above.
25

26 *Provided, That the implementing agencies identified under Republic Act No. 10643,*
27 *otherwise known as the “Graphic Health Warnings Law”, shall respectively enforce the*
28 *provisions of Articles 98 and 99 of this Act.*
29

30 **Article 79. Prohibited Acts on Labeling and Packaging.** – It shall be unlawful for
31 any person, either as principal or agent, engaged in the labeling or packaging of any
32 consumer product, to display or distribute or to cause to be displayed or distributed in
33 commerce any consumer product whose package or label does not conform to the

provisions of this Chapter. It shall likewise be unlawful for a seller or retailer to sell or offer for sale a consumer product not conforming to such labeling requirements.

Article 80. Minimum Labeling Requirements for Consumer Products. – All consumer products domestically sold offline or online and whether manufactured locally or imported shall indicate the following in their respective labels and/or packaging:

- a) its correct and registered trade name or brand name;
- b) its duly registered trademark;
- c) its duly registered business name;
- d) address of the manufacturer, importer, re-packer of the consumer product in the Philippines;
- e) consumer hotline or call/service centers numbers of the manufacturer, importer, re-packer;
- f) its general make or active ingredients;
- g) the net quantity of contents, in terms of weight, measure or numerical count rounded off to at least the nearest tenths in the metric system;
- h) the country of manufacture, if imported;
- i) the manufacturing date, clear date of shelf life, or expiry or expiration date, where applicable, spelling out or abbreviating the month and complete year; (n)
- j) the life span of a product, spelling out or abbreviating the month and complete year; and
- k) if a consumer product is manufactured, refilled or repacked under license from a principal, the label shall so state the fact.

Any word, statement or other information required by or under authority of the preceding paragraph shall appear on the label or labeling with such conspicuousness as compared with other words, statements, designs or devices therein, and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase or use.

The above requirements shall form an integral part of the label without danger of being erased or detached under ordinary handling of the product.

1
2 **Article 81. Philippine Product Standard Mark.** – A product covered by the
3 mandatory certification scheme of the government agency concerned shall bear the
4 required Philippine Product Standard Mark if it is certified to have passed the consumer
5 product standard prescribed by the said department.
6

7 **Article 82. English or Filipino Translation of Product Labels written in Foreign**
8 **Languages or Characters.** – Consumer products with product labels written in a foreign
9 language or character shall be allowed entry into the country and introduced into
10 commerce: *Provided*, That they carry a corresponding English or Filipino translation to
11 enable the authorities to determine whether the product has complied with all the other
12 labeling requirements and has provided the consumers proper guidance on the content,
13 source or origin of the product.
14

15 **Article 83. Authority of the Concerned Department to Provide for Additional**
16 **Labeling and Packaging Requirements.** – Whenever the concerned department
17 determines that regulations containing requirements other than those prescribed in Article
18 80 of this Act are necessary to prevent the deception of the consumer or to facilitate value
19 comparisons as to any consumer product, it may issue such rules and regulations to:
20

- 21 a) establish and define standards for characterization of the size of a package
22 enclosing any consumer product which may be used to supplement the label
23 statement of net quality, of contents of packages containing such products but
24 this clause shall not be construed as authorizing any limitation on the size,
25 shape, weight, dimensions, or number of packages which may be used to
26 enclose any product;
27 b) regulate the placement upon any package containing any product or upon any
28 label affixed to such product of any printed matter stating or representing by
29 implication that such product is offered for retail at a price lower than the
30 ordinary and customary retail price or that a price advantage is accorded to
31 purchases thereof by reason of the size of the package or the quantity of its
32 contents;
33 c) prevent the nonfunctional slack-fill of packages containing consumer products;

1 d) establish other labeling requirements as the concerned department may deem
2 necessary and reasonable
3

4 For purposes of paragraph (c) of this Article, a package shall be deemed to be
5 nonfunctionally slack-filled if it is filled to substantially less than its capacity for reasons
6 other than (1) protection of the contents of such package, (2) the requirements of machines
7 used for enclosing the contents in such package, or (3) inherent characteristics of package
8 materials or construction being used.
9

10 **Article 84. Special Packaging of Consumer Products for the Protection of**
11 **Children.** – The concerned department may establish standards for the special packaging
12 of any consumer product if it finds that:
13

14 a) the degree or nature of the hazard to children in the availability of such product,
15 by reason of its packaging, is such that special packaging is required to protect
16 children from serious personal injury or serious illness resulting from handling
17 and use of such product; and

18 b) the special packaging to be required by such standard is technically feasible,
19 practicable and appropriate for such product. In establishing a standard under
20 this Article, the concerned department shall consider:

- 21 1) the reasonableness of such standard;
22 2) available scientific, medical and engineering data concerning special
23 packaging and concerning accidental, ingestions, illnesses and injuries
24 caused by consumer product;
25 3) the manufacturing practices of industries affected by this Article; and
26 4) the nature and use of consumer products.
27

28 **Article 85. Price Tag Requirement.** – It shall be unlawful to offer any consumer
29 product for retail sale to the public without an appropriate price tag, label or marking
30 publicly displayed to indicate the price of each article and said products shall not be sold
31 at a price higher than that stated therein and without discrimination to all buyers.
32 *Provided,* That, if consumer products for sale are too small or if its nature makes it
33 impractical to place a price tag thereon, a price list placed at the nearest point where the

1 products are displayed indicating the retail price of the same may suffice: *Provided further,*
2 That if consumer is paying by credit card, automated teller machine card or debit card,
3 and similar means, it shall be unlawful for any merchandising store or service
4 establishment to charge more than the actual cash retail price of the goods and services.
5

6 **Article 86. Manner of Placing Price Tags.** – Price tags, labels or markings must be
7 written clearly, indicating the price of the consumer product per unit in pesos and
8 centavos.
9

10 **Article 87. Regulations for Price Tag Placement.** – The concerned department
11 shall prescribe rules and regulations for the visible placement of price tags for specific
12 consumer products and services. There shall be no erasures or alterations of any sort of
13 price tags, labels or markings.
14

15 **Article 88. Additional Labeling Requirements for Food.** – The following
16 additional labeling requirements shall be imposed by the concerned department for food:

- 17 a) whether the consumer product is semi-processed, fully processed, ready-to-
18 cook, ready-to-eat, prepared food or just plain mixture;
- 19 b) nutritive value, if any;
- 20 c) whether the ingredients used are natural or synthetic, as the case may be;
- 21 d) such other labeling requirements as the concerned department may deem
22 necessary and reasonable.
23

24 **Article 89. Misabeled Food.** – A food shall also be deemed mislabeled:
25

- 26 a) if its labeling or advertising is false or misleading in any way;
- 27 b) if it is offered for sale under the name of another food;
- 28 c) if it is an imitation of another food, unless its label bears in type of uniform size
29 and prominence, the word "imitation" and, immediately thereafter, the name of
30 the food imitated;
- 31 d) its containers are so made, formed, or filled as to be misleading;
- 32 e) if in package form unless it bears a label conforming to the requirements of this
33 Act: *Provided,* That reasonable variation on the requirements of labeling shall be

permitted and exemptions as to small packages shall be established by the regulations prescribed by the concerned department of health;

f) if any word, statement or other information required by or under authority of this Act to appear on the principal display panel of the label or labeling is not prominently placed thereon with such conspicuousness as compared with other words, statements, designs or devices in the labeling and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use;

g) if it purports to be or is represented as a food for which a definition or standard of identity has been prescribed unless:

1) it conforms to such definition and standard; and

2) its labels bear the name of the food specified in the definition or standards, and insofar as may be required by such regulations, the common names of optional ingredients other than spices, flavoring and coloring, present in such food;

h) if it purports to be or represented as:

1) a food for which a standard of quality has been prescribed by regulations as provided in this Act and its quality fall below such standard, unless its label bears in such manner and form as such regulations specify, a statement that it falls below such standard; or

2) a food for which a standard or standards or fill of container have been prescribed by regulations as provided for in this Act and it falls below the standard of fill of container applicable thereto, unless its label bears, in such manner and form as such regulations specify, a statement that it falls below such standard;

i) if it is not subject to the provisions of paragraph (g) of this Article unless its label bears:

1) the common or usual name of the food, if there be any; and

2) in case it is manufactured or processed from two or more ingredients, the common or usual name of such ingredient; except the spices, flavorings and colorings other than those sold as such, may be designated as spices, flavorings and colorings without naming each: *Provided*, That to the extent that compliance with the requirement of Clause (2) of this

1 Paragraph is impracticable or results in deception or unfair competition,
2 exemptions shall be established by regulations promulgated by the
3 concerned department of health;

4 j) if it purports to be or is represented for special dietary uses, unless its label
5 bears such information concerning its vitamin or mineral or other dietary
6 properties as the concerned department determines to be, or by regulations
7 prescribed as necessary in order fully to inform purchasers as its value for such
8 uses;

9 k) if it bears or contains any artificial flavoring, artificial coloring, or chemical
10 preservative, unless it bears labeling, stating that fact: *Provided*, That to the
11 extent that compliance with the requirements of this paragraph is impracticable,
12 exemptions shall be established by regulations promulgated by the concerned
13 department. The provisions of this paragraph or paragraphs (g) and (i) of this
14 Article with respect to the artificial coloring shall not apply in the case of butter,
15 cheese or ice cream.
16

17 **Article 90. Labeling of Drugs.** – Republic Act No. 6675, otherwise known as “The
18 Generics Act of 1988”, Republic Act No. 3720, otherwise known as the “Food and Drug
19 Cosmetic Act” as amended by Executive Order No. 175 and Republic Act No. 9711, and
20 Republic Act No. 9502, otherwise known as or the “Universally Accessible Cheaper and
21 Quality Medicines Act of 2008” shall apply in the labeling of drugs. The concerned
22 department may likewise issue such other labeling requirements, through regulations, to
23 ensure the safety, efficacy and quality of drug products.
24

25 **Article 91. Additional Labeling Requirements for Cosmetics.** – The following
26 additional requirements may be required for cosmetics:
27

- 28 a) expiry or expiration date;
29 b) whether or not it may be an irritant;
30 c) precautions or contra-indications; and
31 d) such other labeling requirements as the concerned department may deem
32 necessary and reasonable.
33

1 **Article 92. Mislabeled Cosmetics.** – A cosmetic shall be deemed mislabeled:

- 2
- 3 a) if its labeling or advertising is false or misleading in any way;
- 4 b) if in package form unless it bears a label conforming to the requirements of
- 5 labeling provided for in this Act or under existing regulations: *Provided, That*
- 6 reasonable variations shall be permitted, and exemptions as to small packages
- 7 shall be established by regulations prescribed by the concerned department;
- 8 c) if any word, statement or other information required by or under authority of
- 9 this Act to appear on the label or labeling is not prominently placed thereon with
- 10 such conspicuousness, as compared with other words, statements, designs or
- 11 devices in the labeling, and in such terms as to render it likely to be read and
- 12 understood by the ordinary individual under customary conditions of purchase
- 13 and use;
- 14 d) if its container is so made, formed or filled as to be misleading; or
- 15 e) if its label does not state the common or usual name of its ingredients.
- 16

17 **Article 93. Mislabeled Drugs and Devices.** – A drug or device shall be deemed to

18 be mislabeled:

19

- 20 a) if its labeling is false or misleading in any way;
- 21 b) if it is in package form unless it bears a label conforming to the requirements of
- 22 this Act or the regulations promulgated therefor: *Provided, That* reasonable
- 23 variations shall be permitted and exemptions as to small packages shall be
- 24 established by regulations prescribed by the concerned department;
- 25 c) if any word, statement or other information required by or under authority of
- 26 this Act to appear on the principal display panel of the label or labeling is not
- 27 prominently placed thereon with such conspicuousness as compared with other
- 28 words, statements, designs or devices in the labeling and in such terms as to
- 29 render it likely to be read and understood by the ordinary individual under
- 30 customary conditions of purchase and use;
- 31 d) if it is for use by man and contains any quantity of the narcotic or hypnotic
- 32 substance alpha-eucaine, barbituric acid, beta-eucaine, bromal, cannabis,
- 33 carbromal, chloral, coca, cocaine, codeine, heroin, marijuana, morphine, opium,

1 paraldehyde, peyote or sulfonmethane, or any chemical derivative of such
2 substance, which derivative has been designated by the concerned department
3 after investigation, and by regulations as habit forming; unless its label bears
4 the name and quantity or proportion of such substance or derivative and in
5 juxtaposition therewith the statement "Warning-May be habit forming";

6 e) its labeling does not bear:

7 1) adequate directions for use; and

8 2) such adequate warning against use in those pathological conditions or by
9 children where its use may be dangerous to health, or against unsafe
10 dosage or methods or duration of administration or application, in such
11 manner and form, as are necessary for the protection of users: *Provided,*
12 That where any requirement of Clause (1) of this paragraph, as applied to
13 any drug or device, is not necessary for the protection of the public
14 health, the concerned department may promulgate regulations exempting
15 such drug or device from such requirement;

16 f) if it purports to be a drug the name of which is recognized in an official
17 compendium, unless it is packaged and labeled as prescribed therein: *Provided,*
18 That the method of packing may be modified with the consent of the concerned
19 department;

20 g) if it has been found by the concerned department to be a drug liable to
21 deterioration, unless it is packaged in such form and manner, and its label bears
22 a statement of such precautions, as the concerned department, shall by
23 regulations, require as necessary for the protection of the public health;

24 h) 1) if it is a drug and its container is so made, formed or filled as to be
25 misleading; or

26 2) if it is an imitation of another drug; or

27 3) if it is dangerous to health when used in the dosage, or with the frequency
28 of duration prescribed, recommended or suggested in the labeling thereof;

29 i) if it is dangerous to health when used in the dosage, or with the frequency of
30 duration prescribed, recommended or suggested in the labeling thereof;

31 j) if it is, purports to be or is represented as a drug composed wholly or partly of
32 insulin or of any kind of penicillin, streptomycin, chlortetracycline,

1 chloramphenicol, bacitracin, or any other antibiotic drug, or any derivative
2 thereof, unless:

- 3 1) it is from a batch with respect to which a certificate of release has been
4 issued pursuant to regulations of the concerned department; and
- 5 2) such certificate of release is in effect with respect to such drug: *Provided*,
6 That this paragraph shall not apply to any drug or class of drugs
7 exempted by regulations promulgated under Authority of this Act.

8
9 **Article 94. Regulation-Making Exemptions.** – The concerned department may
10 promulgate regulations exempting from any labeling requirements of this Act food,
11 cosmetics, drugs or devices which are, in accordance with the practice of trade, to be
12 processed, labeled or repacked in substantial quantities at establishments other than
13 those where originally processed, labeled or packed on condition that such food,
14 cosmetics, drugs or devices are not adulterated or mislabeled under the provisions of this
15 Act and other applicable laws upon approval from such processing, labeling and repacking
16 establishments.

17
18 **Article 95. Mislabeled Hazardous Substances.** – Hazardous substances shall be
19 deemed mislabeled when:

- 20 a) having been intended or packaged in a form suitable for use in households,
21 especially for children, the packaging or labeling of which is in violation of the
22 special packaging regulations issued by the concerned department;
- 23 b) such substance fails to bear a label;
 - 24 1) which states conspicuously: i) the name and the place of business of the
25 manufacturer, packer, importer, distributor or seller; ii) the common or usual
26 name or the chemical name, if there be no common or usual name of the
27 hazardous substance or of each component which contributes substantially
28 to the harmfulness of the substance, unless the concerned department by
29 regulation permits or requires the use of the recognized generic name; iii) the
30 signal word "danger" on substances which are extremely flammable, corrosive
31 or highly toxic; iv) the signal word "warning" or "caution" with a bright red or
32 orange color with a black symbol on all other hazardous substances; v) a
33 clear statement as to the possible injury it may cause if used improperly; vi)

1 precautionary measures describing the action to be followed or avoided; vii)
2 instructions when necessary or appropriate for first-aid treatment; viii) the
3 word "poison" for any hazardous substance which is defined as highly toxic;
4 ix) instructions for handling and storage of packages which require special
5 care in handling and storage; and x) the statement "keep out of the reach of
6 children", or its practical equivalent, if the article is not intended for use by
7 children and is not a banned hazardous substance, with adequate directions
8 for the protection of children from the hazard involved. The aforementioned
9 signal words, affirmative statements, description of precautionary measures,
10 necessary instructions or other words or statements may be in English
11 language or its equivalent in Filipino; and

- 12 2) on which any statement required under Clause 1) of this paragraph is located
13 prominently in bright red and orange color with a black symbol in contrast
14 typography, layout or color with the other printed matters on the label.
15

16 **Article 96. Exemptions.** – If the concerned department finds that for good or
17 sufficient reasons, full compliance with the labeling requirements otherwise applicable
18 under this Act is impracticable or is not necessary for the adequate protection of public
19 health and safety, it shall, after consultation, promulgate regulations exempting such
20 substances from these requirements to the extent it deems consistent with the objective of
21 adequately safeguarding public health and safety, and any hazardous substance which
22 does not bear a label in accordance with such regulations shall be deemed mislabeled
23 hazardous substance.
24

25 **Article 97. Grounds for Seizure and Condemnation of Mislabeled Hazardous**
26 **Substances.** – a) Any mislabeled hazardous substance when introduced into commerce or
27 while held for sale shall be liable to be proceeded against and condemned upon order of
28 the concerned department in accordance with existing procedure for seizure and
29 condemnation of articles in commerce: *Provided*, That this Article shall not apply to a
30 hazardous substance intended for export to any foreign country if:
31

- 32 1) it is in a package labeled in accordance with the specifications of the foreign
33 purchaser;

- 2) it is labeled in accordance with the laws of the foreign country;
- 3) it is labeled on the outside of the shipping package to show that it is intended for export; and
- 4) it is so exported,

b) Any hazardous substance condemned under this Article shall after entry of order of condemnation be disposed of by destruction or sale as the concerned department may direct, and the proceeds thereof, if sold, less the legal cost and charges, shall be paid into the treasury of the Philippines; but such hazardous substance shall not be sold under any order which is contrary to the provisions of this Act: *Provided*, That after entry of the order and upon the payment of the costs of such proceedings and the execution of a good and sufficient bond conditioned that such hazardous substance shall not be sold or disposed of contrary to the provisions of this Act, the concerned department may direct that such hazardous substance be delivered to or retained by the owner thereof for destruction or for alteration to comply with the provisions of this Act under the supervision of an officer or employee duly designated by the concerned department. The expenses for such supervision shall be paid by the person obtaining release of the hazardous substance under bond.

c) All expenses in connection with the destruction provided for in paragraphs (a) and (b) of this Article and all expenses in connection with the storage and labor with respect to such hazardous substance shall be paid by the owner or consignee, and default in such payment shall constitute a lien against any importation by such owner or consignee.

Article 98. Labeling Requirements for Cigarettes and Other Tobacco Products.

– All cigarette and other tobacco products packages including package inserts and onserts, and any outside packaging and labeling, withdrawn from the manufacturing facilities or imported into the Philippine Customs territory shall comply with all the graphic health warnings and other labeling requirements imposed under Republic Act No. 10643, otherwise known as the “Graphic Health Warnings Law” and its implementing rules and regulations.

Article 99. Sanctions and Penalties. a) The implementing agencies or the court shall, after due notice and hearing, impose sanctions and penalties provided in Articles

1 158 and 159 of this Act against any person found to have violated any provision of this
2 Chapter.

3 b) For cigarettes and other tobacco products, each withdrawal or importation into the
4 Philippine customs territory of noncompliant tobacco packages, regardless of size, for sale
5 to the market, after the compliance date provided under Republic Act No. 10643 shall
6 constitute one (1) offense.

7 c) A foreign national, who violates any provision of this Chapter shall, in addition to the
8 penalties prescribed, be deported without further proceedings after service of sentence and
9 maybe permanently barred from re-entering the Philippines.

10 d) In case the offender is a naturalized citizen, he shall, in addition to the penalty
11 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
12 registration in the civil register and immediate deportation after service of sentence and
13 payment of fine and may be permanently barred from re-entering the Philippines.

14 e) Any director, officer or agent of a corporation who shall authorize, order or perform any
15 of the acts or practices constituting a violation of this Chapter, and who has knowledge or
16 notice of noncompliance received by the corporation from the concerned department, shall
17 be subject to penalties to which that corporation may be subject.

18 In case the violation is committed by, or in the interest of a foreign juridical person duly
19 licensed to engage in business in the Philippines, such license to engage in business in the
20 Philippines shall immediately be revoked.

21 For administrative complaints filed by the Inter-Agency Committee on Tobacco (IAC-
22 T) created under Republic Act No. 9211, otherwise known as the "Tobacco. Regulation Act
23 of 2003", or by any private citizen, corporation or organization, for violation of Article 98 of
24 this Act, the DTI shall, after due notice and hearing, impose the administrative sanctions
25 and penalties prescribed under Articles 158 and 159 of this Act, the proceeds of which
26 shall be used for health promotion and campaigns on tobacco control of the DOH and the
27 Department of Education (DepEd).

28 **CHAPTER V**

29 **LIABILITY FOR PRODUCT AND SERVICE**

30
31
32 **Article 100. Implementing Agency.** – The Department of Trade and Industry shall
33 enforce the provisions of this Chapter and its implementing rules and regulations.

1 **Article 101. Liability for the Defective Products.** – Any Filipino or foreign
2 manufacturer, producer, and any importer, shall be liable for redress, independently of
3 fault, for damages caused to consumers by defects resulting from design, manufacture,
4 construction, assembly and erection, formulas and handling and making up, presentation
5 or packing of their products, as well as for the insufficient or inadequate information on
6 the use and hazards thereof.

7
8 A product is defective when it does not offer the safety rightfully expected of it,
9 taking relevant circumstances into consideration, including but not limited to:

- 10 a) presentation of product;
11 b) use and hazards reasonably expected of it;
12 c) the time it was put into circulation.

13
14 **Article 102. Liability of Tradesman or Seller.** – The tradesman or seller is
15 likewise liable, pursuant to the preceding Article when;

- 16 a) it is not possible to identify the manufacturer, builder, producer or importer, or
17 the source or identity is available, but the tradesman or seller refuses to provide
18 or divulge the same;
19 b) the product is supplied, without clear identification of the manufacturer,
20 producer, builder or importer;
21 c) he does not adequately preserve perishable goods. The party making payment to
22 the damaged party may exercise the right to recover a part of the whole of the
23 payment made against the other responsible parties, in accordance with their
24 part or responsibility in the cause of the damage effected.

25
26 **Article 103. Liability for Defective Services.** – The service supplier is liable for
27 redress, independently of fault, for damages caused to consumers by defects relating to the
28 rendering of the services, as well as for insufficient or inadequate information on the
29 fruition and hazards thereof.

30
31 The service is defective when it does not provide the safety the consumer may
32 rightfully expect of it, taking the relevant circumstances into consideration, including but
33 not limited to:

- 1 a) the manner in which it is provided;
- 2 b) the result of hazards which may reasonably be expected of it;
- 3 c) the time when it was provided.

4 A service is not considered defective because of the use or introduction of new
5 techniques.

6
7 **Article 104. Liability for Product and Service Imperfection.** – The suppliers of
8 durable or nondurable consumer products are jointly liable for imperfections in quality
9 that render the products unfit or inadequate for consumption for which they are designed
10 or decrease their value, and for those resulting from inconsistency with the information
11 provided on the container, packaging, labels or publicity messages/advertisement, with
12 due regard to the variations resulting from their nature, the consumer being able to
13 demand replacement to the imperfect part.

14
15 If the imperfection is not corrected within thirty (30) days, the consumer may
16 alternatively demand at his option:

- 17 a) the replacement of the product by another of the same kind, in a perfect state of
18 use;
- 19 b) the immediate reimbursement of the amount paid, with monetary updating,
20 without prejudice to any losses and damages;
- 21 c) a proportionate price reduction for reasonable use.

22
23 The parties may agree to reduce or increase the term specified in the immediately
24 preceding paragraph; but such shall not be less than seven (7) nor more than one hundred
25 eighty (180) days.

26
27 The consumer may make immediate use of the alternatives under the second
28 paragraph of this Article when by virtue of the extent of the imperfection, the replacement
29 of the imperfect parts may jeopardize the product quality or characteristics, thus
30 decreasing its value.

31
32 If the consumer opts for the alternative under sub-paragraph (a) of the second
33 paragraph of this Article, and replacement of the product is not possible, it may be

1 replaced by another of a different kind, mark or model: *Provided*, That any difference in
2 price may result thereof shall be supplemented or reimbursed by the party which caused
3 the damage, without prejudice to the provisions of the second, third and fourth
4 paragraphs of this Article.

5
6 **Article 105. Liability for Product Quantity Imperfection.** – Suppliers are jointly
7 liable for imperfections in the quantity of the product when, in due regard for variations
8 inherent thereto, their net content is less than that indicated on the container, packaging,
9 labeling or advertisement, the consumer having powers to demand, alternatively, at his
10 own option:

- 11
12 a) the proportionate price;
13 b) the supplementing of weight or measure differential;
14 c) the replacement of the product by another of the same kind, mark or model,
15 without said imperfections;
16 d) the immediate reimbursement of the amount paid, with monetary updating
17 without prejudice to losses and damages if any.

18
19 The provisions of the fifth paragraph of Article 99 of this Act shall apply to this
20 Article.

21
22 The immediate supplier shall be liable if the instrument used for weighing or
23 measuring is not gauged in accordance with official standards.

24
25 **Article 106. Liability for Service Quality Imperfection.** – The service supplier is
26 liable for any quality imperfections that render the services improper for consumption or
27 decrease their value, and for those resulting from inconsistency with the information
28 contained in the offer or advertisement, the consumer being entitled to demand
29 alternatively at his option:

- 30
31 a) the performance of the services, without any additional cost and when
32 applicable;

- 1 b) the immediate reimbursement of the amount paid, with monetary updating
2 without prejudice to losses and damages, if any;
3 c) a proportionate price reduction.
4

5 Reperformance of services may be entrusted to duly qualified third parties, at the
6 supplier's risk and cost.
7

8 Improper services are those which prove to be inadequate for purposes reasonably
9 expected of them and those that fail to meet the provisions of this Act regulating service
10 rendering.
11

12 **Article 107. Repair Service Obligation.** – When services are provided for the
13 repair or maintenance of any product, the supplier shall be considered implicitly bound to
14 use adequate, new, original replacement parts, or those that maintain the manufacturer's
15 technical specifications unless, otherwise authorized, as regards to the latter by the
16 consumer.
17

18 In providing service or repair and/or maintenance as required under this Article,
19 the manufacturer, distributor, authorized dealer or retailer must inform the consumer in
20 writing about which particular part or parts of the goods are damaged and need to be
21 repaired or replaced. The consumer shall be given the option to replace only the damaged
22 part or parts and shall not be forced to agree on replacement of other parts that are still in
23 good condition on the mere ground that all replacement parts come in one set.
24

25 **Article 108. Ignorance of Quality Imperfection.** – The supplier's ignorance of the
26 quality imperfections due to inadequacy of the products and services does not exempt him
27 from any liability.
28

29 **Article 109. Legal Guarantee of Adequacy.** – The legal guarantee of product or
30 service adequacy does not require an express instrument or contractual exoneration of the
31 supplier being forbidden.
32

1 **Article 110. Prohibition in Contractual Stipulation.** – The stipulation in a
2 contract of a clause preventing, exonerating or reducing the obligation to indemnify for
3 damages effected, as provided for in this Article and in the preceding Articles of this Act, is
4 hereby prohibited, if there is more than one person responsible for the cause of the
5 damage, they shall be jointly liable for the redress established in the pertinent provisions
6 of this Act. However, if the damage is caused by a component or part incorporated in the
7 product or service, its manufacturer, builder or importer and the person who incorporated
8 the component or part are jointly liable.

9
10 **Article 111. Sanctions and Penalties.** a) The implementing agencies or the court
11 shall, after due notice and hearing, impose sanctions and penalties provided in Articles
12 158 and 159 of this Act against any person found to have violated any provision of this
13 Chapter.

14
15 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
16 penalties prescribed, be deported without further proceedings after service of sentence and
17 maybe permanently barred from re-entering the Philippines.

18
19 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
20 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
21 registration in the civil register and immediate deportation after service of sentence and
22 payment of fine and may be permanently barred from re-entering the Philippines.

23
24 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
25 of the acts or practices constituting a violation of this Chapter, and who has knowledge or
26 notice of noncompliance received by the corporation from the concerned department, shall
27 be subject to penalties to which that corporation may be subject.

28
29 In case the violation is committed by, or in the interest of a foreign juridical person duly
30 licensed to engage in business in the Philippines, such license to engage in business in the
31 Philippines shall immediately be revoked.

CHAPTER VI
ADVERTISING AND SALES PROMOTION

Article 112. Declaration of Policy. – The State shall protect the consumer from misleading advertisements and fraudulent sales promotion practices.

Article 113. Implementing Agency. - The provisions of this Article and its implementing rules and regulations shall be enforced by:

- a) the Department of Health with respect to health products;
- b) the Department of Agriculture with respect to products related to agriculture;
and
- c) the Department of Trade and Industry with respect to other consumer products not specified above.

Provided, That all matters involving the advertisements, promotions and marketing practices of breastmilk substitutes, breastmilk supplements and other related products shall be covered by Executive Order No. 51, series of 1986, otherwise known as the “National Code of Marketing of Breastmilk Supplements and Other Related Products” and its implementing rules and regulations, which shall be implemented by the concerned department and the inter-agency committee created under the said law, subject to to the application of Articles 158 and 159 of this Act.

Article 114. False, Deceptive or Misleading Advertisement. – It shall be unlawful for any person to disseminate or to cause the dissemination of any false, deceptive or misleading advertisement by Philippine mail or in commerce by print, radio, television, including home television shopping, outdoor advertisement, the internet, cyber shops, social networking site, landline or mobile phone, or other medium for the purpose of inducing or which is likely to induce directly or indirectly the purchase of consumer products or services.

An advertisement shall be false, deceptive or misleading if it is not in conformity with the provisions of this Act or if it is misleading in a material respect. In determining

1 whether any advertisement is false, deceptive or misleading, there shall be taken into
2 account, among other things, not only representations made or any combination thereof,
3 but also the extent to which the advertisement fails to reveal material facts in the light of
4 such representations, or materials with respect to consequences which may result from
5 the use or application of consumer products or services to which the advertisement relates
6 under the conditions prescribed in said advertisement, or under such conditions as are
7 customary or usual.

8
9 **Article 115. Price Comparisons.** – Comparative price advertising by sellers of
10 consumer products or services shall conform to the following conditions:

- 11
12 a) Where the comparison relates to a former price of the seller, the item compared
13 shall either have been sold at that price within the ninety (90) days immediately
14 preceding the date of the advertisement, or it shall have been offered for sale for
15 at least four (4) weeks during such ninety-day period. If the comparison does not
16 relate to an item sold or offered for sale during the ninety-day period, the date,
17 time or seasonal period of such sale or offer shall be disclosed in the
18 advertisement.
- 19 b) Where the comparison relates to a seller's future price, the future price shall
20 take effect on the date disclosed in the advertisement or within ninety (90) days
21 after the price comparison is stated in the advertisement. The stated future price
22 shall be maintained by the seller for a period of at least four (4) weeks after its
23 effective date: *Provided*, That compliance thereof may be dispensed with in case
24 of circumstances beyond the seller's control.
- 25 c) Where the comparison relates to a competitor's price, the competitor's price shall
26 relate to the consumer products or services advertised or sold in the ninety-day
27 period and shall be representative of the prices similar consumer products or
28 services are sold or advertised in the locality where the price comparison was
29 made.

30
31 **Article 116. Special Advertising Requirements for Health Products or**
32 **Hazardous Substance.** –
33

- 1 a) No claim in the advertisement may be made which is not contained in the label
2 or approved by the concerned department.
- 3 b) No person shall advertise any health products, or hazardous substance in
4 manner that is false, misleading or deceptive or is likely to create an erroneous
5 impression regarding its character, value, quantity, composition, merit, or
6 safety.
- 7 c) Where a standard has been prescribed for a health product, no person shall
8 advertise any article or substance in such a manner that it is likely to be
9 mistaken for such product, unless the article complies with the prescribed
10 standard or regulation.
- 11 d) No person shall, in the advertisement of any health products, or hazardous
12 substance, make use of any reference to any laboratory report of analysis
13 required to be furnished to the concerned department, unless such laboratory
14 report is duly approved by such department.
- 15 e) Any businessman who is doubtful as to whether his advertisement relative to
16 health products, or hazardous substance will violate or does not conform with
17 this Act or the concerned department's pertinent rules and regulations may
18 apply to the same for consideration and opinion on such matter before such
19 advertisement is disseminated to the public. In this case, the concerned
20 department shall give its opinion and notify the applicant of its action within
21 thirty (30) days from the date of application; otherwise, the application shall be
22 deemed approved.
- 23 f) No person shall cause the promotion or advertisement of any health products, or
24 hazardous substance unless such product is duly registered and approved by
25 the concerned department for use in any advertisement.
- 26 g) No person shall cause the advertisement through mass media of any drug that
27 requires medical prescription.
- 28

29 **Article 117. Credit Advertising.** – No advertisement to aid, promote, or assist,
30 directly or indirectly, any extension of consumer credit may state, that:
31

- 1 a) a specific periodic consumer credit amount or installment amount can be
2 arranged, unless the creditor usually and customarily arranges credit payment
3 or installments for that period and in that amount; and
4 b) a specified down payment is required in any extension of consumer credit,
5 unless the creditor usually or customarily arranges down payment in that
6 amount.

7
8 **Article 118. Advertising of Open-end Credit Plan.** – In case of an open-end credit
9 plan, the rate of interest and other material features of the plan shall be disclosed in the
10 advertisement.

11
12 **Article 119. Special Claims.** – Any advertisement which makes special claims
13 shall:

- 14 a) substantiate such claims; and
15 b) properly use research result, scientific terms, statistics or quotations.

16
17 **Article 120. Permit to Conduct Promotion.** – No person shall conduct any
18 promotion of products and/or the sale thereof, through all forms of media, including
19 beauty contest that is national in character, sponsored and promoted by producers,
20 manufacturers, distributors, suppliers, importers, retailers or their agents, without first
21 securing a permit from the concerned department prior to the commencement thereof.

22
23 Unless an objection or denial is received between the date of filing of an application
24 and the date of commencement of the promotional activity, the same shall be deemed
25 approved and the promotion campaign or activity may be conducted: *Provided*, That any
26 sales promotion campaign using medical prescriptions or any part thereof or attachment
27 shall not be allowed, nor a permit be issued therefor.

28
29 The concerned implementing agency shall prescribe the necessary guidelines for the
30 procedure and documentary requirements.

31
32 **Article 121. Suspension of Publication or Dissemination of Information.** – The
33 concerned department may, after due notice and hearing, suspend the publication and

1 dissemination of any information accompanying a sales promotion campaign, if it finds the
2 campaign to be in violation of the provisions of this Chapter or its implementing rules and
3 regulations.

4
5 *Provided, That, if the product covered by a sales promotion is declared to be*
6 *imminently injurious, unsafe or dangerous the concerned department may order the*
7 *immediate suspension of the publication and dissemination of any information*
8 *accompanying the sales promotion campaign, after which, the applicant thereof shall be*
9 *afforded a hearing within forty-eight (48) hours from receipt of such directive.*

10
11 **Article 122. Conduct of Sales Promotion.** – A sales promotion which is intended
12 for broad consumer participation and utilizes mass media shall indicate the duration,
13 commencement and termination of the promotion, the deadline for submission of entries
14 and the governing criteria or procedure to be followed therein.

15
16 **Article 123. Packaging of Products Under Promotion.** – The packaging of the
17 products covered by the sales promotion shall not be tampered, neither shall any change
18 in the product's package be affected without the authority of the sponsoring agency or the
19 owner or manufacturer of the product.

20
21 **Article 124. Change in Starting and Termination Dates of Promotion.** – The
22 concerned department shall be advised of any delay of starting dates or termination dates
23 and details of any change in the conduct of a sales promotion. Any change in the
24 termination dates shall be published in a newspaper of general circulation before the
25 expiration of the original schedule or the termination date, whichever comes first.

26
27 **Article 125. Determination of Winners.** – The winners in any sales promotion
28 shall be determined at a definite time and place and shall be verified by a representative of
29 the concerned department and the sponsor. Immediately after the winners are selected or
30 determined, a list with their addresses and corresponding prizes shall be submitted to the
31 concerned department. All winners shall be announced or published in the same manner
32 that the sales promotion was announced or published: *Provided, That publication in a*
33 *newspaper of general circulation shall be done in a legible manner at least once, if the*

1 sales promotion is national in scope: *Provided further*, That such announcement and
2 publication shall be done not later than two (2) weeks after the determination of winners.
3 In all cases where the amount of the price is Five hundred pesos (P500.00) or more, the
4 winners shall also be notified in writing by registered mail or any communication wherein
5 proof of notice or service can be verified.

6
7 **Article 126. Sanctions and Penalties.** - a) The implementing agencies or the court
8 shall, after due notice and hearing, impose sanctions and penalties provided in Articles
9 158 and 159 of this Act against any person found to have violated any provision of this
10 Chapter.

11
12 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
13 penalties prescribed, be deported without further proceedings after service of sentence and
14 maybe permanently barred from re-entering the Philippines.

15
16 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
17 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
18 registration in the civil register and immediate deportation after service of sentence and
19 payment of fine and may be permanently barred from re-entering the Philippines.

20
21 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
22 of the acts or practices constituting a violation of this Chapter, and who has knowledge or
23 notice of noncompliance received by the corporation from the concerned department, shall
24 be subject to penalties to which that corporation may be subject.

25
26 In case the violation is committed by, or in the interest of a foreign juridical person duly
27 licensed to engage in business in the Philippines, such license to engage in business in the
28 Philippines shall immediately be revoked.

29
30 **CHAPTER VII**
31 **REGULATION OF REPAIR AND SERVICE FIRMS**
32

1 **Article 127. Declaration of Policy.** – The State shall cause the accreditation of
2 repair and service firms or establishments and their technical personnel in order to protect
3 the interest of the consumers availing of their services.
4

5 **Article 128. Implementing Agency.** – The Department of Trade and Industry,
6 hereby referred to as the Department, shall enforce the provisions of this Chapter.
7

8 **Article 129. Minimum Requirements for Accreditation.** – The following shall be
9 the minimum requirements for accreditation or repair and service firms:

- 10 a) the duly registered business name, firm name or style of the firm;
11 b) date of issue and effectivity of the certificate of accreditation;
12 c) number and skills of technical personnel; and
13 d) required license for the repair or servicing of any consumer product as required
14 by special laws.
15

16 **Article 130. Accreditation of Repair and Service Firm.** – No person shall operate
17 a repair and service firm or act as technical personnel therein without first being
18 accredited by the Department.
19

20 **Article 131. Certification of Accreditation or Recognition.** – Upon compliance
21 with the requirements for accreditation or recognition and the corresponding fees
22 prescribed, the Department shall issue the corresponding certificate of
23 accreditation/recognition. The validity of the certificate of recognition shall be subject to
24 the guidelines to be issued by the implementing agency.
25

26 **Article 132. Sanctions and Penalties.** - a) The implementing agencies or the court
27 shall, after due notice and hearing, impose sanctions and penalties provided in Article 158
28 of this Act against any person found to have violated any provision of this Chapter.

29 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
30 penalties prescribed, be deported without further proceedings after service of sentence and
31 maybe permanently barred from re-entering the Philippines.

32 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
33 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its

1 registration in the civil register and immediate deportation after service of sentence and
2 payment of fine and may be permanently barred from re-entering the Philippines.

3 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
4 of the acts or practices constituting a violation of this Chapter, and who has knowledge or
5 notice of noncompliance received by the corporation from the concerned department, shall
6 be subject to penalties to which that corporation may be subject.

7 In case the violation is committed by, or in the interest of a foreign juridical person duly
8 licensed to engage in business in the Philippines, such license to engage in business in the
9 Philippines shall immediately be revoked.

11 TITLE IV

12 CONSUMER CREDIT TRANSACTION

13
14 **Article 133. Declaration of Policy.** – The State shall simplify, clarify and
15 modernize the laws governing credit transactions and encourage the development of fair
16 and economically sound consumer credit practices. To protect the consumer from lack of
17 awareness of the true cost of credit to the user, the State shall assure the full disclosure of
18 the true cost of credit. The provisions hereof shall be implemented by the *Bangko Sentral*
19 *ng Pilipinas*.

20
21 **Article 134. Determination of Finance Charges.** – Except as otherwise provided,
22 the amount of the finance charges in connection with any consumer credit transaction
23 shall be determined as the sum of all charges, payable directly or indirectly by the person
24 to whom the credit is extended and imposed directly or indirectly by the creditor as an
25 accident to the extension of credit, including any of the following type of charges which are
26 applicable:

- 27 a) interest or time price differential and any amount payable under point or other
28 system of additional charges;
- 29 b) collection fees which include finder's fees or similar charges;
- 30 c) credit investigation fees;
- 31 d) notarial fees, if any;
- 32 e) premium or other charges for any guarantee or insurance protecting the creditor
33 against the obligor's default or other credit loss.

1 The implementing agency shall determine what items shall be exempted from the
2 computation of the finance charges.

3
4 **Article 135. Determination of Simple Annual Rate.** – The simple annual rate
5 applicable to any extension of consumer credit shall be determined in accordance with the
6 rules and regulations promulgated by the implementing agency.

7
8 **Article 136. Delinquency Charges.** – With respect to a consumer credit
9 transaction other than one pursuant to an open-end credit plan, the parties may agree to
10 a delinquency charge on any installment not paid in full on or before the tenth day after its
11 scheduled or deferred due date.

12
13 **Article 137. Deferral Charges.** – The parties in a consumer credit transaction may
14 at any time agree in writing to a deferral of all or part of one or more unpaid installments
15 and the creditor may make and collect a charge which shall not exceed the rate previously
16 disclosed pursuant to the provisions on disclosure. A deferral charge may be collected at
17 the time it is assessed.

18
19 **Article 138. Finance Charge on Refinancing.** – The parties may agree on a
20 finance charge in an open-end credit plan based on the amount financed resulting from
21 the refinancing or consolidation at a rate not exceeding that permitted by the rules
22 promulgated by the implementing agency.

23
24 **Article 139. Right to Prepay.** – The person to whom credit is extended may prepay
25 in full or in part, at any time without penalty, the unpaid balance of any consumer credit
26 transaction.

27
28 **Article 140. Rebate on Prepayment.** – Upon prepayment in full of the unpaid
29 balance of a precomputed consumer credit transaction, refinancing or consolidation, an
30 amount not less than the unearned portion of the finance charge calculated according to
31 this Article shall be rebated to the person to whom credit is extended.

1 The unearned portion of the precomputed finance charge on consumer transactions
2 repayable in substantially equal successive installments shall be equal to at least that
3 portion of finance charge which the sums of the installment balances of the obligation
4 scheduled to be outstanding after the installment date nearest the date of prepayment
5 bears to the sum of all installment balances originally scheduled to be outstanding under
6 the obligation.

7
8 For the purpose of determining the installment date nearest the date of prepayment
9 when payments are monthly, any payment made on or before the fifteenth day following an
10 installment due date shall be deemed to have been made as of the installment due date,
11 and if prepayment occurs after the fifteenth day, it shall be deemed to have been made on
12 the succeeding installment due date. This method of calculating rebates may be referred to
13 as the "rule of 78" or "sum of the digits" method.

14
15 The implementing agency may promulgate and adopt rules and regulations with
16 respect to other precomputed consumer credit transactions.

17
18 **Article 141. General Requirements on Credit Cost Disclosure.** – Each creditor
19 shall disclose, in accordance with the regulations of the implementing agency, to each
20 person to whom consumer credit is extended, the disclosures required by this Act.

21
22 If there is more than one obligor, a creditor need not furnish a statement of
23 information required under this Act to more than one of them.

24
25 **Article 142. Credit Sale, Required Disclosures.** – Any creditor extending a
26 consumer credit sale other than one pursuant to an open-end credit plan shall disclose in
27 a statement to the extent applicable, the following information:

- 28 a) the cash price or delivered price of the property or service to be acquired;
29 b) the amounts, if any, to be credited as down payment and/or trade in;
30 c) the total amount to be financed or the difference between the amounts set forth
31 under paragraphs (1) and (2);

- d) the charges, individually itemized, which are paid or to be paid by such person in connection with the transaction but which are not incident to the extension of credit;
- e) the finance charge expressed in terms of pesos and centavos;
- f) the percentage that the finance charge bears to the total amount to be financed expressed as a simple annual rate on the outstanding balance of the obligation;
- g) the effective interest rate;
- h) the number, amount and due dates or periods of payments scheduled to repay the indebtedness; and
- i) the default, delinquency or similar charges payable in the event of late payments.

Article 143. Required Disclosure on Open-End Credit Plan. – Before opening any account under an open-end consumer credit plan, the creditor shall disclose, to the extent applicable, the following information:

- a) the conditions under which a finance charge may be imposed, including the time period, if any, within which any credit extended may be repaid without incurring a finance charge;
- b) the method of determining the balance upon which a finance charge may be imposed;
- c) the method of determining the amount of the finance charges, including any minimum or fixed amount imposed as a finance charge;
- d) where one or more periodic rates may be used to compute a finance charge, each such rate, the range of balances to which it is applicable, and the corresponding simple annual rate;
- e) the conditions under which the creditor may impose a security lien and a description of the goods to which such lien may attach.

The implementing agency shall prescribe regulations consistent with commonly accepted accounting standards to carry out the requirements of this Article.

Article 144. Required Disclosures on Consumer Loans Not Under Open-End Credit Plan. – Any creditor extending a consumer loan or in a transaction which is neither

1 a consumer credit sale nor under an open-end consumer credit plan shall disclose, to the
2 extent applicable, the following information:

- 3
- 4 a) the amount of credit of which the debtor will have the actual use, or which is or
5 will be paid to him or for his account or to another person on his behalf;
 - 6 b) all charges, individually itemized, which are included in the amount of credit
7 extended but which are not part of the finance charge;
 - 8 c) the total amount to be financed or the sum of the amounts referred to in
9 paragraphs (a) and (b);
 - 10 d) the finance charge expressed in terms or pesos and centavos;
 - 11 e) the effective interest rate;
 - 12 f) the percentage that the finance charge bears to the total amount to be financed
13 expressed as a simple annual rate on the outstanding unpaid balance of the
14 obligation;
 - 15 g) the default, delinquency or similar charges payable in the event of late
16 payments;
- 17 a description of any security interest held or to be held or to be retained or
18 acquired by the creditor in connection with the extension of credit and a clear
19 identification of the property to which the security interest relates.
- 20

21 **Article 145. Form and Timing of Disclosure.** – All disclosures required under this
22 Act shall be made clearly and conspicuously in writing before the transaction is
23 consummated.

24

25 **Article 146. Periodic Statement of Charges.** – The periodic statement transmitted
26 by the creditor in connection with any extension of consumer credit other than under an
27 open-end consumer credit plan, shall set forth the following information:

- 28 a) the simple annual rate;
- 29 b) the effective interest rate;
- 30 c) the date by which, or the period (if any) within which payment must be made in
31 order to avoid additional finance charges;
- 32 d) method of determining the balance upon which the finance charge may be
33 imposed.

1
2 **Article 147. Exempted Transactions.** – The foregoing requirements on consumer
3 credit transactions shall not apply to the following credit transactions:

- 4 a) those involving extension of credits for business or commercial purposes; or to
5 the Government and governmental agencies and instrumentalities, juridical
6 entities or to organizations;
7 b) those in which the debtor is the one specifying the definite set of credit terms
8 such as bank deposits, insurance contracts, sale of bonds or analogous
9 transactions.

10
11 **Article 148. Sale of Consumer Products on Installment Payment.** – In a
12 consumer credit sale other than one pursuant to an open-end credit plan, the obligation of
13 the consumer to whom credit is being extended shall be evidenced by a single instrument
14 which shall include, in addition to the disclosures required by this act, the signature of the
15 seller and the person to whom credit is extended, the date it was signed, a description of
16 the property sold and a description of any property transferred as a trade-in. The
17 instrument evidencing the credit shall contain a clear and conspicuous typewritten notice
18 to the person to whom credit is being extended that:

- 19
20 a) he should not sign the instrument if it contains any blank space;
21 b) he is entitled to a reasonable return of the precomputed finance charge if the
22 balance is prepaid; and
23 c) he is entitled to an exact, true copy of the agreement.

24
25 In cases where the instrument will be sold at a discount to a bank, financing
26 company or other lender, the said transferee shall be subject to all claims and defenses
27 which the debtor could assert against the seller of consumer products obtained hereto or
28 with the proceeds thereof.

29
30 **Article 149. Sanctions and Penalties.** - a) The implementing agencies
31 orthecourtshall, after due notice and hearing, impose sanctions and penalties provided in
32 Articles 158 and 159of this Act against any person found to have violated any provision of
33 this Chapter.

1 b) A foreign national, who violates any provision of this Chapter shall, in addition to the
2 penalties prescribed, be deported without further proceedings after service of sentence and
3 maybe permanently barred from re-entering the Philippines.

4
5 c) In case the offender is a naturalized citizen, he shall, in addition to the penalty
6 prescribed herein, suffer the penalty of cancellation of his naturalization certificate and its
7 registration in the civil register and immediate deportation after service of sentence and
8 payment of fine and may be permanently barred from re-entering the Philippines.

9
10 d) Any director, officer or agent of a corporation who shall authorize, order or perform any
11 of the acts or practices constituting a violation of this Chapter, and who has knowledge or
12 notice of noncompliance received by the corporation from the concerned department, shall
13 be subject to penalties to which that corporation may be subject.

14
15 In case the violation is committed by, or in the interest of a foreign juridical person
16 duly licensed to engage in business in the Philippines, such license to engage in business
17 in the Philippines shall immediately be revoked.

18 19 **TITLE V**

20 **CONSUMER WELFARE AND PROTECTION**

21 22 **CHAPTER I**

23 **CONSUMER COMPLAINTS**

24
25 **Article 150. Consumer Complaints.** – The concerned department may commerce
26 an investigation upon petition or upon letter-complaint from any consumer: *Provided,*
27 That, upon a finding by the department of prima facie violation of any provisions of this
28 Act or any rule or regulation promulgated under its authority, it may *motu proprio* or upon
29 verified complaint commerce formal administrative action against any person who appears
30 responsible therefor. The department shall establish procedures for systematically logging
31 in, investigating and responding to consumer complaints into the development of
32 consumer policies, rules and regulations, assuring as far as practicable simple and easy
33 access on the part of the consumer to seek redress for his grievances.

1
2 **Article 151. Establishment of a Philippine Online Dispute Resolution System**
3 **(PODRS).** - The DTI shall initiate a web-based consumer concerns/ complaints portal
4 automating the entire consumer complaints-handling process of other implementing
5 agencies prior to adjudication or litigation.
6

7 **Article 152. Consumer Arbitration Officers.** - The concerned Department
8 Secretaries shall appoint as many qualified consumer arbitration officers as may be
9 necessary for the effective and efficient protection of consumer rights.
10

11 **Article 153. Consumer Arbitration Officers; Qualifications.** - The consumer
12 arbitration officer must be a college graduate with at least one (1) year experience in the
13 field of consumer protection and shall be of good moral character.
14

15 **Article 154. Arbitration Officers; Jurisdiction.** - The consumer arbitration
16 officers shall have original jurisdiction to mediate, conciliate, hear and adjudicate all
17 consumer complaints: *Provided however,* That this does not preclude the parties from
18 pursuing the proper judicial action.
19

20 **Article 155. Investigation Procedure.** - The consumer arbitration officer shall
21 conduct hearings on any complaint received by him or referred by a DTI-recognized
22 consumer organization, which shall be in accordance with the following:
23

- 24 a) Parties to the case shall be entitled to notice of the mediation or hearing, and
25 shall be informed of the date, time and place of the same. A copy of the
26 complaint shall be attached to the notice;
27 b) The implementing agency shall afford all interested parties the opportunity to
28 submit a statement of facts, arguments, offers of settlements or proposals of
29 adjustments;
30 c) The Consumer Arbitration/Mediation officer shall first and foremost ensure that
31 the contending parties come to a settlement of the case;
32 d) In the event that a settlement has not been effected, the Mediation officer may
33 now proceed to formally investigate, hear and decide the case;

1 e) The Consumer Arbitration Officer may summon witnesses, administer oaths and
2 affirmations, issue subpoena and subpoena duces tecum, rule upon offers of
3 proof and receive relevant evidence, take or cause deposition to be taken
4 whenever the ends of justice would be served thereby, regulate the course of the
5 hearing, rule on any procedural request or similar matter and decide the
6 complaint.

7
8 In hearing the complaint, the mediation/arbitration officer shall use every and all
9 reasonable means to ascertain the facts in each complaint speedily and objectively without
10 regard to strict rules of evidence prevailing in suits before courts. The complaints shall be
11 decided within fifteen (15) days from the time the administrative proceeding was
12 terminated.

13
14 **Article 156. Administrative Appeal.** — A party to an administrative case may
15 appeal an order or decision of a Consumer Arbitration Officer (CAO) to the Department
16 Secretary concerned within fifteen (15) days from receipt of such order or decision. An
17 appeal may be entertained only on any of the following grounds:

- 18
19 a) grave abuse of discretion;
20 b) the decision is in excess of the jurisdiction or authority of the consumer
21 arbitration officer or adjudication officer; and
22 c) the order is not supported by the evidence or there is serious error in the
23 findings of facts.

24
25 The Department Secretary shall decide the appeal within thirty (30) days from
26 receipt thereof, which shall become final after fifteen (15) days from receipt thereof unless
27 a petition for certiorari is filed with the proper court.

28
29 **Article 157. Immediately Executory Decisions.** - After due notice and hearing,
30 any decision issued by the concerned consumer arbitration officer shall be immediately
31 executory if the value of the product or service that is the subject of the complaint does not
32 exceed fifty thousand Pesos (PhP 50,000.00).

CHAPTER II
SANCTIONS AND PENALTIES

Article 158. Sanctions. – The implementing agencies or the courts shall, after due notice and hearing, impose sanction/sanctions commensurate to the gravity of the offense or violation.

- a) Submission of a sworn undertaking of voluntary compliance with applicable relevant laws and its implementing rules and regulations;
- b) Permanently cease and desist from specific acts and submit report of compliance therewith within a reasonable time from receipt of the order;
- c) Seizure, forfeiture, confiscation of violative or non-conforming consumer products for evidentiary and/or condemnation or appropriate disposal purposes, *Provided*, That existing rules on condemnation and appropriate disposal are complied with; *Provided further*, That this shall not preclude the application of Article 12 of this Act in case of seizures of manifestly, imminently or previously declared injurious, unsafe or dangerous consumer product;
- d) Seizure, forfeiture, confiscation of paraphernalia and all properties real or personal, used in the commission of the offense or violation;
- e) Seizure, forfeiture, confiscation of the monetary proceeds generated from the unlawful transaction, if any;
- f) Blacklisting of the respondent entity for the purpose of denying an application or withholding any permit, license, accreditation or recognition which may have been granted when circumstances warrant;
- g) Repair, replace the defective or imperfect products or the refund of the money value thereof;
- h) Pay or reimburse the actual expenses or costs incurred by the complainant or plaintiff in prosecuting the case.

Article 159. Penalties. – The implementing agencies or the courts shall, after due notice and hearing, impose penalty or penalties commensurate to the gravity of the offense or violation.

1 a) **Fine:** A fine which shall in no case be less than fifty thousand Pesos (PhP
2 50,000.00) nor more than five hundred thousand Pesos (PhP 500,000.00):
3 *Provided,* That if the offender is a manufacturer, importer or distributor of any
4 consumer product, a fine of at least five hundred thousand Pesos (PhP
5 500,000.00) but not more than five million Pesos (PhP 5,000,000.00) shall be
6 imposed.

7 The implementing agencies shall issue the necessary guidelines on the
8 classification of offenses or violations and the ranges of administrative fines in
9 accordance with the amounts provided in the table below:

Level of Violation	Retailer/Service Provider (PhP)	Manufacturer/Importer/Distributor/Supplier (PhP)
High	300,000. – 500,000	3,000,001. – 5,000,000.
Medium	150,001. – 300,000.	1,500,001. – 3,000,000.
Low	50,000. – 150,000	500,000. – 1,500,000.

10
11 An additional fine of one percent (1%) of the fine imposed in the decision shall be
12 enforced for each day of continuing violation, except for violation of Article 99 of
13 this Act where an additional penalty of one hundred thousand Pesos (PhP
14 100,000.00) per day shall be imposed for each day the violation continues after
15 having received the order from the concerned Department notifying the company
16 of the infraction.

17
18 b) **Suspension/Cancellation of the validity of authorization:** Any granted
19 certification, license, permit, accreditation, recognition, or other authorization
20 shall be suspended for such period of time as the department may deem
21 reasonable which shall not exceed one (1) year, or cancellation thereof.

22 In certain circumstances, recommend to the local government unit concerned for
23 the suspension, cancellation or revocation of a mayor's business permit or
24 closure of the business establishment for a period not exceeding one (1) year;

- 1 c) **Destruction or appropriate disposal:** Destruction or appropriate disposal of the
2 subject consumer product including advertising, promotional and other
3 marketing materials as the case maybe.
4
- 5 d) **Closure:** Permanent closure of the violating establishment when circumstances
6 warrant.
7
- 8 e) **Imprisonment:** For criminal offenses, the court shall upon conviction, impose
9 imprisonment from one (1) year but not more than ten (10) years for retailers
10 and service providers. For manufacturers, importers, distributors, or suppliers,
11 imprisonment a from five (5) years but not more than yen (10) years shall be
12 imposed in addition to the fine.
13

14 **TITLE VI**

15 **CONSUMER AFFAIRS**

16 **CHAPTER I**

17 **THE CONSUMER AFFAIRS COUNCIL OF THE PHILIPPINES**

18

19 **Article. 160. Establishment.** - To improve the management, coordination and
20 effectiveness of consumer programs, a Consumer Affairs Council of the Philippines, herein
21 referred to as CACP, is hereby established, which shall be attached under the Office of the
22 President of the Philippines.
23

24 **Article. 161. Composition.** - The CACP shall be constituted within sixty (60) days
25 from the effectivity of this Act, and shall be composed of the Heads from the following
26 government agencies and non-government agencies:

- 27 a) Department of Trade and Industry (DTI);
28 b) Department of Health (DOH);
29 c) Department of Agriculture (DA);
30 d) Department of Education (DepEd);
31 e) Department of Energy (DOE);
32 f) *Bangko Sentral ng Pilipinas* (BSP);
33 g) Department of Environment and Natural Resources (DENR);

- h) Department of Transportation (DoTr);
- i) Department of Information, Communications and Technology;
- j) Department of Interior and Local Government (DILG);
- k) four (4) representatives from recognized national consumer organizations of nationwide base to be chosen by the CACP in accordance with their internal rules from among the nominees submitted by the various consumer groups in the Philippines;
- l) four (4) representatives from business or industry sector to be chosen by the President from among the nominees submitted by the various business organizations.

The CACP may include other government agencies as it deems necessary.

The Heads of the above government agencies may designate their next-in-rank as alternate: *Provided*, That their representatives to the CACP shall have a rank not lower than an Assistant Secretary.

Article 162. Chairperson; Vice Chairperson; Term. –For the first two (2) years from the effectivity of this Act, the CACP shall be headed and presided by the Secretary of the DTI, with the Secretary of the DOH as Vice Chairperson. Thereafter, the member agencies shall elect the Chairperson from among the DOH, the DA, and a representative from among the four (4) member national consumer organizations on a rotational basis every two (2) years.

The CACP shall establish the policies, procedures and standards to govern the implementation and interpretation of its functions and duties within sixty (60) days from its constitution.

Article 163. Per Diems of Members. — The members of the CACP shall be entitled to an allowance of Two thousand pesos (PhP 2,000.00) per meeting actually attended but not more than Six thousand pesos (PhP 6,000.00) a month.

Article 164. The Executive Director. The CACP shall appoint an Executive Director who shall assist the Chairperson and act as Secretary of the CACP.

1 **Article 165. The CACP Secretariat.** - The Executive Director shall be assisted by
2 an administrative and technical secretariat from the DTI, the DOH and the DA to be
3 taken from the existing manpower of each of these government agencies.
4

5 The operating expenses shall be sourced from the funds allocated for the CACP
6 under this Act.
7

8 **Article 166. Powers and Functions of the CACP.** - The CACP shall have the
9 following powers and functions:
10

- 11 a. Oversee the functions of the agencies charged with consumer welfare and
12 protection programs, projects and enforcement of consumer related laws;
- 13 b. Recommend new policies and legislation or amendments to existing ones;
- 14 c. Ensure that procedures for meaningful participation by consumers or
15 consumer organizations in the development and review of department rules,
16 policies, and programs are strictly implemented and observed;
- 17 d. Oversee and assist in the evaluation of the effectiveness of implemented
18 consumer welfare and protection programs and projects and to take
19 appropriate steps to ensure that concerned agencies take appropriate steps
20 to comply with the established priorities, standards and guidelines;
- 21 e. Oversee the performance and implementation of the mandates of government
22 agencies and local government units (LGUs) in promoting consumer welfare
23 and protection;
- 24 f. Identify the lead agency responsible for enforcement based on their legal
25 mandates when jurisdiction over specific areas overlap;
- 26 g. Seek the assistance of government instrumentalities in the form of
27 augmenting the need for personnel, facilities and other resources;
- 28 h. Undertake a continuing education and information campaign to provide the
29 consumer with, among others:
 - 30 1) facts about consumer products and services;
 - 31 2) consumer rights and the mechanism for redress available to him;
 - 32 3) information on new concepts and developments on consumer
33 protection; and

- 4) general knowledge and awareness necessary for a critical and better judgment on consumption;
 - 5) such other matters of importance to the consumer's general well-being.
- i. Prescribe and update the internal and operational procedure for the exercise of its powers and functions as well as the performance of its duties and responsibilities;
 - j. Submit reports every six (6) months to relevant Congressional committees;
 - k. Accept grants and donations from local and international sources exclusively for purposes relevant to the implementation of this Chapter;
 - l. Accept grants and donations from local and international sources exclusively for purposes relevant to the implementation of this Chapter, subject to limitations as may be provided for under existing laws, rules and regulations;
 - m. Perform such other powers and functions necessary for the effective implementation of the above mandates and responsibilities.

After the close of the fiscal year, the CACP shall submit to Congress and the Office of the President of the Philippines a full report on the progress of the implementation of consumer programs.

CHAPTER II

CONSUMER EDUCATION

Article 167. Declaration of Policy. –The State shall protect and promote the right of all citizens to sustainable, robust and quality consumer education at all levels and shall take appropriate steps to make such education accessible.

Article 168. Implementing Agency. - The Department of Education (DepEd) shall implement the provisions of this Chapter.

Article 169. Consumer Welfare and Protection Education Program. - A consumer welfare and protection education program shall be developed by the DTI, DOH, DA and other concerned government agencies in partnership with the DepEd which shall be integrated into existing curricula of all public and private schools from primary to secondary levels, and which shall be carried out by the latter.

1
2 A continuing consumer welfare and protection education program for out-of-school
3 youth and adults shall likewise be developed and undertaken.
4

5 The consumer welfare and protection education program shall include information
6 regarding the following:

- 7 a) Consumer rights as provided under Article 4 of this Act;
8 b) Consumer responsibilities as provided under Article 5 of this Act;
9 c) Needs of disadvantaged consumers, in both rural and urban areas, including low-
10 income consumers and those with low or non-existent literacy levels;
11 d) Other important aspects of consumer protection such as the following:
12 1) Health, nutrition, prevention of food-borne diseases and food adulteration;
13 2) Product hazards;
14 3) Product labelling;
15 4) Relevant legislation, how to obtain redress, and agencies and organizations for
16 consumer protection;
17 5) Information on weights and measures, prices, quality, credit conditions and
18 availability of basic necessities;
19 6) Environmental protection; and
20 7) Efficient use of materials, energy and water.
21 e) Consumer transaction-related challenges that consumers face in their daily lives.
22

23 **Article 170. Concerned Departments, Powers and Duties Under Existing Laws.**

24 – The concerned departments shall continue to exercise the powers and duties provided to
25 them under existing laws, unless repealed or modified accordingly.
26

27 **Article 171. Consumer Participation.** - The departments shall establish
28 procedures for meaningful participation by consumers or consumer organizations in the
29 development and review of department rules, policies and programs. Such procedures
30 shall include provisions for a forum, where consumers can express their concerns and
31 recommendations to decision makers. The departments shall exert efforts to inform
32 consumers of pending proceedings where their participation is important.

1 **Article 172. Advisory Services.** - The departments shall render advisory services
2 upon request. Technical and legal assistance shall be made available to consumers and
3 their organizations and to the general public.

4
5 **Article 173. Consumer Program Reforms.** - Each concerned government agency
6 shall formulate and develop a consumer program consonant with the objectives of its
7 charter or the applicable laws which program shall embody the standards set forth in
8 Article of this Act. Copies of these programs shall be furnished the CACP. The Executive
9 Director shall, among his other functions, monitor and coordinate the implementation by
10 the concerned agencies of their respective consumer programs.

11
12 **TITLE VI**
13 **TRANSITORY AND FINAL PROVISIONS**
14

15 **Article 174. Relation of the Act to Other Rights.** - The provisions of this Act
16 shall apply notwithstanding any agreement to the contrary but shall not restrict, limit or
17 derogate from any other rights or remedies of a consumer under any other law.

18
19 **Article 175. Application of Laws Enacted Prior to the Act.** - All actions or claims
20 accruing prior to the effectivity of this Act shall be determined in accordance with the acts,
21 laws, decrees and regulations in force at the time of the accrual.

22
23 **Article 176. Prescription.** - All actions or claims accruing under the provisions of
24 Chapter 1, Title V pertaining to Consumer Complaints of this Act and the rules and
25 regulations issued pursuant thereto shall prescribe within two (2) years from the time the
26 consumer transaction was consummated or the deceptive or unfair and unconscionable
27 act or practice was committed and in case of hidden defects, from discovery thereof.

28
29 **Article 177. Appropriations.** - The initial operating expenses of the CACP and the
30 initial funding for the implementation of this Act shall be charged against the current
31 operating budgets of the implementing government agencies. Thereafter, such sums as
32 may be necessary to carry out this Act, including the purposes and functions of the CACP.
33 shall be included in the General Appropriations Act.

1
2 **Article 178. Congressional Oversight Committee.** - To oversee the
3 implementation of this Act, there shall be created a Congressional Oversight Committee on
4 Consumer Welfare and Protection (COC-CWP), to be composed of the Chairpersons of the
5 Senate Committees on Trade, Commerce and Entrepreneurship, Health and Demography,
6 Agriculture, and Finance; the Chairpersons of the House of Representatives Committees
7 on Trade and Industry, Health, Agriculture and Food, and Appropriations; and two (2)
8 members each from the Senate and the House of Representatives who shall be designated
9 by the Senate President and the Speaker of the House of Representatives: *Provided*, That
10 one of the two (2) senators and one of the two (2) House members shall be nominated by
11 the respective minority leaders of the Senate and House of Representatives.
12

13 The COC-CWP shall be jointly chaired by the Chairpersons of the Senate Committee
14 on Trade, Commerce and Entrepreneurship and the House of Representatives Committee
15 on Trade and Industry. The positions of Vice Chairpersons of the COC-CWP shall be jointly
16 held by the chairpersons of the Senate Health Committee on Demography and the House
17 of Representative Committee on Health.
18

19 The Secretariat of the COC-CWP shall be drawn from the existing personnel of the
20 Senate and House of Representatives Committees comprising the COC-CWP.
21

22 **Article 179. Repealing Clause.** - This Act hereby repeals Republic Act No. 7394,
23 and the provisions of other laws, decrees, executive orders, that are inconsistent herewith.
24

25 **Article 180. Separability Clause.** - If for any reason any article or provision of this
26 Act or any portion thereof or the application of such article, provision or portion thereof to
27 any person, group or circumstance is declared invalid or unconstitutional, the remainder
28 of this Act shall not be affected by such decision.
29

30 **Article 181. Effectivity.** - This Act shall take effect thirty (30) days from the date of
31 its publication in the Official Gazette or in at least two (2) newspapers of general
32 circulation.
33

Approved,