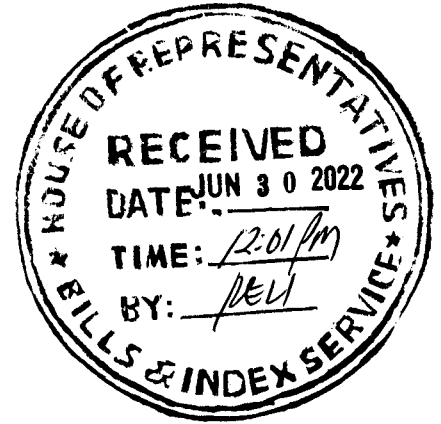




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 4

**Introduced by Representatives FERDINAND MARTIN G. ROMUALDEZ,
YEDDA MARIE K. ROMUALDEZ, FERDINAND ALEXANDER A. MARCOS
and JUDE A. ACIDRE**

EXPLANATORY NOTE

From mobile shopping to online shopping, electronic e-commerce (e-commerce) has radically changed the way we live our lives. Whether as a consumer or seller, the Internet has dramatically transformed the way business is conducted. The rise of digital technology saw the emergence of mobile networks and rapid advancement in computer applications. Such advancement boosted humanity to where we are today. As Bill Gates said, “[digital technology] is the center of attention for businesses, governments and individuals around the world. It has spanned entirely new industries, transformed existing ones, and become a global cultural phenomenon.”

From the buyer’s perspective, e-commerce is faster, cheaper and more convenient. Consumers are presented with a variety of options to meet their every need with a tap of a finger. E-Commerce provides consumers with time-saving options and access to swift delivery of goods and services. Likewise, it presents value for money largely because from the seller’s perspective, set-up costs are lower and operating costs are kept at a minimum. It has been said that from an enterprise’s perspective, e-commerce is the great equalizer because MSMEs gain access to the same market at low costs. Furthermore, the importance of e-commerce platforms in the ecosystem has become integral as they are able to aggregate multiple transactions. They play a key role in balancing the needs of consumers and sellers by facilitating fair and efficient trade between these two players.

Undeniably, technology has revolutionized our conventional way of buying and selling in ways unimaginable to those that have come before us.

Based on a recent 2019 study by Google and Temasek, in ASEAN alone, the Internet economy is experiencing exponential growth as total Gross Merchandise Value (GMV) In Southeast Asia has reached the \$100 billion mark, and is projected to reach \$300 billion in 2025. ASEAN economies have witnessed huge increases in the Internet economy from 2015 to 2019, and growth rate is expected to continue at 10%-30% from 2019 to 2025.

Notably, the Philippines has the lowest GMV in 2019 at \$7 billion, lower than Malaysia (\$11 billion), Vietnam (\$12 billion), Singapore (\$12 billion), Thailand (\$16 billion), and Indonesia (\$40 billion), this — despite the Philippines' estimated 76 million active internet users and high internet penetration rate (71% vis-à-vis 54% global average), longer hours spent daily on the Internet (10 hours vis-à-vis global average of 6 hours 42 minutes), and very high social media penetration for population aged 13 and above (99% vis-à-vis a 59% global average).

We acknowledge that the expected growth of the Philippine Internet economy at 27% CAGR is deemed to be one of the fastest among ASEAN economies. The findings of Google and Temasek, and the aim of this bill is to ensure that this growth is achieved or even surpassed.

Indeed, e-commerce in the country is in its nascent stage, rejecting immense potential for businesses. The Philippines has not yet generated unicorns - a tech start-up company that reaches a valuation of \$1 billion — nor has our economy reflected the dynamism that the Indonesian and Vietnamese e-commerce markets have reached at 2.8% and 4.0% of GDP, respectively. The Philippines' e-commerce market remains at 1.6% of GDP.

Philippine MSMEs lag behind the adoption of e-commerce because enterprises either find using digital technology platforms and tools too difficult, or are unaware of the benefits they offer. The Philippines also lacks policies and regulations that will facilitate online transactions and cross-border trade processes which should address the following concerns:

- (a) Lack of trust;
- (b) Internet infrastructure (Low internet speed experienced in Philippines);
- (c) Logistics infrastructure (Weak last-mile delivery options; challenging topographical structure);
- (d) Payment mechanisms (Payment gateways and currency exchange rates; Majority still prefer to pay in local currency against foreign currency);
- (e) Lack of governing entity at the regional level that can fight Cybercrime and settle cross-border disputes;
- (f) Difficulty in the process of returning product;
- (g) Taxation (VAT, customs duties and other charges, de minimis threshold, VAT registrations of foreign e-commerce operators, 12% VAT on total value of online transactions in the Philippines); and
- (h) Online consumer complaints.

This bill seeks to promote an environment founded on trust among consumers and merchants as a means to increase the number of e-commerce participants, and ultimately achieve sustainable growth. Moreover, this bill will address the need to establish a singular office that will: (1) be responsible to carry out provisions thereof; (2) ensure the implementation of Republic Act. No. 8792 or the Electronic E-commerce Act of 2000; and (3) serve as the focal point in the monitoring and implementation of the Philippine E-commerce Roadmap.

The proposed Internet Transactions Act was approved on Third Reading by the House of Representatives during the previous Eighteenth (18th) Congress. In refiling the same, we acknowledge and recognize former Deputy Speaker Wes Gatchalian (First District- Valenzuela City) as the principal author of the subject measure during the 18th Congress.

In view of the foregoing, the strong support of the Members of the Nineteenth (19th) Congress is earnestly sought for the approval of this bill.



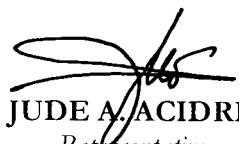
FERDINAND MARTIN G. ROMUALDEZ
Representative
First District, Leyte



YEDDA MARIE K. ROMUALDEZ
Representative
Party-List, Tingog Sinirangan



FERDINAND ALEXANDER A. MARCOS
Representative
First District, Ilocos Norte



JUDE A. ACIDRE
Representative
Party-List, Tingog Sinirangan



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4

Introduced by Representatives **FERDINAND MARTIN G. ROMUALDEZ,**
YEDDA MARIE K. ROMUALDEZ, FERDINAND ALEXANDER A. MARCOS and
JUDE A. ACIDRE

AN ACT
PROVIDING PROTECTION TO CONSUMERS AND MERCHANTS ENGAGED IN
INTERNET TRANSACTIONS, CREATING FOR THE PURPOSE THE
ELECTRONIC COMMERCE BUREAU, AND APPROPRIATING FUNDS
THEREFOR

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

CHAPTER 1
GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “*Internet Transactions Act*”.

1
2 **SEC. 2. *Declaration of Policy.*** – It is the policy of the State to promote and maintain
3 a robust electronic commerce (eCommerce) environment in the country by building trust between
4 online merchants and consumers. The State recognizes the value and potential of the digital
5 economy to increase competition and improve productivity, thus the need to establish secure and
6 reliable eCommerce platforms where goods and services are transacted online with appropriate
7 transparency and utmost efficiency to encourage the creation of new products, services, business
8 models and processes. Towards these ends, the State shall ensure an effective regulation of

commercial activities through the internet or electronic means to ensure that consumer rights and data privacy are protected, innovation is encouraged, fair advertising practices and competition are promoted, online transactions are secured, intellectual property rights are respected, and where product standards and safety are observed.

SEC. 3. *Definition of Terms.* – As used in this Act:

(a) *Business to business transaction* refers to internet transactions conducted over marketplaces that facilitate business to business electronic sales of new and used merchandise using the internet:

(b) *Business to consumer transaction* refers to the process of selling products and services by businesses to consumers who are end-users, generally for a profit:

(c) *Compatibility* refers to the ability of the digital content or digital service to function with hardware or software with which digital content or digital services of the same type are normally used, without the need to convert the digital content or digital service;

(d) *Consumer* refers to a person who is a purchaser, lessee, recipient or prospective purchaser, lessor or recipient of consumer products, services, credit, technology, advertising or promotion, and other items in eCommerce;

(e) *Consumer-to-consumer transactions (C2Cs)* refer to one-off, petty, or occasional low-value transactions of an individual or group of individuals to another that are not made in the ordinary course of business of any party to the transaction;

(f) *Digital content* refers to data which are produced and supplied in electronic form;

(g) *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;

- 1 (h) *Digital financial services* refer to services of a financial nature that are made available
2 to the public through the internet, including banking services, insurance and
3 insurance-related services, payment and money transmission services, including
4 remittance services, online lending services, online investment services, and other
5 similar or related services;
6
- 7 (i) *Electronic commerce* or *eCommerce* refers to the production, distribution, marketing,
8 sale, or delivery of goods and services by electronic means;
9
- 10 (j) *eCommerce platform operator* refers to a natural or juridical person that solicits the
11 purchase of goods and services through digital platforms and marketplaces whose
12 business is to connect consumers and online merchants, facilitating sales of
13 products, goods or services through the internet with the presence and use of
14 monetary transactions. These shall include social media websites and any other
15 similar platforms in so far that it is used for business:
16
- 17 (k) *Functionality* refers to the ability of the digital content or digital service to perform
18 its functions according to its purpose;
19
- 20 (l) *Goods* refer to physically or digitally produced items over which ownership rights
21 may be established and whose economic ownership may be passed from one
22 institutional unit to another by engaging in transactions;
23
- 24 (m) *Internet access and service provider* refer to an entity that provides households,
25 businesses, and government access to the internet through the physical transport
26 infrastructure:
27
- 28 (n) *Internet retailing of consumer goods* refers to engaging in any eCommerce activity other
29 than online travel services, online media, ride hailing services, and digital financial
30 services:
31
- 32 (o) *Internet transaction* refers to the sale or purchase of goods or services, whether
33 between businesses, households, individuals, governments, and other public or

private organizations, conducted over the internet. At least one point of these transactions is conducted over the internet but the payment and ultimate delivery of the goods or service may be conducted on or offline:

(p) *Interoperability* refers to the ability of the digital content or digital service to function with hardware or software different from those with which digital content or digital services of the same type are normally used;

(q) *Online merchant* refers to a natural or juridical person, regardless of location, that directly sells, manufactures goods, or offers for sale, any good or service, either individually or through a platform, in the ordinary course of business, over the internet, through a website, an online marketplace, a social media website or application or through other similar means;

(r) *Online media* refers to digital media products or services pertaining to advertising, gaming, subscription music, and video on demand, available through an online platform, application, website, webpage, social media account, or other similar platforms operated by the provider, regardless of whether the provider is authorized to engage in eCommerce;

(s) *Online travel services* refer to services that facilitate the reservation, purchase or discounting of flights, hotel accommodations, and vacation rental spaces, through an online platform, application, website, webpage, social media account, or other similar platform operated by the provider, regardless of whether the provider is authorized to engage in eCommerce in the Philippines:

(t) *Price* refers to money or a digital representation of value that is due in exchange for the supply of goods, services, digital content, or digital service;

(u) *Producer* refers to the manufacturer or importer of goods, or any person purporting to be a manufacturer who places its name, trademark, or other distinctive sign on goods;

1 (v) *Repair* refers to bringing defective goods into conformity with the contract;

2
3 (w) *Ride hailing service* refers to the delivery of food, goods or other merchandise, or of
4 personal transport services, contracted through an online platform, application,
5 website, webpage, social media account, or other similar platform operated by the
6 provider, regardless of whether the provider is authorized to engage in eCommerce
7 in the Philippines;

8
9 (x) *Ride hailing service partner* refers to third-parties who offer their services to transport
10 or deliver food, parcels or any other item, on behalf of ride hailing service
11 providers;

12
13 (y) *Ride hailing service provider* refers to those, who in the ordinary course of trade or
14 business, provide for or facilitate ride hailing services; and

15
16 **SEC. 4. *Scope and Coverage.*** - Unless otherwise specified, this Act shall apply to any
17 stage of all business-to-business and business-to-consumer eCommerce and internet transactions
18 including those related to the following activities:

- 19
20 (a) Internet retail of consumer goods and services;
21 (b) Online travel services;
22 (c) Online media providers;
23 (d) Ride hailing services; and
24 (e) Digital financial services.

25
26 Consumer-to-consumer transactions shall be exempt from the operation of this Act,
27 without prejudice to the application of other laws.

28
29 Unless expressly specified, nothing in this Act shall be construed as to diminish or deprive
30 the regulatory jurisdiction conferred by law upon other government agencies with respect to
31 regulated services that fall within the scope of eCommerce.

32
33 **SEC. 5. *Extra-territorial Application.*** – A person engaging in eCommerce who
34 purposefully avails of the Philippine market shall be deemed as doing business in the Philippines

1 and be subject to applicable Philippine laws and regulations, including this Act. One who purposely
2 avails of the Philippine market without establishing any real or legal presence in the Philippines
3 shall be required to notify the eCommerce Bureau created under Section 7 of this Act for inclusion
4 in the Registry of Online Business established under Section 11 of this Act, or may designate a
5 resident agent who shall be authorized to receive on their behalf notices or processes in any legal
6 proceeding in the Philippines. The accessibility of goods and services to consumers in the
7 Philippines shall be considered in ascertaining whether one engaged in eCommerce is purposefully
8 availing the Philippine market.

9
10 **SEC. 6. *Equal Treatment of Online and Offline Commercial Activities.*** – Unless
11 otherwise specified, this Act shall be construed to ensure that those who engage in eCommerce
12 may not enjoy any benefit that is more favorable, nor be placed at a disadvantage, in relation to
13 other enterprises that offer goods and services offline in the Philippines.

14
15 **CHAPTER 2**
16 **ECOMMERCE BUREAU**

17
18 **SEC. 7. *Creation of the eCommerce Bureau.*** – To ensure the attainment of the
19 objectives of this Act and promote the growth of eCommerce, there is hereby created an
20 eCommerce Bureau under the Department of Trade and Industry (DTI), hereinafter referred to
21 as the Bureau, which shall be organized within six (6) months after the effectivity of this Act. The
22 Bureau shall have the following powers and functions:

- 23
24 (a) Implement, monitor, and ensure strict compliance by eCommerce stakeholders of
25 the provisions of this Act;
26
27 (b) Build trust between consumers and sellers by requiring eCommerce platform
28 operators, online merchants, or any other entity who engages in eCommerce to
29 register their business with the Bureau;
30
31 (c) Formulate policies, plans and programs to ensure the robust and dynamic
32 development of eCommerce;
33

- 1 (d) Identify regulatory gaps affecting the eCommerce sector that are not sufficiently
2 addressed by this Act or by existing laws or regulations, and recommend
3 appropriate executive or legislative measures, including those that can be
4 undertaken by the DTI on its own, that fosters the growth of the sector;
5
- 6 (e) Act as a virtual central unit tasked to receive and address consumer complaints on
7 internet transactions, facilitate the speedy resolution of consumer complaints by
8 the respective government agency which has jurisdiction over it, and track
9 complaints referred to or initiated by it to ensure the speedy and appropriate action
10 by the agency to which such matters have been referred to;
11
- 12 (f) Coordinate with, compel or petition whenever appropriate, any entity, government
13 agency or instrumentality to take action on any matter that may impede
14 eCommerce;
15
- 16 (g) Investigate, *motu proprio*, and file the appropriate cases for violations of any
17 provision of this Act;
18
- 19 (h) Intervene or participate, in a manner as may be appropriate, in cases initiated or
20 pending with other regulatory agencies involving eCommerce or violations of any
21 provision of this Act;
22
- 23 (i) Monitor internet transactions and undertake consultation with stakeholders and
24 affected agencies for the purpose of understanding market behavior in order to
25 update policies relevant to online transactions;
26
- 27 (j) Monitor the compliance of other government agencies or instrumentalities on their
28 compliance to the provisions of this Act and the eCommerce roadmap;
29
- 30 (k) Collect, compile, analyze, abstract, and publish eCommerce data for policy
31 formulation and program development;
32
- 33 (l) Prepare and conduct periodic studies on eCommerce;
34

1 (m) Collaborate with departments of the National Government including local
2 government units and government-owned or controlled corporations in
3 implementing programs to promote eCommerce, including information,
4 education, and campaign, as well as in ensuring a policy regime that is proactive;
5 and

6
7 (n) Ensure that those who engage in eCommerce may not enjoy any benefit that is
8 more favorable, nor be placed at a disadvantage, in relation to other enterprises
9 that offer goods and services offline in the Philippines.

10
11 In the exercise of the above-stated functions, the Bureau, in coordination with other
12 government agencies, may convene public consultations or inter-agency meetings to ensure multi-
13 stakeholder input in the development of eCommerce policies.

14
15 Government agencies and instrumentalities involved in the maintenance and development
16 of the internet infrastructure of the Philippines, such as the Department of Information and
17 Communications Technology (DICT) and the National Telecommunications Commission (NTC),
18 shall cooperate with the Bureau on issues within their respective regulatory jurisdiction that affect
19 the conduct of eCommerce.

20
21 **SEC. 8. Composition of the Bureau.** – The Bureau shall be headed by a Director to
22 be appointed by the President of the Philippines, as recommended by the Secretary of Trade and
23 Industry.

24
25 The Director shall oversee the day-to-day operations of the Bureau and shall be assisted
26 by three (3) Assistant Directors each for policy and administration, enforcement, and operations.

27
28 The Secretary of Trade and Industry shall determine the organizational structure and
29 staffing pattern of the Bureau, subject to the approval of the Secretary of Budget and Management.

30
31 **SEC. 9. Subpoena.** - In the exercise of its powers under this Act, the Director of the
32 Bureau shall have the power to issue summons, *subpoena ad testificandum* and *subpoena duces tecum* to
33 alleged violators or witnesses to compel their attendance and the production of documents in
34 investigations or proceedings before the Bureau.

1
2 The failure to comply with a *subpoena ad testificandum* or *subpoena duces tecum* shall authorize
3 the filing of a case for indirect contempt under the Rules of Court with the Regional Trial Court.
4 A certification duly issued by the Bureau that a respondent to the *subpoena ad testificandum* or
5 *subpoena duces tecum* refuses to comply with the same, despite due notice, shall be sufficient evidence
6 to authorize the Regional Trial Court to cite the respondent with contempt. The Regional Trial
7 Court shall likewise have the authority to issue any such order or relief, including imprisonment,
8 in order to compel compliance with the *subpoena ad testificandum* or *subpoena duces tecum*. The Regional
9 Trial Court may, in addition, also issue a *subpoena ad testificandum* or *subpoena duces tecum* addressed to
10 the respondents identical to the one subject of the complaint.

11
12 **SEC. 10. Authority to Promulgate Rules and Regulations.** - As the focal authority
13 of the National Government for the development of policies and strategies towards the growth of
14 eCommerce, the Bureau shall have the authority to promulgate rules and regulations covering areas
15 or activities concerning eCommerce and to impose fines to compel compliance with such rules.
16 The grant of this rule-making authority to the Bureau shall be ancillary to any duly constituted
17 regulatory jurisdiction granted or that may be granted to other government agencies by law,
18 including Executive Order No. 292, series of 1987, instituting the “Administrative Code of 1987”,
19 Republic Act No. 7394, otherwise known as the “Consumer Act of the Philippines”, Republic Act
20 No. 7653, as amended, otherwise known as “The New Central Bank Act”, Republic Act No. 8293,
21 as amended, otherwise known as the “Intellectual Property Code of the Philippines”, Republic Act
22 No. 8799, otherwise known as the “Securities Regulation Code”, Republic Act No. 9239, otherwise
23 known as the “Optical Media Act of 2003”, Republic Act No. 9593, otherwise known as the
24 “Tourism Act of 2009”, Republic Act No. 10173, otherwise known as the “Data Privacy Act of
25 2012”, Republic Act No. 10667, otherwise known as the “Philippine Competition Act”, Republic
26 Act No. 11127, otherwise known as “The National Payment Systems Act”, and Republic Act
27 No. 11232, otherwise known as the “Revised Corporation Code”.

28
29 The Bureau shall defer the exercise of rule-making power to the above-listed government
30 agencies conferred by law with regulatory jurisdictions over eCommerce providers or platforms,
31 unless the other agency declines to exercise its jurisdiction or does not act within a timely manner.
32

33 **SEC. 11. Registry of Online Business (ROB).** – Within a period of one (1) year from
34 the effectivity of this Act, the Bureau shall, in coordination with the DICT, establish, manage and

1 maintain a ROB which shall provide consumers access to data and information of registered online
2 business entities for purposes of verifying the validity, existence of and other relevant information
3 pertaining to business entities.

4
5 The DICT, in consultation with the DTI, the National Privacy Commission (NPC), the
6 Philippine Competition Commission (PCC) and other concerned agencies, shall issue the rules and
7 regulations to govern the development, management, operation, and maintenance of the ROB.

8
9 **CHAPTER 3**
10 **SUPERVISION OF ECOMMERCE**

11
12 **SEC. 12. *Authority to Issue Take Down Order.*** – The Secretary of Trade and
13 Industry, upon due notice and hearing regarding violations of this Act, the Consumer Act of the
14 Philippines, or any other related trade or consumer laws, operating to the grave and irreparable
15 prejudice of a consumer or a rights holder, shall have the power to issue an order directing that a
16 website, webpage, online application, social media account, or other similar platform, be taken
17 down, made inaccessible in the Philippines, or that no entity shall process any payment to any of
18 those entities, or otherwise be rendered commercially inoperative, in order to abate any further
19 violations.

20
21 The said provisional take down order shall be directed against the owner or operator of
22 the website, webpage, online application, social media account, as well as duly registered internet
23 service provider, as well as payment gateways or channels. Copies of the order shall likewise be
24 served on other government agencies whose cooperation would be required for the enforcement
25 of the same.

26
27 The order shall remain in effect for a maximum period of thirty (30) days unless otherwise
28 extended or made permanent by a judicial order or decision.

29
30 **SEC. 13. *Cease and Desist Order.*** – The Secretary of Trade and Industry, upon due
31 notice and hearing, shall have the power to issue an order directing a website, webpage, online
32 application, social media account, or other similar platform operating to the grave and irreparable
33 prejudice of a consumer or a rights holder, to desist from marketing or offering goods or services
34 that are accessible in the Philippines, and directing that no payments shall be made to any entity

1 which is marketing or offering such goods or services in violation of this Act, the Consumer Act
2 of the Philippines, or any other related trade or consumer laws.

3
4 The cease and desist order shall remain in effect for a maximum of thirty (30) days unless
5 otherwise extended or made permanent by a judicial order or decision.

6
7 **SEC. 14. *Referral of Complaints.*** – The Bureau shall refer any complaint it receives
8 involving violation of other laws committed in the course of eCommerce activities to the
9 appropriate regulatory authority for action. If the complaint or violation pertains to the violation
10 of the provisions of Republic Act No. 10175, otherwise known as the “Cybercrime Prevention
11 Act of 2012”, the matter shall be referred to the Department of Justice (DOJ) for appropriate
12 investigation. In cases where appropriate, the DTI may itself initiate the formal complaint with the
13 appropriate regulatory authority or the DOJ. The Bureau shall track any such complaint or referral
14 made to other authorities and coordinate with them to ensure that the said matters are duly
15 resolved within a reasonable period.

16
17 **SEC. 15. *Qualifications to Engage in eCommerce.*** – The following are presumed
18 legally authorized to engage in eCommerce in the Philippines in the ordinary course of their trade
19 or business:

20
21 (a) An individual who is duly licensed to do business as a single-proprietor with the
22 DTI;

23
24 (b) A juridical entity that is duly registered with the Securities and Exchange
25 Commission (SEC), whether as a corporation, a one-person corporation, or as a
26 partnership;

27
28 (c) A cooperative that is duly licensed by the Cooperative Development Authority
29 (CDA);

30
31 (d) A foreign corporation that is duly licensed by the SEC to transact business in the
32 Philippines; and
33

1 (e) A non-resident foreign individual or juridical entity who has complied with Section
2 5 of this Act.

3
4 A resident of the Philippines who engages, abets, or aids in unauthorized eCommerce
5 activities in the ordinary course of trade or business shall be subject to any appropriate penalty as
6 may be provided by law and shall in the same manner as the party engaged in such unauthorized
7 eCommerce activities.

8
9 A person who is authorized to engage in eCommerce in the Philippines and who facilitates
10 the sale of a digital product or service by one who is not so authorized is deemed primarily liable
11 for any obligation, damage, or fine, that may arise from the transaction or from the digital product.

12
13 A non-resident of the Philippines who engages in eCommerce by purposefully availing of
14 the Philippine market may not evade legal liability in the Philippines by virtue of non-residency or
15 non-registration, and shall be subject to the same obligations and liabilities arising from any
16 transaction as those who are authorized to engage in eCommerce in the Philippines.

17
18 **SEC. 16. *Business Registration.* –**
19

20 (a) To encourage the formation of business enterprises, the growth and integrated
21 development of the eCommerce market, and protection of online consumers, all
22 individuals engaged in eCommerce shall register as a business either as a sole
23 proprietor, one-person corporation, partnership, corporation, or cooperatives.

24
25 (b) Consistent with Republic Act No. 11032, otherwise known as the “Ease of Doing
26 Business and Efficient Government Service Delivery Act of 2018,” all national
27 government agencies and local government units (LGUs) shall make available
28 online registration of business permits and licenses particularly for those engaged
29 in eCommerce.

30
31 (c) The SEC, LGUs, and the CDA shall submit to the Bureau an annual list of
32 registered enterprises for monitoring and for purposes of maintaining a database
33 of online merchants and eCommerce platform operators.

CHAPTER 4
CONSUMER RIGHTS AND OBLIGATIONS
INVOLVING INTERNET TRANSACTIONS

SEC. 17. *Code of Conduct.* – To build trust in internet transactions and to protect and uphold the interest of consumers at all times, all businesses engaged in eCommerce are expected to act responsibly, consistent with the following principles:

- (a) Consumers shall be treated with honesty, integrity, and fairness at all times;
- (b) The rights of consumers shall be applied equally;
- (c) Business entities shall refrain from engaging in illegal, fraudulent, unethical, or unfair business practices that harm consumers and shall comply with applicable laws and regulations, especially the protection of intellectual property rights;
- (d) Accurate information about goods and services marketed and sold online to Philippine consumers shall be given and made available to consumers;
- (e) Goods and services sold online must conform to Philippine regulatory standards;
- (f) The safety of goods and services marketed or sold online must not be compromised and products that have been recalled in the offline retail market must not be marketed or sold online;
- (g) Goods and services must be easily accessible, accurately described, and promoted through fair advertising and marketing practices;
- (h) Consumers must be given the correct and complete information about costs through a sales invoice or an official receipt detailing the particular costs of the good or service purchased, including shipping or delivery charges. Hidden charges or additional costs such as customs duties or currency conversion charges must be avoided

- 1
- 2 (i) The tracking of deliveries must be provided as part of services of online merchants
- 3 or eCommerce platform operators and goods purchased must be delivered within
- 4 the promised time and in described condition to the address provided by the
- 5 consumer;
- 6
- 7 (j) A cancellation option must be provided wherein consumers are given the
- 8 opportunity to review their online purchases before finally confirming their
- 9 purchase or withdrawing from a confirmed transaction in appropriate
- 10 circumstances;
- 11
- 12 (k) Consumer complaints must be dealt with through fair, easy, transparent and
- 13 equitable mechanisms for consumer redress. If warranted, compensation, refund,
- 14 repair, and replacement should be provided to the consumer;
- 15
- 16 (l) Data privacy laws and regulations, including Republic Act No. 10173, otherwise
- 17 known as the “Data Privacy Act of 2012,” and other similar laws and regulations
- 18 shall be strictly complied with;
- 19
- 20 (m) The safety and security of online payments and sensitive data shall be safeguarded
- 21 through the use of secure technology and protocols including those evidenced by
- 22 visible trust certificates or any appropriate similar certification as may emerge in
- 23 the future;
- 24
- 25 (n) The transmission of unsolicited commercial email or bulk email, except those
- 26 subject to the control and discretion of the consumer through readily accessible
- 27 configurations that allow the consumer to choose whether they wish to receive or
- 28 opt-out from commercial messages by email or electronic means, must be avoided;
- 29
- 30 (o) The production of fake online reviews or spreading wrong information about
- 31 competitors is improper and must be avoided;
- 32

1 (p) Consumers must be educated about the risks of transacting through the internet
2 and shall be provided competent and professional advice; and

3
4 (q) Competing fairly with other businesses and adherence to competition principles
5 and all applicable competition laws and regulations, including Republic Act No.
6 10667, otherwise known as the “Philippine Competition Act”, shall ensure the
7 robust development of eCommerce and the economy.

8
9 Whenever appropriate, the DTI shall issue rules and regulations corresponding to
10 international trends, developments and best practices that it may adopt and implement.

11
12 **SEC. 18. *Obligations of eCommerce Platform Operators.*** – eCommerce platform
13 operators shall have the following obligations:

14
15 (a) Ensure that any commercial communication shall:

16
17 (1) Be clearly identifiable as a commercial communication;

18
19 (2) Clearly identify the person on whose behalf the commercial
20 communication is made;

21
22 (3) Clearly identify any promotional offer including any discount, premium, or
23 gift, and ensure that any condition which must be met to qualify for it is
24 easily accessible, and presented clearly and unambiguously; and

25
26 (4) Clearly identify any promotional competition or game and ensure that any
27 condition for participation is easily accessible and presented clearly and
28 unambiguously;

29
30 (b) Require all online merchants, prior to the commencement of online transactions
31 to submit the following to eCommerce platform operators:

32
33 (1) Name of the online merchant;

1 (2) Registration documents of the online merchant from the appropriate
2 LGU, the DTI or SEC, and the Bureau of Internal Revenue (BIR);

3
4 (3) Geographic address at which the online merchant may be served summons
5 or any other judicial processes in its name and behalf;

6
7 (4) Contact details of the online merchant, such as a mobile or landline
8 number, and a valid electronic mail address, which makes it possible to
9 immediately and easily contact and communicate with the online merchant
10 in a direct and effective manner; and

11
12 (5) Details of any professional body or similar institution with which the online
13 merchant is registered, in instances when the online merchant exercises a
14 regulated profession.

15
16 (c) Maintain a file of all online merchants registered under their platform containing
17 the information provided by online merchants in paragraph (b) of this Section;

18
19 (d) Publish at a conspicuous part on their website, webpage, social media account, or
20 other similar platform, the following general information:

21
22 (1) Name of the online merchant;

23
24 (2) Registration documents of the online merchant from the appropriate
25 LGU, the DTI or SEC, and the BIR;

26
27 (3) Geographic address at which the online merchant may be served summons
28 or any other judicial processes in its name and behalf;

29
30 (4) Contact details of the online merchant, a mobile or landline number, or a
31 valid electronic mail address, which makes it possible to immediately and
32 easily contact and communicate with the online merchant and
33 communicate in a direct and effective manner, unless the eCommerce

1 online platform establishes means to facilitate communication between
2 online merchants and consumers; and

3
4 (5) Details of any professional body or similar institution with which the online
5 merchant is registered, in instances when the online merchant exercises a
6 regulated profession:

7
8 (e) Submit to the Bureau a list of all online merchants registered under their platform.
9 When an eCommerce platform operator discovers that an onboarded online
10 merchant has not obtained registration documents from the relevant regulatory
11 agency, it shall report such fact to the Bureau within fifteen (15) days from
12 discovery thereof.

13
14 (f) Cooperate with regulators, in accordance with existing laws and regulations, in any
15 investigation, or resolution of consumer complaints.

16
17 **SEC. 19. *Internet Transactions Involving Consumers.*** – An online merchant of
18 goods shall exercise the following responsibilities:

19
20 (a) Deliver or cause the delivery of goods to the consumer, ensuring that the following
21 are complied with:

22
23 (1) The goods are of the description, type, quantity, and quality, and possess
24 the functionality, compatibility, interoperability and other features, as
25 required by the sales contract. The online merchant must show a digital
26 sample or model of the goods to the consumer and the goods possess the
27 quality of and correspond to the description of the sample or model;
28 possess the qualities and performance features, including in relation to
29 functionality, compatibility, interoperability, accessibility, continuity, and
30 security, normal for digital content or digital services of the same type and
31 of which the consumer may reasonably expect; fit for any particular
32 purpose for which the consumer requires them and which the consumer
33 made known to the online merchant at the time of the conclusion of the
34 contract, and which the online merchant has accepted; and possess the

1 qualities and performance capabilities indicated in any pre-contractual
2 statement which forms an integral part of the contract.

3
4 (2) All goods shall:

5
6 (i) Be delivered along with the accessories including packaging,
7 installation instructions or other instruction as the consumer may
8 expect to receive; and

9
10 (ii) Possess qualities and performance capabilities which are normal in
11 goods of the same type and which the consumer may expect given
12 the nature of the goods and taking into account any public
13 statement made by or on behalf of the online merchant or other
14 persons in earlier links of the chain of transactions, including the
15 producer, unless the online merchant shows that: the online
16 merchant was not, and could not reasonably have been aware of
17 the statement in question; by the time of conclusion of the
18 contract, the statement had been corrected; or the decision to buy
19 the goods could not have been influenced by the statement.

20
21 (b) Be liable for any lack of conformity with the contract which exists at the time when:

22
23 (1) The consumer or a person acting on behalf of the consumer has acquired
24 the physical possession of the goods, or when the goods are handed over
25 to the carrier chosen by the consumer, and that carrier was not proffered
26 by the online merchant or where the online merchant proposes no means
27 of carriage;

28
29 (2) The goods have been installed by the online merchant or under the online
30 merchant's responsibility. The time at which the installation has been
31 completed shall be considered the time when the consumer acquires
32 physical possession of the goods;

1 (3) The goods have been installed by the consumer in accordance with the
2 online merchant's installation instructions. The expiration of a reasonable
3 period for installation, which shall not be more than thirty (30) days, shall
4 be considered the time when the consumer acquires the physical
5 possession of the goods.
6

7 (4) The goods are incorrectly installed. Any lack of conformity resulting from
8 the correct installation is regarded as lack of conformity with the contract
9 of the goods if:

10 (i) The goods were installed by the online merchant or under the
11 online merchant's responsibility; and
12

13 (ii) The goods, intended to be installed by the consumer, were installed
14 by the consumer and the correct installation was due to a
15 shortcoming in the installation instructions.
16

17 (c) Where the contract provides that the digital content or digital service is to be
18 supplied or made accessible to the consumer over a period of time, the online
19 merchant may modify the digital content or digital service beyond what is necessary
20 to maintain the digital content or digital service in conformity with the contract, if
21 the following conditions are met:
22

23 (1) The contract allows, and provides a valid reason for, such a modification;
24

25 (2) Such a modification is made without additional cost to the consumer; and
26

27 (3) The consumer is informed in a clear and comprehensible manner of the
28 modification.
29

30 (d) Where the online merchant operates its own website, webpage, social media
31 account, or any other similar platform, it shall publish on its homepage the
32 following:
33

34 (1) Name of the online merchant;
35

- 1
- 2 (2) Registration documents of the online the appropriate LGU, the DTI or
- 3 SEC, the BIR, and other appropriate regulatory authorities;
- 4
- 5 (3) Geographic address at which the online merchant may be served summons
- 6 or any other judicial processes in its name and behalf;
- 7
- 8 (4) Contact details of the online merchant, a mobile or landline number, and
- 9 a valid electronic mail address, which makes it possible to immediately and
- 10 easily contact and communicate with the online merchant and
- 11 communicate in a direct and effective manner; and
- 12
- 13 (5) Details of any professional body or similar institution with which the online
- 14 merchant is registered, in instances when the online merchant exercises a
- 15 regulated profession.

16

17 Any agreement is valid only if, at the time of the conclusion of the contract, the consumer

18 has knowledge of the specific condition of the goods and the consumer has expressly accepted

19 this specific condition when concluding the contract.

20

21 **SEC. 20. *Right to Redress by Online Merchants.*** – Where the online merchant is

22 liable to the consumer because of a lack of conformity with the contract resulting from an act or

23 omission by a person in earlier links of the chain of transactions, the online merchant is entitled

24 to pursue remedies against the person or persons liable in the chain of transactions.

25

26 The person against whom the online merchant may pursue remedies and the relevant

27 actions and conditions to exercise must be in accordance with the following:

- 28
- 29 (a) Repairs must be completed and replacements delivered within a reasonable time
- 30 and without any significant inconvenience to the consumer, taking into account
- 31 the nature of the goods and the purpose for which the consumer acquired the
- 32 goods;
- 33
- 34 (b) A proportionate reduction of the price or the termination of the contract, including
- 35 restitution of the price, in the following instances:

- 1
- 2 (1) A repair or replacement is impossible or unlawful;
- 3
- 4 (2) The online merchant has not completed repair or replacement within a
- 5 reasonable time;
- 6
- 7 (3) A repair or replacement may cause significant inconvenience to the
- 8 consumer; or
- 9
- 10 (4) The online merchant has declared, or it is equally clear from the
- 11 circumstances that the online merchant may not deliver the goods in
- 12 conformity with the contract within a reasonable time;
- 13
- 14 (c) The consumer is entitled to withhold the payment of any outstanding part of the
- 15 price, until the online merchant has brought the goods into conformity with the
- 16 contract;
- 17
- 18 (d) The consumer is not entitled to a remedy to the extent that the consumer has
- 19 contributed to the lack of conformity with the contract or its effects;
- 20
- 21 (e) Where the online merchant remedies the lack of conformity with the contract by
- 22 replacement, the online merchant may take back the replaced goods at the online
- 23 merchant's expense unless the parties have agreed otherwise after the lack of
- 24 conformity with the contract has been brought to the online merchant's attention
- 25 by the consumer;
- 26
- 27 (f) Where the consumer had installed the goods in a manner consistent with their
- 28 nature and purpose, before the lack of conformity with the contract became
- 29 apparent, the cost for the removal of the non-conforming goods and the
- 30 installation of replacement goods, and all associated costs shall be for the account
- 31 of the online merchant;
- 32
- 33 (g) In case of goods that do not conform to the contract, the consumer is not liable
- 34 to pay for using the non-conforming goods prior to its replacement;

1
2 (h) The consumer may choose between repair and replacement unless the option
3 chosen is impossible, unlawful or, imposes costs upon the online merchant that is
4 disproportionate, taking into account all circumstances, including:

5
6 (1) The value of the goods, if the goods conformed to the contract;

7
8 (2) The significance of the lack of conformity with the contract; and

9
10 (3) Whether the alternative remedy may be completed without significant
11 inconvenience to the consumer.
12

13 The reduction of price should be proportionate to the decrease in the value of the goods
14 which were received by the consumer compared to the value of the goods if it were in conformity
15 with the contract.
16

17 **SEC. 21. *Obligations of Ride Hailing Service Providers.*** – Ride hailing service
18 providers shall require its consumers to register by showing valid proof of identity, email address
19 or cellular phone number. Ride hailing service providers shall make the identity of its providers
20 and support staff available to the rider at all times.
21

22 **SEC. 22. *Obligations of Consumers of Ride Hailing Services.*** – It shall be unlawful
23 for consumers of ride hailing services to:
24

25 (a) Cancel confirmed orders for the delivery of food or grocery items when the said
26 items have already been paid by or is already in the possession of the Ride Hailing
27 Service Partner or is otherwise in transit to the consumer unless:

28
29 (1) The consumer uses credit card services as a means for the payment of the
30 service and the payment will still be credited notwithstanding the
31 cancellation;

32
33 (2) The consumer remits the reimbursement and payment to the ride hailing
34 service partner as a pre-condition for the cancellation of the order; or

(3) The delivery of ordered food or grocery items will be or was delayed for at least one (1) hour from the expected time of arrival due to the fault or negligence of the ride hailing service partner.

(b) Unreasonably shame, demean, embarrass, or humiliate ride hailing service partners. The consumer may invoke as a defense of good faith, a well-founded belief that the ride hailing service partner had committed a crime or caused civil injury towards the consumer.

SEC. 23. *Right to Terminate the Contract.* – If the goods delivered do not conform to the contract, the consumer may exercise the right to terminate the contract by giving notice to the online merchant. Where the lack of conformity relates to only some of the goods delivered under the contract, the consumer may terminate the contract only in relation to the non-conforming good and any other goods which was acquired as an accessory to it.

Where the consumer terminates a contract as a whole or in relation to some of the goods delivered:

(a) The online merchant shall reimburse to the consumer the price paid without undue delay and in any event not later than fourteen (14) days from receipt of the notice;

(b) Upon receipt of the reimbursement from the online merchant, the consumer shall return, at the online merchant's expense, the goods without undue delay and in any event not later than fourteen (14) days from the receipt of the reimbursement;

(c) Where the goods cannot be returned because of destruction or loss caused by the negligence of the consumer, the consumer shall pay to the online merchant the monetary value which the non-conforming goods would have had at the date when the return was to be made if they had been kept by the consumer without destruction or loss until that date, unless the destruction or loss has been caused by a lack of conformity with the goods with the contract, within fourteen (14) days from receipt of reimbursement; and

1 (d) The consumer shall pay for a decrease in the value of the goods only to the extent
2 that the decrease in value exceeds depreciation through regular use. The payment
3 for decrease in value shall not exceed the price paid for the goods.

4
5 **SEC. 24. *Damages.*** – The online merchant is liable for damages to the consumer due
6 to the lack of conformity with the contract of the goods. The consumer may claim damages within
7 two (2) years from the relevant time of establishing conformity.

8
9 No damages may be recovered by virtue of this Act after the lapse of four (4) years from
10 the time the conformity has been established.

11
12 **SEC. 25. *Online Dispute Resolution.*** – The DTI shall develop an online dispute
13 resolution (ODR) platform which is a single point of entry for consumers, online merchants, and
14 eCommerce platform operators seeking out-of-court resolution of disputes. Where an
15 eCommerce platform operator does not have an internal dispute resolution mechanism, all
16 complaints through an ODR against an eCommerce platform operator shall be accompanied by
17 proof that internal dispute resolutions were exhausted.

18
19 (a) The ODR shall be an interactive website which may be accessed electronically and
20 free of charge. The DTI, through the Bureau, shall be responsible for its operation,
21 including its maintenance, funding and data security. The ODR platform must be
22 user-friendly and must adopt the twin principles of “privacy by design” and “design
23 for all”, where the privacy of its users is respected, and the ODR platform is
24 accessible and usable by all users.

25
26 (b) The DTI shall establish a network of ODR contact points from, among others,
27 the agencies involved in consumer complaints specified in Republic Act No. 7394,
28 otherwise known as the “Consumer Act of the Philippines,” which includes the
29 Fair Trade Enforcement Bureau (FTEB) of the DTI, the Department of
30 Agriculture (DA), the Department of Tourism (DOT), and the Department of
31 Health (DOH). The NPC and the Intellectual Property Office of the Philippines
32 (IPOPHIL) shall also form part of the ODR network.

- 1 (c) Each agency shall designate one ODR contact point and communicate its name
2 and contact details to the DTI. The head of agency shall confer responsibility to
3 the ODR contact points in ensuring that timely and competent support is provided
4 to the resolution of disputes relating to complaints submitted through the ODR
5 platform.
6
- 7 (d) The ODR platform shall have the following functions:
8
- 9 (1) Provide an electronic form by means of which alternative dispute
10 resolution (ADR) entities shall transmit the information;
11
- 12 (2) Provide a feedback system which allows the parties to express their views
13 on the functioning of the ODR platform and on the ADR entity which
14 handles their dispute; and
15
- 16 (3) Make publicly available general information on ADR as a means of out-of-
17 court dispute resolution and information on ADR entities which are
18 competent to deal with disputes.
19
- 20 (e) The DTI shall ensure that the information in the website is accurate, up to date
21 and provided in a clear, understandable and accessible way.
22
- 23 (f) Government and private sector entities which provide ADR services which are
24 competent to deal with disputes shall be registered electronically with the ODR
25 platform.
26
- 27 (g) Digital platforms and online retailers shall provide on their websites an electronic
28 link to the DTI ODR platform on their homepage. That link shall be easily
29 accessible to consumers.
30
- 31 (h) The DTI, in consultation with other concerned agencies, shall issue the
32 implementing rules and regulations on the development, management, operations,
33 and maintenance of the ODR platform.
34

1 **SEC. 26. *Limited Liability of eCommerce Platform Operators. –***

2 (a) eCommerce platform operators shall be solidarily liable with an online merchant to the
3 consumer only to the extent of civil damages suffered by the consumer as a direct result of the
4 transaction, without prejudice to liabilities that may incur under the next succeeding paragraph or
5 the provisions of other existing laws.

6 (b) eCommerce platform operators shall, for civil or administrative indemnity, be held
7 liable with an online merchant only under the following instances:

8 (1) If the eCommerce platform operator fails to exercise ordinary diligence in
9 complying with its obligations under Section 18 hereof, resulting to loss or damage
10 to the consumer;

11 (2) If the identity of the online merchant and the eCommerce platform operator are
12 the same;

13
14 (3) If the eCommerce platform operator fails, after notice, to act expeditiously to
15 remove, or disable access to goods or services appearing on their platform that they
16 know or should have known the provisions to be not compliant with law, or
17 otherwise infringes on intellectual property rights;

18
19 (4) If the eCommerce platform operator permits an online merchant, not otherwise
20 authorized to do business in the Philippines, to offer its goods and services for sale,
21 resulting to loss or damage to the consumer.

22 (c) eCommerce platform operators shall not be held liable under the following instances:

23
24 (1) The eCommerce platform operator relied on the accuracy, authenticity, and veracity
25 of an online merchant's representations, warranties or submitted registration
26 documents, even if such information or documents are later proved to be
27 inaccurate, false or untrue: *Provided, That*, the eCommerce platform operators are
28 able to show evidence of good faith and that reasonable efforts were exerted to
29 ascertain the accuracy and reliability of the documents or information submitted
30 by such online merchant.

31
32 (2) The eCommerce platform operators relied on the representations, warranties or
33 submissions of an online merchant stating that it is duly organized, valid and
34 existing under the laws of the Philippines or under the laws of its respective

jurisdictions to engage in eCommerce, or has obtained all necessary licenses, permits or approvals required for the sale of goods and services, or that said goods and services conform to applicable laws, rules and regulations.

SEC. 27. *Digital Payments.* – eCommerce platform operators and online merchants shall issue the appropriate paper or electronic invoices or receipts for all sales in accordance with relevant internal revenue laws and regulations. An electronic invoice or receipt shall have the same legal effect as a physical invoice or receipt.

The DTI, through the Bureau, shall, in coordination with the *Bangko Sentral ng Pilipinas* (BSP), the BIR, the Bureau of Customs (BOC), the DOJ, the Philippine National Police, the DICT, and the NTC, issue rules and regulations to modernize and streamline the regulatory framework and encourage the adoption of electronic payment systems by the citizenry. The DTI shall also develop guidelines to protect merchants and consumers covering the various digital payment solutions.

SEC. 28. *Enforcement of Rights and Remedies.* – Without prejudice to existing remedies provided under other laws, the enforcement of the rights and remedies established under this Chapter shall be through the following means:

(a) If involving complaints by a consumer where no damages are sought, the complaint shall be treated as a consumer complaint with the DTI pursuant to Title V, Chapter III of Republic Act No. 7394, otherwise known as the “Consumer Act of the Philippines”;

(b) If involving a claim for damages, the injured party shall seek recovery by filing a civil action with the appropriate trial court.

CHAPTER 5

ELECTRONIC COMMERCE PHILIPPINE TRUSTMARK

SEC. 29. *ECommerce Philippine Trustmark.* – To provide assurance of safety and security in internet transactions, the DTI shall lead the development of an eCommerce Philippine

Trustmark hereinafter referred to as the, “Trustmark”, which may be established and operated by an industry-led private sector governance body. The DTI shall periodically assess the effectiveness of the industry-led Trustmark in promoting to the public reliable and trustworthy eCommerce services, and may opt to assume operational control over the Trustmark if it determines that the industry-led private sector effort cannot sufficiently achieve the goals of the Trustmark.

CHAPTER 6

FINAL PROVISIONS

SEC. 30. *Penalties.* –

- (a) Online merchants who fail to register either as a sole proprietor, one-person corporation, partnership, corporation, or cooperative, shall be punished with a fine equivalent to one hundred percent (100%) of the amount of the digital goods offered or sold based on the market price as determined by the Bureau, including confiscation of the goods as advertised;
- (b) eCommerce platform operators and online merchants found guilty of violating Section 18, or Section 19 (d) of this Act shall be punished with a fine not less than Five hundred thousand pesos (PhP 500,000.00) but not more than Five million pesos (PhP 5,000,000.00) or the revocation of their licenses, or both, at the discretion of the courts.
- (c) Ride hailing service providers found guilty of violating Section 21 of this Act shall be punished with a fine of up to Five hundred thousand pesos (PhP 500,000.00) or the revocation of their licenses, or both, at the discretion of the courts.
- (d) Consumers found guilty of violating Section 22 (a) of this Act shall be punished with a fine of up to Fifty thousand pesos (PhP 50,000.00) plus one hundred percent (100%) of the amount advanced by the ride hailing service partner, or both, at the discretion of the courts.

1 (e) Consumers found guilty of violating Section 22 (b) and Section 23 (b) of this Act
2 shall be punished with a fine of up to Fifty thousand pesos (PhP 50,000.00), at the
3 discretion of the courts.

4 The application of these penalties shall be without prejudice to the liability of the offending
5 party under other laws or regulations.
6

7 **SEC. 31. *Oversight Committee.*** – There is hereby created a Congressional Oversight
8 Committee, hereinafter referred to as the Internet Transactions Act Congressional Oversight
9 Committee, to be composed of five (5) members from the Senate, which shall include the
10 Chairpersons of the Senate Committees on Trade, Commerce and Entrepreneurship, Science and
11 Technology, and Finance, and five (5) members from the House of Representatives, which shall
12 include the Chairpersons of the House of Representatives Committees on Trade and Industry,
13 ICT, and Appropriations. The Internet Transactions Act Congressional Oversight Committee
14 shall be jointly chaired by the Chairpersons of the Senate Committee on Trade and Commerce
15 and the House of Representatives Committee on Trade and Industry. It shall meet at least every
16 quarter of the first two years and every semester for the third year after the approval of this Act to
17 review the implementation of this Act, evaluate the Bureau on its functions as the lead agency,
18 determine any inherent weaknesses in the law, and recommend the necessary remedial legislation
19 or executive measures: *Provided*, That the Internet Transactions Act Congressional Oversight
20 Committee shall cease to exist after five (5) years upon the effectivity of this Act.
21

22 The Secretariat of the Internet Transactions Act Congressional Oversight Committee shall
23 be drawn from the existing personnel of the Senate and House of Representatives Committees
24 comprising the Internet Transactions Act Congressional Oversight Committee.
25

26 **SEC. 32. *Implementing Rules and Regulations.*** – The Secretary of Trade and
27 Industry shall, in consultation with the DICT, the BSP, the DOT, the Land Transportation
28 Franchising and Regulatory Board (LTFRB), the Optical Media Board (OMB), the IPOPHIL, and
29 other relevant government agencies and stakeholders, develop and issue the implementing rules
30 and regulations of this Act.
31

32 **SEC. 33. *Transitory Provisions.*** – To ensure the continued implementation of
33 programs to promote eCommerce, the current eCommerce Division shall continue to exercise its

1 functions until such time that the organizational structure and personnel of the Bureau have been
2 determined and approved.

3
4 All affected officers and personnel of the eCommerce Division shall be absorbed by the
5 Bureau without demotion in rank or diminution of salaries, benefits and other privileges.

6
7 **SEC. 34. *Appropriations.*** –The amount necessary to carry out the provisions of this
8 Act shall be included in the annual General Appropriations Act.

9
10 **SEC. 35. *Separability Clause.*** – If any provision or part of this Act is declared invalid
11 or unconstitutional, such declaration shall not affect the validity of the remaining provisions of
12 this Act.

13
14 **SEC. 36. *Repealing Clause.*** – All laws, rules, and regulations, presidential decrees,
15 letters of instruction and other presidential issuances which are incompatible or inconsistent with
16 the provisions of this Act are hereby repealed, amended, or modified accordingly.

17
18 **SEC. 37. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication
19 in the *Official Gazette* or in at least one (1) newspaper of general circulation. It shall also be published
20 online, through the *Official Gazette* Online (www.officialgazette.gov.ph), and on the website of the
21 DTI (www.dti.gov.ph).

Approved,