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

NINETEENTH CONGRESS
1st Regular Session

House Bill No. **2858**

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Introduced by Representatives ERIC G. YAP, EDVIC G. YAP, JOCELYN P. TULFO, RALPH TULFO, and JEFFREY SORIANO

EXPLANATORY NOTE

Filipinos are prolific users of social media, accounting for 76.2 million active users in 2022. The COVID-19 pandemic has increased demand for e-Commerce in the Philippines due to the rising middle class, high consumer spending, and a young and vibrant, tech-savvy population.[1]

Despite the growth of e-commerce, the influx of cybercrime incidents has also been reported especially since the onset of the COVID-19 pandemic. PNP recorded 6,110 cybercrime offenses in 2020 such as online scams, computer-related identity theft, and phishing. Meanwhile, private telecommunication companies have also monitored a higher number of cybercrimes. Globe Telecom, for example, has blocked a total of 1.15 billion scam and spam messages, around 7,000 mobile numbers linked to scammers, and 2,000 unofficial social media accounts and phishing sites in 2021.[2]

Following these issues, the Philippines still lacks an independent and highly specialized body that is tasked to regulate the e-Commerce in the country. This is notwithstanding the passage of adequate legislations to promote e-Commerce, such as the e-Commerce Law, Cybercrime Law, and Data Privacy Law. There is a lingering insufficient adeptness in handling cases involving electronic transactions, even with the guidance of the enforcement agencies. In addition, the Philippines must also abide with international privacy agreements such as the European General Data Protection Regulation (GDPR) and APEC Cross Border Privacy Rules (CBPR), and relative to this

[1] GMA News. (2022). "Globe calls for stronger cybercrime law, 'rational' enforcement of SIM registration."
[2] International Trade Administration. (2021). "Philippines - Country Commerical Guide : E-commerce."

is the presence of an agency that is tasked to ensure that all players in the e-Commerce are secured in their transactions.

Taking cognizance of the changing times, this proposed measure seeks to institutionalize a highly specialized government agency called the Bureau of E-Commerce, with a clear cut mandate and available resources, which shall focus on the regulation of e-commerce in the country, particularly the promotion and protection of the rights of the consumers, as well as, the business entities engaged therein.

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

ERIC G. YAP **EDVIC G. YAP**

JOCELYN P. TULFO **JEFFREY SORIANO**

RALPH TULFO

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AN ACT
PROTECTING CONSUMERS AND MERCHANTS ENGAGED IN INTERNET TRANSACTIONS, CREATING FOR THIS PURPOSE THE E-COMMERCE BUREAU, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. ***Short Title.*** This Act shall be known as "Internet Transactions Act of 2022."

SEC. 2. ***Declaration of Policy.*** - It is the policy of the State t to promote the growth of electronic commerce (e-commerce) in the country by building mutual trust between online sellers and consumers. The State recognizes the growth of the digital economy and the need to ensure that all goods and services transacted digitally be in accordance with specifications, and be reliable, secure, and accessible to all consumers for the purpose of increasing the productivity and efficiency of businesses. Towards these ends, the State shall ensure sustainable and fair e-commerce business practices through transparent and appropriate information disclosure, the maintenance and protection of data privacy rights, and an emphasis on the paramount importance of product safety. Likewise, the State shall provide meaningful access to effective mechanisms for the resolution of any and all disputes involving e-commerce, including alternative dispute resolution methods.

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

a. *Compatibility* refers to the ability of the digital product to function with hardware or software with which digital products of the same type are normally used, without the need for any conversion;

b. *Consumer-to-consumer transactions* refer to isolated transactions of an individual or group of individuals with another individual or group of individuals, done for personal, family, or household purposes, and not

done in the ordinary course of business of any of the parties to the transaction;

c. *Goods* refer to tangible products which are primarily for personal, family, household, or agricultural purposes which include, but are not limited to, food, drugs, cosmetics, and devices;

d. *Delivery Carrier* refers to any natural or juridical person engaged in the business of providing personal delivery services of food, goods, documents, or any other item from one person to another for compensation;

e. *Devices* refer to equipment or mechanism designed to serve a special purpose or perform a special function;

f. *Digital Platforms* refer to internet intermediaries or businesses such as, but not limited to, e-marketplaces, online delivery enterprises, transportation booking, tourism booking, entertainment website and services, music products and services, social media, advertising, education and learning products, health websites and applications, labor services, among others, that match, connect, or facilitate interactions and transactions by and between any two or more parties to enable them to sell, exchange, share, or transact in any convenient manner, goods, services and digital products;

g. *Digital Products* refer to goods and services produced and supplied in digital form such as, but not limited to, video, audio, applications, digital games, and any and all other software that allows the consumer to create, process, download, store, or access digital content, or allows the sharing of the same, or any such other interaction with digital content provided by other users of the service;

h. *E-commerce Philippine Trustmark* refers to the mark approved by the E-commerce Bureau signifying the legitimacy and verified status of an online merchant and provides for consumer protection in online or e-commerce transactions and, whenever applicable, accountability in case of consumer complaints;

i. *E-commerce or Online Transaction* refers to an exchange or transfer of goods and services using the internet;

j. *E-Marketplace* refers to a digital platform such as, but not limited to, eBay, Amazon, Shopee, Lazada, Carousell, Facebook Marketplace, among others, whose business is to connect online consumers and online merchants, facilitating the exchange of information regarding products or services for the purpose of entering into an e-commerce transaction such as the

purchase of goods and services, tangible or intangible, and which may or may not provide information or services about payments and logistics;

k. *E-Retailer* refers to a natural or juridical person engaged in selling products or services, tangible, or intangible, directly to online consumers through his own website or any other digital platform;

l. *Interoperability* refers to the ability of the digital product to function with hardware or software different from those with which the digital product of the same type is normally used;

m. *Online Consumer* refers to a natural or juridical person who may be a purchaser, lessee, recipient, or a prospective purchaser, lessor, or recipient, of goods and digital products sold, exchanged, leased, or transacted over the internet;

n. *Online Delivery Partner* refers to a delivery carrier that performs delivery services through an online delivery service platform under contract with a digital platform or an E-marketplace;

o. *Online Delivery Service* refers to the delivery of food, parcels, or any other item, contracted through a digital platform which may be an application, website, webpage, social media account, or any similar means, operated by an online delivery service platform;

p. *Online Delivery Service Platform* refers to any natural or juridical person engaged in providing online delivery service for a fee through any digital platform; and,

q. *Online Merchant* refers to any natural or juridical person selling or manufacturing, or otherwise offers for sale or manufacture, any goods or digital products in the ordinary course of business, either through an e-marketplace, social media, website, application, or via any digital platform over the internet.

SEC. 4. ***Scope and Coverage.*** - This Act shall apply to the sale or exchange of goods, services or digital products in the course of trade or business whether between businesses, households, individuals, and other public or private organizations, conducted over the internet. Consumer to consumer internet transactions shall not be covered under this Act.

SEC. 5. ***E-commerce Bureau.*** - The E-commerce Division created through DTI Department Order No. 09-16 in accordance with Section 29 of Republic Act No. 8792 or the "Electronic Commerce Act of 2000" is hereby abolished, and an E-commerce Bureau under the Department of Trade and Industry (DTI) shall be created to perform the following functions:

a. Implement, monitor, and ensure compliance of the provisions of this Act;

b. Mandate entities engaged in e-commerce to register with the Online Business Registry;

c. Formulate policies, plans, and programs to ensure the robust and dynamic development of e-commerce;

d. Identify regulatory gaps affecting the e-commerce sector that are not sufficiently addressed by this Act or by existing laws or regulations, and recommend appropriate executive or legislative measures that foster the growth of the sector;

e. Act as a virtual one-stop shop tasked to receive and address consumer complaints on unresolved internet transactions between parties, facilitate the speedy resolution of consumer complaints by the respective government agency having jurisdiction over the same, and track complaints referred to or initiated by it *motu proprio* to ensure the speedy and appropriate action by the agency to which such matters pertain or otherwise have been referred to;

f. Coordinate with, or petition whenever appropriate, any entity, government agency, or instrumentality to act on any matter related to e-commerce consumer complaints;

g. Monitor internet market behavior, consult with stakeholders and concerned agencies to better understand e-commerce transactions, and prepare and conduct periodic studies on the same; and

h. Collaborate with the various departments of the national government and the local government units (LGUs) in the implementation of projects and programs promoting e-commerce, including information and education, as well as in ensuring a policy regime that is proactive;

SEC. 6. ***Composition of the Bureau.*** **-**The Bureau shall be headed by a Director who must have sufficient knowledge and background in e-commerce and online transactions, and all the laws and processes related thereto. The Director shall be assisted by three (3) Assistant Directors; for policy and administration, for enforcement, and for operations.

The Director and all assistant Directors shall be appointed by the President, upon the recommendation of the DTI Secretary, and must be career executive service officers with at least five (5) years of government service and such relevant experience in e-commerce development.

SEC. 7. ***Online Business Registry (OBR).*** - Within a period of one (1) year from the effectivity of this Act, the Bureau shall, in coordination with the Department of Information and Communications Technology (DICT), establish, maintain, and manage an Online Business Registry (OBR) which shall provide consumers access to data and information of e-marketplaces, e-retailers, online merchants, and such other digital platforms engaged in the sale of goods, services, and digital products for purposes of verifying their existence, confirming their identity, and other such relevant or needed information.

SEC. 8. ***Regulatory Jurisdiction of the DTI.*** - For purposes of this Act, the DTI shall exercise primary regulatory jurisdiction over e-marketplaces, e-retailers, online merchants, and other digital platforms that sell or allow the sale or exchange of goods, services or digital products, and are purposely availing of the Philippine market.

SEC. 9. ***Authority to Issue Take-Down Order.*** — Whenever the Bureau finds, by its own initiative or upon petition of a consumer or other concerned party, that the online sale of goods, services or digital products is violative of this Act, the "*Consumer Act of the Philippines*", or any other related laws, the DTI Secretary, in order to abate any further violations, shall have the power to:

a. Impose an order, as a form of penalty, directing that the violative online product listing, webpage, business page, application, social media post, profile, website or when applicable, any platform of the online merchant or e-retailer related to the illegal product, be taken down, or the same be made inaccessible in the Philippines, whether temporarily or permanently; and

b. Issue an advisory that no entity shall process any payments made to any violating entity to ensure that the latter shall be rendered commercially inoperative.

Provided that, the DTI Secretary may immediately issue a provisional take-down order to prevent grave and irreparable injury to the public, when the following conditions are present:

a. When the DTI Secretary finds that a good, service or digital product is imminently injurious, unsafe, or dangerous; or

b. When the seller under investigation has been previously penalized under this section.

Whenever the DTI Secretary orders the immediate take-down, recall, ban, or seizure of an illegal product from public online sale or distribution, the seller, distributor, manufacturer, or producer thereof shall be given an opportunity to be heard within forty-eight (48) hours from the issuance of such order.

The take-down order, whether imposed as a penalty or provisionally granted, shall be directed against the e-retailer, online merchant, or the owner or operator of the e-marketplace or digital platform. Copies of the order shall likewise be served on entities whose cooperation would be required for its enforcement such as but not limited to the duly registered internet service provider involved, related payment gateways, and other government agencies.

The DTI Secretary may revoke the take down order after hearing the explanation submitted by the seller, distributor, manufacturer, or producer; in which case the order revoking the take down order shall be served on the entities mentioned and in the same manner stated in the preceding paragraphs.

SEC. 10. ***Referral of Complaints.*** - The Bureau shall refer any complaint it receives involving violation of other laws committed in the course of an online or e-commerce transaction to the appropriate regulatory authority for action. The Bureau shall track the complaints or referrals made to other authorities and coordinate with them to ensure that matters are duly resolved in accordance with Republic Act No. 11032, otherwise known as the "*Ease of Doing Business and Efficient Government Service Delivery Act of 2018*".

SEC. 11. ***Obligations of E-Marketplaces and other Digital Platforms. -***

a. E-Marketplaces and e-commerce digital platforms shall ensure that their e-commerce transactions shall:

    1. Be clearly identifiable as an e-commerce transaction;

    2. Identify the person or persons on whose behalf the e-commerce transaction is made; and

    3. Identify any promotional offers including discounts, premiums, gifts, and any promotional game or competition, and ensure that any condition to qualify for them are easily accessible, and clearly set forth.

b. E-Marketplaces and e-commerce digital platforms shall require all online merchants to submit the following, prior to listing with their platforms:

    1. Name of the online merchant accompanied by at least two (2) valid government identification cards;

    2. Geographic address where the online merchant is located;

    3. Contact details of the online merchant which must include a mobile or landline number and a valid e-mail address; and

    4. In instances when the online merchant exercises a regulated profession, the online merchant shall be required to submit details of membership

in any professional body or similar relevant institution with which the online merchant is registered or otherwise is a member of.

Except for the government identification cards mentioned under Section 11(b)(i), the information required under this paragraph shall be published or posted on the e-commerce platforms for transparency.

c. E-Marketplaces and e-commerce digital platforms are mandated to maintain a list of all online merchants registered under their platform, which shall be regularly verified. This list shall be submitted to the Bureau and updated every six (6) months.

d. E-Marketplaces and e-commerce digital platforms shall not allow the sale of regulated goods such as, but not limited to, chemicals, food, and drugs without verifying the online merchant's compliance with regulatory permits and licenses, sale procedures and limitations, and other relevant conditions for the sale as may be imposed by any law or local government regulation.

SEC. 12. ***Obligations of E-Retailers and Online Merchants.*** - An e-retailer or online merchant of goods, services or digital products, as defined under this Act, shall exercise the following responsibilities:

a. Ensure that the goods are received by the online consumer:

   1. In the same condition, type, quantity, and quality as described and stated and, in applicable circumstances, possess the functionality, compatibility, interoperability, and other features required by the sales contract, fit for the purpose for which it was intended by its nature;

   2. In the same condition, type, quantity and quality of a sample, picture, or model of the goods shown by the e-retailer or online merchant upon request of the online consumer, or of additional descriptions or specifications provided by the e-retailer or online merchant upon inquiries made by the online consumer; and

   3. It must also be fit for the particular purpose for which the online consumer requires them, as communicated to the e-retailer or online merchant at the time of the perfection of the contract, and which the e-retailer or online merchant has accepted;

b. All the goods shall:

   1. Be delivered together with its accessories including all other packaging, installation inclusions, any user manual or other instructions as

advertised or as described, if applicable, with relevant information stated in the packaging, printed or written in Filipino and/or English; and

2. Possess qualities and performance capabilities including functionality, compatibility, and interoperability that are standard and normal in goods of the same type which the consumer may expect given its nature and considering any public statement or testimonial made by or on behalf of the e-retailer, online merchant, or other persons in earlier links of the chain of transactions, including the producer, unless the e- retailer or online merchant shows that:

   i. The e-retailer or online merchant was not, and could not have been, reasonably aware of the statement in question;

   ii. By the time of conclusion of the contract, the statement had already been corrected; or

   iii. The decision to buy the goods could not have been influenced by the statement.

c. Where the e-retailer or online merchant is a digital product provider, it shall ensure that the digital product has the qualities and performance features, in relation to functionality, compatibility, interoperability, accessibility, continuity, and security, which are standard and normal for a digital product of the same type as advertised or described.

d. Where the contract provides that the digital product is to be supplied or made accessible to the online consumer over a period of time, the e-retailer or online merchant may modify the digital product beyond what is necessary for its maintenance, if the following conditions are met:

   1. The contract allows, and provides a valid reason for, such a modification;

   2. Such a modification is made without additional cost to the consumer; and

   3. The online consumer is informed in a clear and comprehensible manner of the modification.

e. Where the transaction involves a digital platform that offers a performance of a service, the e-retailer or online merchant shall ensure the completion of the same in accordance with the contract and as advertised.

f. An e-retailer or an online merchant that operates its own digital platform shall publish on its homepage the following:

   1. Name of the e-retailer or online merchant;

   2. Geographic address where the e-retailer or online merchant is located; and

   3. Contact details of the e-retailer or online merchant which must include a mobile or landline number and a valid e-mail address to ensure direct and efficient communication with consumers.

   This shall be submitted to the Bureau and must be accompanied by at least two (2) government identification cards as valid proof of identity.

g. Where the e-retailer or online merchant is an online delivery service platform, it shall require its consumers to register by showing valid proof of identity, and an e-mail address or mobile phone number.

h. E-retailers or online merchants shall issue paper or electronic invoices or receipts for all sales. An electronic invoice or receipt shall have the same legal effect as a paper invoice or receipt.

Any agreement between the e-retailer or online merchant and the online consumer is valid only if, at the time of the conclusion of the contract, the online consumer has knowledge of the specific condition of the goods, services or digital products and has expressly accepted such condition.

SEC. 13. ***Rights and Obligations of Online Consumers. –***

a. When the online merchant is liable to the consumer because of a lack of conformity with the contract, the consumer may pursue any of the following remedies:

   1. A repair or replacement of the goods or digital product which must be completed within a reasonable time and without any significant inconvenience to the consumer, taking into account the nature and the purpose for which the consumer acquired such;

   2. A proportionate reduction of the price if the consumer chooses to keep the good or digital product despite the lack of conformity with the contract, or the termination of the contract with restitution of the price, in the following instances:

      i. When repair or replacement is impossible or unlawful;

ii. The online merchant has not completed repair or replacement within a reasonable time;

iii. When repair or replacement may cause significant inconvenience to the consumer; or

iv. When the online merchant has declared, or it is equally clear from the circumstances, that the online merchant may not bring the goods or digital product in conformity with tie contract within a reasonable time;

3. When applicable, the consumer is entitled to withhold the payment of any outstanding part of the purchase price until the online merchant has brought the goods or digital product in conformity with the contract;

4. The consumer is not entitled to a remedy to the extent that the consumer has contributed to any ambiguity or lack of conformity with the contract or its effects;

5. When the online merchant remedies the lack of conformity with the contract by replacement, the online merchant is entitled to the return of the replaced goods or digital products at the online merchant's expense, unless otherwise agreed upon by the parties;

6. When the consumer had installed the goods or digital products in a manner consistent with their nature and purpose, before the lack of conformity with the contract became apparent, the costs for the removal of the non-conforming goods or digital products, the installation of the replacement and all associated costs shall be for the account of the online merchant;

7. In case of goods or digital products that do not conform with the contract, the consumer is not liable to pay for the use of the non-conforming goods or digital products prior to its replacement;

8. The consumer may exercise the choice in the alternative between repair or replacement of the purchased good or digital product, unless such choice is impossible in which case the consumer may choose to terminate the contract and return the item, and the online merchant shall refund the full amount paid by the consumer.

b. Consumers of online delivery service platforms may hold delivery carriers liable for damages if the latter fail to exercise due diligence and reasonable care over the goods transported by them.

c. To protect the rights of delivery carriers, it shall be unlawful for consumers to:

1. Cancel confirmed orders for the delivery of food or grocery items when the said items have already been paid for by, or is already in the possession of the online delivery partner or delivery service, or is otherwise in transit to the consumer unless:

i. The consumer uses credit card services as a means for the payment of the service and the payment will still be credited notwithstanding the cancellation;

ii. The consumer remits the reimbursement and payment to the online delivery partner as a pre-condition for the cancellation of the order; or

iii. The delivery of goods 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 online delivery partner or delivery service.

2. Use the personal information of another person such as, but not limited to, name, address, and contact number when registering in online delivery service platforms;

3. Place an order under the name of another person, unless the latter consented to the same, or placing an order using a fictitious name and/or address; or

4. Unreasonably shame, demean, embarrass, or humiliate online delivery partners.

SEC. 14. ***Right to Terminate the Contract*** - If the goods or digital products 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 or digital products delivered under the contract, the consumer may terminate the contract only in relation to the non-conforming goods or digital products and any such accessory acquired as an adjunct to the same.

When the consumer terminates a contract as a whole or in relation to some of the non-conforming goods or digital products delivered:

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

b. Upon receipt of the reimbursement from the online merchant, the consumer shall return, at the online merchant's expense, the goods or digital products not later than fourteen (14) days from the receipt of the reimbursement and without undue delay whatsoever, provided that the online merchant may waive this requirement at any time;

c. When the goods or digital products cannot be returned because of destruction or loss, the consumer shall pay the monetary value which the non-conforming goods or digital products would have had at the date when the return was to be made had they 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 of the goods or digital products with the contract; and

d. The consumer shall pay for a decrease in the value of the goods or digital products only to the extent that the decrease in value exceeds depreciation through regular use. The payment for decrease in value shall not exceed the price paid for the goods or digital products.

SEC. 15. ***Damages.*** - The online merchant is liable for damages to the consumer due to the lack of conformity with the contract of the goods or digital products: *Provided,* that such becomes apparent within six (6) months from receipt of the said goods or digital product.

No damages may be recovered from this Act after the lapse of two (2) years from the time the consumer receives the goods or digital products.

SEC. 16. ***Online Dispute Resolution.*** - The DTI shall develop an Online Dispute Resolution (ODR) platform which is a single point of entry for parties to e-commerce transactions that are seeking out-of-court resolution of disputes when the platforms or merchants fail to resolve or assist consumers with their concerns.

a. The ODR shall be an interactive website accessible electronically and free of charge. The DTI, through the Bureau, shall be responsible for its operation, including its maintenance, funding, and data security. The ODR platform must be user-friendly, easily accessible, and data privacy compliant.

b. The DTI shall establish a network of ODR contact points from different government agencies involved in consumer complaints as specified in Republic Act No. 7394, otherwise known as the "*Consumer Act of the Philippines*", including the Department of Agriculture (DA), Department of Tourism (DOT), and the Department of Health (DOH), among others. The Intellectual Property Office of the Philippines (IPO) shall also be part of the ODR network.

c. Each agency shall have a designated ODR contact point whose name and contact information are to be submitted to the DTI. The head of the agency shall confer responsibility to the respective ODR contact points to ensure that timely and competent support is provided to the resolution of complaints and disputes submitted through the ODR platform.

d. The ODR platform shall have the following functions:

    1. Provide an electronic form where alternative dispute resolution entities shall transmit the information;

    2. Provide a feedback system that will allow parties to express their views on the efficiency of the ODR platform and on the response of the entity handling their dispute; and

    3. Make available to the public, general information on alternative dispute resolution as a means of out-of-court dispute resolution and the entities which are competent to deal with such disputes.

e. The DTI shall ensure that the information on the website is accurate and up to date.

f. Online e-commerce platforms and online merchants shall provide on their websites an electronic link to the DTI-ODR platform on their homepage.

SEC. 17. ***Liability.*** - An e-marketplace or e-commerce digital platform shall be solidarily liable with its listed online merchant, after due notice and hearing, under the following circumstances:

a. If it fails to provide a mechanism for consumers to dispute, be refunded, or validly cancel orders. For this purpose, refunds to cash-paying customers should also be in cash;

b. When the online e-commerce platform fails to properly resolve disputes, refunds, or valid cancellation of orders of consumers within a reasonable time;

c. If it knows or should have known that the goods, services or digital products sold are illegal, do not comply with existing laws, or otherwise infringe on intellectual property rights;

d. If it fails to take necessary measures to prevent or curtail the sale or distribution of the products which are illegal, do not comply with existing laws, or otherwise infringe on intellectual property rights within a reasonable period.

Liability shall not attach to the e-marketplace or e-commerce digital platform in instances when the illegality or infringing nature of the goods, services or digital products advertised, offered for sale, or sold through e-marketplace or e-commerce digital platform is not apparent, provided that:

1. The online e-commerce platform offers a simple and straightforward procedure for consumers, rights-holders, or online merchants to report the existence of illegal or infringing goods, services or digital products in the platform;

2. Consumers, rights-holders, and online merchants are properly informed on the policy implementing such procedure;

3. Any report of illegal or infringing goods, services or digital products shall be expeditiously acted upon through investigations, suspensions, and take-down measures, if necessary, by the platform;

e. If the online e-commerce platform fails to comply with the requirements of this Act involving the collection, publication, and submission of online merchant information; and

f. If the e-commerce platform operator fails, after notice, to act expeditiously to remove, or disable access to, goods, services or digital products appearing on their platform that they know or should have known to be non-compliant with law, or otherwise infringe on intellectual property rights.

SEC. 18. ***E-commerce Philippine Trustmark.*** - To provide assurance of safety and security in transactions over the internet, an e-commerce Philippine Trustmark shall be developed for online merchants.

a. A Trustmark and Trustmark Portal shall be created which shall be administered and managed by the DTI.

b. A Trustmark on the website of an online merchant signifies that the company is committed to guarantee honesty, fairness, and integrity in dealing with its customers, and is committed to refrain from engaging in any illegal, fraudulent, unethical, or unfair business practices.

c. In case of a complaint involving the purchase of their products or services, online merchants with the Trustmark shall give consumers the option of filing claims through the Trustmark portal, if the online merchant's customer care service has not been able to resolve the issue.

d. The Trustmark shall be linked to the DTI's online dispute resolution.

e. The Trustmark shall be considered an official document for purposes of the crime of falsification as defined under the Revised Penal Code and other related laws. Any E-marketplace, e-retailer, online merchant, or e-commerce digital platform that is found guilty of falsifying or forging the E-commerce Philippine Trustmark, shall be subjected to a take-down order in accordance with Section 9 of this Act.

SEC. 19. ***Implementing Agencies, Rules, and Regulations.*** - Within sixty (60) days from the promulgation of this Act, the necessary rules and regulations shall be formulated and issued by the DTI, in consultation with the DICT, IPO, DOH, the Food and Drug Administration (FDA), and other relevant government agencies necessary for the proper implementation of this Act.

SEC. 20. ***Jurisdiction of Other Agencies.*** - The agencies mentioned in Section 19 of this Act shall continue to exercise the powers and duties provided to them under existing laws, unless repealed or modified accordingly.

SEC. 21. ***Penalties. –***

a. Any e-marketplace, e-retailer, online merchant or e-commerce digital platform that is found guilty of any deceptive, unfair or unconscionable sales act or practice as provided for under Republic Act No. 7394 or the "*Consumer Act of the Philippine*" done through the internet, shall be subjected to a take-down order in accordance with Section 9 of this Act. It shall also be punished with a fine of not less than Fifty Thousand Pesos (PhP50,000.00) but not more than Five Hundred Thousand Pesos (PhP500,000.00), or an imprisonment of not less than five (5) months but not more than (1) year, or both, upon the discretion of the court.

b. Any e-marketplace, e-retailer, online merchant or e-commerce digital platform that sells or allows the sale of illegal, or imminently injurious, unsafe or dangerous goods, services or digital products shall be subject to a take-down order in accordance with Section 9 of this Act. It shall also be punished with:

    1. Imprisonment of one (1) year to three (3) years plus a fine ranging from Fifty Thousand Pesos (PhP50,000.00) to One Hundred Fifty Thousand pesos (PhPl50,000.00) for the first offense.

    2. Imprisonment of three (3) years and one (1) day to six (6) years plus a fine ranging from One Hundred Fifty Thousand Pesos (PhPl50,000.00) to Five Hundred Thousand Pesos (PhP500,000.00) for the second offense.

3. Imprisonment of six (6) years and one (1) day to nine (9) years plus a fine ranging from Five Hundred Thousand Pesos (PhP500,000.00) to One Million Five Hundred Thousand Pesos (PhPl,500,000.00) for the third and subsequent offenses.

c. Any e-retailer or online merchant who shall willfully or unreasonably refuse to provide the remedies under Section 13 (a), shall be subjected to a take-down order in accordance with Section 9 of this Act, and be punished with a fine not less than One Hundred Thousand Pesos (PhP100,000.00), but not more than Three Hundred Thousand Pesos (PhP300,000.00), in addition to the payment of the actual value of the goods or digital products involved.

d. Any person who shall violate Section 13 (c) of this Act, shall be punished with a penalty of arresto mayor or a fine not exceeding One Hundred Thousand Pesos (PhP100,000.00), without prejudice to any other available remedies under existing laws.

In case any violation of this Act is committed by a partnership, corporation or any juridical entity, the President, the General Manager, and other officers, employees and agents, who shall consent to, or shall knowingly tolerate such violation shall be criminally liable.

SEC. 22. ***Appropriations.*** - The amount of Fifty Million Pesos (PhP50,000,000.00) for the initial operation of the Bureau is hereby appropriated out of any funds in the National Treasury not otherwise appropriated. Thereafter, such sum as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 23. ***Separability Clause.*** - Should any provision or part of this Act be declared unconstitutional or invalid, the other provisions and parts hereof, insofar as they are separable from the invalid ones, shall remain in full force and effect.

SEC. 24. ***Repealing Clause.*** - All laws, decrees, orders, issuances, rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 25. ***Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,