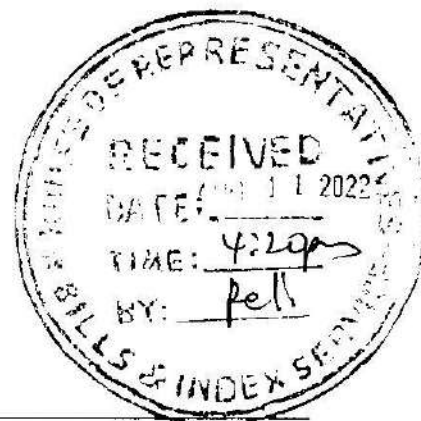


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. 3556



Introduced by Representative Ralph G. Recto

AN ACT
GRANTING BROADER PROTECTION TO CONSUMERS AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 7394, OTHERWISE KNOWN AS "THE
CONSUMER ACT OF THE PHILIPPINES"

EXPLANATORY NOTE

This bill seeks to amend Republic Act (R.A.) No. 7394 otherwise known as the "Consumer Act of the Philippines."

In order to maintain and strengthen the promotion of consumer interest and welfare in relation to the business and industry practice as well as the production and distribution of consumer products, this bill mandates government to adopt measures and formulate policies taking into account the eight (8) Consumer Bill of Rights namely, the right to: basic needs, choose products, representation, redress, consumer education, safety, healthy environment, and sanitation. These rights have been endorsed by the United Nations through the United Nations Guidelines for Consumer Protection. Corollary to the consumer rights is the provision of five (5) consumer responsibilities to wit: critical awareness, action, social concern, environmental awareness, and solidarity.

The bill also provides a new Article mandating the English or Filipino translation of product labels written in foreign characters or languages. This will allow better understanding of the contents, features and uses of imported products for consumer protection against unsafe products. A new provision permanently

banning suppliers who engage in the importation of defective goods is also proposed to be included.

The coverage of the provisions on advertising and promotion is to be expanded to include those for consumer products, services and credit facilities which include sponsorships of programs, concerts, games, shows and similar activities.

A new Article also protects consumers from aggressive marketing promotions that significantly impair the average consumer's freedom of choice with regard to the purchase of a product or service.

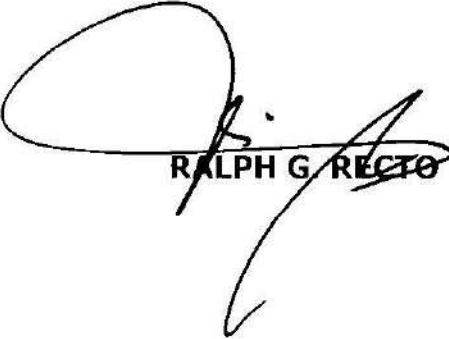
The chapter on Advertising and Sales Promotion is further strengthened with the addition of advertising general principles and a specific guideline in the presentation of advertisements. Hence, among others, the bill provides instructions on how advertisements should treat specific claims on ingredients, results of researches and surveys, scientific claims, testimonials and endorsements, and leadership claims.

The bill increases the penalties for violations of any provision of the Consumer Act of the Philippines. It sets a uniform penalty to be imposed on any violations and lengthens the period of prescription for claims relative to deceptive or unfair and unconscionable practice from two (2) to three (3) years.

Further amendments to R.A. No. 7394 include the definition of terms in accordance with new technologies and trade practices. Notable of these new definitions is the one for "*Mass Media*" which now includes the internet, mobile phones, and similar electronic devices.

The chapter on Consumer Product Quality and Safety will also be amended by adding the grant of authority for the automatic closing down of any establishments caught in *flagrante delicto* selling, distributing, manufacturing, producing, or importing substandard and hazardous products.

The above cited amendments are intended to enhance consumer protection and to promote high ethical standards in trade practices. Hence, the passage of this bill is earnestly sought.



RALPH G. RECTO

mjma

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

HOUSE OF REPRESENTATIVES

House Bill No. **3556**

Introduced by Representative Ralph G. Recto

AN ACT

GRANTING BROADER PROTECTION TO CONSUMERS AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7394, OTHERWISE KNOWN AS "THE CONSUMER ACT OF THE PHILIPPINES"

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

1 Section 1. *Short Title.* – This Act shall be known as "The Enhanced Consumer
2 Act".

3 Sec. 2. Republic Act (R.A.) No. 7394, otherwise known as the "Consumer Act
4 of the Philippines" is hereby amended by inserting a new Article 3 under Title I
5 General Provisions to read as follows:

6 **"ART. 3. THE EIGHT (8) CONSUMER BILL OF RIGHTS. – THE**
7 **GOVERNMENT SHALL ADOPT MEASURES AND FORMULATE**
8 **POLICIES TAKING INTO ACCOUNT THE EIGHT (8) BASIC**
9 **CONSUMER RIGHTS. THE CONSUMERS SHALL BE ENTITLED**
10 **TO:**

11 **A) RIGHT TO BASIC NEEDS – THE GUARANTEED**
12 **SURVIVAL AND, THUS, BE PROVIDED WITH ADEQUATE**
13 **FOOD, CLOTHING, SHELTER, HEALTH CARE, EDUCATION**
14 **AND SANITATION;**

15 **B) RIGHT TO CHOOSE – THE CHOICE OF PRODUCTS**
16 **AT COMPETITIVE PRICES WITH ASSURED**
17 **SATISFACTORY QUALITY IN ACCORDANCE WITH**
18 **GOVERNMENT STANDARDS;**

1 C) RIGHT TO REPRESENTATION – THE
2 CONSIDERATION OF CONSUMER INTERESTS IN THE
3 FORMULATION AND EXECUTION OF GOVERNMENT
4 POLICIES;

5 D) RIGHT TO REDRESS – CLAIM COMMENSURATE
6 COMPENSATION FOR MISREPRESENTATION,
7 SUBSTANDARD, DEFECTIVE GOODS OR
8 UNSATISFACTORY SERVICES;

9 E) RIGHT TO CONSUMER EDUCATION –
10 ACQUISITION OF KNOWLEDGE AND SKILLS NECESSARY
11 TO MAKE AN INFORMED CHOICE;

12 F) RIGHT TO SAFETY – THE PROTECTION AGAINST
13 THE MARKETING OF GOODS OR PROVISION OF
14 SERVICES THAT ARE HAZARDOUS TO HEALTH AND LIFE;

15 G) RIGHT TO A HEALTHY ENVIRONMENT – LIVE AND
16 WORK IN AN ENVIRONMENT WHICH PERMITS A LIFE OF
17 DIGNITY AND WELL-BEING AND WHICH IS NEITHER
18 THREATENING NOR DANGEROUS; AND

19 H) RIGHT TO INFORMATION – PROTECTION
20 AGAINST DISHONEST OR MISLEADING ADVERTISING
21 OR LABELING AND BE GIVEN THE PRODUCT FACTS AND
22 INFORMATION NEEDED TO MAKE AN INFORMED
23 CHOICE.”

24 Sec. 3. R. A. No. 7394, is hereby amended by inserting a new Article 4 under
25 Title I General Provisions to read as follows:

26 **“ART. 4. *THE FIVE (5) CONSUMER RESPONSIBILITIES.* –THE**
27 **CONSUMER SHALL EXERCISE THE FOLLOWING**
28 **RESPONSIBILITIES:**

29 A) CRITICAL AWARENESS – BE MORE ALERT AND
30 QUESTIONING ABOUT THE USES, THE PRICE AND
31 QUALITY OF GOODS AND SERVICES PURCHASED;

1 B) CONSUMER ACTION – ASSERT AND ACT TO
2 ENSURE THAT CONSUMER RIGHTS ARE PROTECTED AND
3 THE CONSUMER IS NOT EXPLOITED;

4 C) SOCIAL CONCERN – BE MORE AWARE OF THE
5 IMPACT OF CONSUMPTION ON OTHER CITIZENS,
6 ESPECIALLY THE DISADVANTAGED OR POWERLESS
7 GROUPS, WHETHER IN THE LOCAL, NATIONAL, OR
8 INTERNATIONAL COMMUNITY;

9 D) ENVIRONMENTAL AWARENESS – UNDERSTAND
10 THE ENVIRONMENTAL CONSEQUENCES OF
11 CONSUMPTION. THE CONSUMER SHOULD RECOGNIZE
12 INDIVIDUAL AND SOCIAL RESPONSIBILITY TO
13 CONSERVE NATURAL RESOURCES AND PROTECT THE
14 EARTH FOR FUTURE GENERATIONS; AND

15 E) SOLIDARITY – ORGANIZE CONSUMER GROUPS TO
16 DEVELOP THEIR STRENGTH AND INFLUENCE TO
17 PROMOTE AND PROTECT CONSUMER INTERESTS.”

18 Sec. 4. Article 4, Title I – General Provisions of R. A. No. 7394, is hereby
19 amended and renumbered to read as follows:

20 “Art. ~~[4]~~6. *Definition of Terms.* – For purposes of this Act, the term:

21 “a) x x x

22 “x x x

23 “n) *Consumer* – shall refer to a natural person who is a
24 purchaser, lessee, recipient or prospective purchaser, lessor or
25 recipient of consumer products, services, credit,
26 **TECHNOLOGY, ADVERTISING OR PROMOTION, AND**
27 **OTHER ITEMS [IN] OF COMMERCE.**

28 “x x x

29 “q) *Consumer products and services* – shall refer to goods,
30 services and credits, debts or obligations, **SERVICES** which are
31 primarily for personal, family, household or agricultural
32 purposes, which shall include but not limited to food, drugs,

cosmetics, and devices, **PRODUCT, MERCHANDISE, GOODS, CREDIT, TECHNOLOGY AND OTHER TRANSACTIONS OR MATTERS INTENDED TO BE COVERED BY THIS ACT.**

"x x x

"u) *Cosmetics* – shall refer to ~~[(1) articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance, and (2) article intended for uses as a component of any such article except that such term shall not include soap.]~~

ANY SUBSTANCE OR PREPARATION INTENDED TO BE APPLIED ON THE VARIOUS EXTERNAL PARTS OF THE HUMAN BODY INCLUDING THE TEETH AND THE MUCOUS MEMBRANES OF THE ORAL CAVITY FOR THE PURPOSE EXCLUSIVELY OR MAINLY FOR CLEANING, PERFUMING, CHANGING APPEARANCE, CORRECTING BODY ODORS, OR MAINTAINING IN HEALTHY CONDITION."

"x x x

"w) Credit card – shall refer to any card, plate, coupon book or other credit **SINGLE** device existing for the purpose of **BEING USED FROM TIME TO TIME UPON PRESENTATION TO** obtain[ing] money, property, labor or services on credit.

"x x x

"aj) *Guarantee* – shall refer to an expressed or implied assurance of the **REAL** quality, **PRICE, PROMOTION** of the consumer products and services offered for sale or length of satisfactory use, **COSTS OR OTHER SIMILAR CLAIMS** to be expected from **SUCH CONSUMER** products or **SERVICES BASED ON APPLICABLE AND ACTUAL DOCUMENTS IN ACCORDANCE WITH THE LAW, MORALS, GOOD FAITH AND PUBLIC POLICY."**

"x x x

"at) *Mass media* – shall refer to any means or methods used to convey advertising messages to the public such as television, radio, **THE INTERNET, MOBILE PHONES AND SIMILAR ELECTRONIC DEVICES**, magazines, cinema, billboards, posters, streamers, hand bills, leaflets, mails and the like.

"x x x

"bm) *Sales Promotion* – shall refer to techniques intended for broad consumer participation which contain promises of gain such as prizes, in cash or in kind, **OR AN OPPORTUNITY TO WIN ANY PRIZES OR FREE SERVICES, OR GIFT, OR ANY SIMILAR SCHEME**, as reward for **TRANSACTIONING FOR, RECEIVING, OR** purchas[e]ING [the purchase of] a product, security, service or winning in contest, game, tournament and other similar competitions **OR CHALLENGES** which involve determination of winner/s and which utilize mass media or other widespread media of information such as **INFORMATION AND COMMUNICATIONS TECHNOLOGY**. It also means techniques purely intended to increase the sales, patronage and/or goodwill of [a—product], **TRANSACTION FOR, PURCHASING, OR RECEIVING OF, CONSUMER PRODUCTS AND SERVICES**.

"x x x

"bn) *Seller* – shall refer to a person engaged in the business of selling consumer products **AND SERVICES** directly to consumers. It shall include a supplier or distributor if (1) the seller is a subsidiary or affiliate of the supplier or distributor; (2) the seller interchanges personnel or maintains common or overlapping officers or directors with the supplier or distributor; or (3) the supplier or distributor provides or exercises supervision, direction or control over the selling practices of the seller.

1 "x x x

2 "br) *Standard* – shall refer to a set of conditions to be fulfilled to
3 ensure the quality and safety of a product **AND SERVICE**;

4 "x x x."

5 Sec. 5. Article 6, Chapter I – Consumer Product Quality and Safety of R. A.
6 No. 7394 is hereby amended to read as follows:

7 "Art. [6] **8. Implementing Agencies.** – The provisions of this Act and its
8 implementing rules and regulations shall be enforced by:

- 9 a) the Department of Health with respect to **PROCESSED**
10 food, drugs, cosmetics, devices and **HAZARDOUS** substances;
11 b) the Department of Agriculture with respect to products
12 related to agriculture **AND FISHERIES**; and
13 c) the Department of Trade and Industry with respect to
14 other consumer products not specified above."

15 SEC. 6. Article 8, Chapter I – Consumer Product Quality and Safety of R. A.
16 No. 7394 is hereby amended to read as follows:

17 "Art. [8]**10. Publication of Consumer Product Standards.** – The
18 department concerned shall, upon promulgation of the above
19 standards, publish or cause the publication of the same **EITHER** in a
20 newspaper of general circulation, OR in the **OFFICIAL GAZETTE,**
21 **AND IN THE DEPARTMENT'S OR AGENCY'S OFFICIAL WEB**
22 **PORTAL.** It may likewise conduct an information campaign through
23 other means deemed effective to ensure the proper guidance of
24 consumers, businesses, industries and other sectors concerned."

25 Sec. 7. Article 10, Chapter I – Consumer Product Quality and Safety of R. A.
26 No. 7394 is hereby amended to read as follows:

27 "Art. [10]**12. Injurious, Dangerous and Unsafe Products.** – Whenever
28 the departments find, by their own initiative or by petition of a
29 consumer, that a consumer product is found to be injurious, unsafe or
30 dangerous, it shall, after due notice and hearing, make the appropriate
31 order for its recall, prohibition or seizure from public sale or
32 distribution: *Provided, That,* in the sound discretion of the department

1 it may declare a consumer product to be imminently injurious, unsafe
2 or dangerous, and order its immediate recall, ban or seizure from
3 public sale or distribution, in which case, the seller, distributor,
4 manufacturer or producer thereof shall be afforded a hearing within
5 forty-eight (48) hours from such order: **PROVIDED, FURTHER,**
6 **THAT ANY ESTABLISHMENT CAUGHT *IN FLAGRANTE DELICTO***
7 **SELLING, DISTRIBUTING, MANUFACTURING, PRODUCING, OR**
8 **IMPORTING PREVIOUSLY DECLARED SUBSTANDARD AND**
9 **HAZARDOUS PRODUCTS SHALL BE AUTOMATICALLY CLOSED**
10 **AND SHUT DOWN."**

11 "x x x."

12 SEC. 8. Article 11, Chapter I – Consumer Product Quality and Safety of R. A.
13 No. 7394 is hereby amended to read as follows:

14 "Art. ~~[11]~~**13. Amendment and Revocation of Declaration of the**
15 *Injurious, Unsafe or Dangerous Character of a Consumer Product.* –
16 Any interested person may petition the appropriate department to
17 commence a proceeding for the issuance of an amendment or
18 revocation of a consumer product safety rule or an order declaring a
19 consumer product injurious, dangerous and unsafe.

20 In case the department, upon petition by an interested party or its own
21 initiative and after due notice and hearing, determines a consumer
22 product to be substandard or materially defective, it shall so notify the
23 manufacturer, distributor or seller thereof of such finding and order
24 such manufacturer, distributor or seller to **WITHOUT DELAY:**

- 25 a) give notice to the public of the defect or failure to comply
26 with the product safety standards;
27 b) give notice to each distributor or seller of such product;
28 and
29 c) **WHEN POSSIBLE, GIVE NOTICE TO EVERY PERSON**
30 **TO WHOM SUCH CONSUMER PRODUCT WAS DELIVERED**
31 **OR SOLD.**

1 The department shall also direct the manufacturer, distributor or seller
2 of such product to extend **WITHIN REASONABLE TIME** any or all of
3 the following remedies to the injured person:

4 "x x x."

5 Sec. 9. R. A. No. 7394 is hereby amended by inserting a new Article 14 under
6 Chapter I – Consumer Product Quality and Safety to read as follows:

7 **"ART. 14. PHYSICAL SAFETY. – MANUFACTURERS OR**
8 **DISTRIBUTORS SHOULD ENSURE THAT AS SOON AS THEY**
9 **BECOME AWARE OF UNFORESEEN HAZARDS AFTER PRODUCTS**
10 **ARE PLACED ON THE MARKET, THEY SHOULD NOTIFY THE**
11 **GOVERNMENT AUTHORITIES CONCERNED AND, AS**
12 **APPROPRIATE, INFORM THE PUBLIC WITHOUT DELAY. THE**
13 **GOVERNMENT SHOULD ALSO ESTABLISH MECHANISMS FOR**
14 **ENSURING THAT CONSUMERS ARE PROPERLY INFORMED OF**
15 **SUCH HAZARDS."**

16 Sec. 10. Article 52, Chapter I – Deceptive, Unfair, and Unconscionable Sales
17 Acts or Practices, Title III of R. A. No. 7394 is hereby amended to read as follows:

18 "Art. [52] **55. Unfair or Unconscionable Sales Act or Practice.** "x x x

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

21 "a) x x x

22 "x x x

23 "d) that the transaction that the seller or supplier induced the
24 consumer to enter into was excessively one-sided in favor of the
25 seller or supplier **SUCH AS BUT NOT LIMITED TO:**

26 I. **THAT WHEN THE CONSUMER TRANSACTION**
27 **WAS ENTERED INTO, THE SELLER OR**
28 **SUPPLIER IMPOSED UPON THE CONSUMER**
29 **TERMS AND CONDITIONS GROSSLY**
30 **DISADVANTAGEOUS TO THE LATTER WHO IS**
31 **REDUCED TO THE ALTERNATIVE OF**
32 **ACCEPTING THE CONTRACT OR LEAVING IT,**

1 COMPLETELY DEPRIVED OF THE
2 OPPORTUNITY TO BARGAIN ON EQUAL
3 FOOTING; AND

4 II. THE SELLER OR SUPPLIER EMPLOYS AN
5 AGGRESSIVE MARKETING PRACTICE THAT
6 SIGNIFICANTLY CONSTRAINS OR IMPAIRS
7 OR IS LIKELY TO SIGNIFICANTLY
8 CONSTRAIN OR IMPAIR THE AVERAGE
9 CONSUMER'S FREEDOM OF CHOICE OR
10 CONDUCT WITH REGARD TO THE PURCHASE
11 OF A PRODUCT OR SERVICE THAT CAUSES
12 THE CONSUMER OR IS LIKELY TO CAUSE
13 THE CONSUMER TO ENTER INTO A
14 TRANSACTION DIFFERENT FROM THE ONE
15 THE CONSUMER WOULD HAVE INTENDED,
16 OR THE CONSUMER WOULD NOT HAVE
17 DONE WITHOUT THE MARKETING
18 PRACTICE."

19 Sec. 11. Article 81, Chapter IV - Labeling and Fair Packaging, Title III of R. A.
20 No. 7394 is hereby amended to read as follows:

21 "Art. ~~[81]~~**84. Price Tag Requirement.** – It shall be unlawful to offer any
22 consumer product OR SERVICE for retail sale to the public without an
23 appropriate price tag, label, or marking, **OR WITH MORE THAN**
24 **ONE PRICE, OR DIFFERENT PRICE TAGS, LABELS, OR**
25 **MARKINGS** publicly displayed to indicate of each article and said
26 products shall not be sold at a price higher than that stated therein
27 and without discrimination to all buyers: **PROVIDED, THAT IT**
28 **SHALL BE UNLAWFUL FOR ANY RETAILER TO CHARGE THE**
29 **CUSTOMERS MORE THAN THE ACTUAL CASH RETAIL PRICE OF**
30 **THE GOODS OR SERVICES PURCHASED WHEN SUCH**
31 **PURCHASE IS DONE WITH THE USE OF CREDIT CARD AND/OR**
32 **TO LIMIT BARGAIN SALE ITEMS AND SERVICES TO CASH**

1 **PURCHASES:** *Provided, further,* That lumber sold, displayed or
2 offered for sale to the public shall be tagged or labeled by indicating
3 thereon the price and the corresponding official name of the wood:
4 ***PROVIDED, FINALLY,*** That if consumer products for sale are too
5 small or the nature of which makes it impractical to place a price tag
6 thereon price list placed at the nearest point where the products are
7 displayed indicating the retail price of the same may suffice.”

8 Sec. 12. R. A. No. 7394 is hereby amended by inserting a new Article 87
9 under Chapter IV Labeling and Fair Packaging, Title III to read as follows:

10 ***“ART. 87. ENGLISH OR FILIPINO TRANSLATIONS OF PRODUCT***
11 ***LABELS WRITTEN IN FOREIGN CHARACTERS OR LANGUAGES.***
12 **– CONSUMER PRODUCTS WITH PRODUCT LABELS WRITTEN**
13 **IN FOREIGN CHARACTERS OR LANGUAGE SHALL BE ALLOWED**
14 **ENTRY INTO THE COUNTRY AND INTRODUCED INTO**
15 **COMMERCE ONLY IF THEY HAVE A CORRESPONDING ENGLISH**
16 **OR FILIPINO TRANSLATION TO ENABLE THE AUTHORITIES TO**
17 **DETERMINE WHETHER THE PRODUCT HAS COMPLIED WITH**
18 **ALL THE OTHER LABELING REQUIREMENTS AS WELL AS**
19 **PROVIDE THE CONSUMERS PROPER GUIDANCE ON THE**
20 **CONTENTS AND ORIGIN OF THE PRODUCT.”**

21 Sec. 13. R. A. No. 7394 is hereby amended by inserting a new Article 88
22 under Chapter IV Labeling and Fair Packaging to read as follows:

23 ***“ART. 88. OFFICIAL SOURCES OF INFORMATION FOR***
24 ***IMPORTED CONSUMER PRODUCTS. – IMPORT DATA FROM***
25 **THE BUREAU OF CUSTOMS AND BUREAU OF IMPORT**
26 **SERVICES SHALL BE RECOGNIZED AS OFFICIAL SOURCES OF**
27 **INFORMATION TO VALIDATE THE FOLLOWING INFORMATION**
28 **RELATIVE TO A PARTICULAR IMPORTED CONSUMER**
29 **PRODUCT:**

- 30 1. COUNTRY OF MANUFACTURE;
- 31 2. NAME AND ADDRESS OF MANUFACTURER/
- 32 EXPORTER;

3. NAME AND ADDRESS OF IMPORTER/CONSIGNEE;
4. VALUE AND VOLUME OF SHIPMENT;
5. DATE OF ARRIVAL; AND
6. OTHER INFORMATION RELEVANT TO THE SHIPMENT IN QUESTION."

Sec. 14. R. A. No. 7394 is hereby amended by inserting a new Article 115 under Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

"ART. 115. COVERAGE OF ADVERTISING AND SALES PROMOTION. – THE PROVISIONS ON ADVERTISING AND SALES PROMOTION SHALL APPLY TO ADVERTISING AND PROMOTION OF CONSUMER PRODUCTS, SERVICES AND CREDIT FACILITIES, WHICH INCLUDE SPONSORSHIPS OF PROGRAMS, CONCERTS, GAMES, SHOWS AND SIMILAR ACTIVITIES: *PROVIDED*, THAT WITH RESPECT TO FOOD, DRUGS, DEVICES, COSMETICS AND HAZARDOUS SUBSTANCES AND AGRICULTURAL PRODUCTS, THE SAME SHALL BE UNDER THE JURISDICTION OF THE DEPARTMENTS CONCERNED."

Sec. 15. R. A. No. 7394 is hereby amended by inserting a new Article 116 under Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

"ART. 116. COVERAGE. – THESE PROVISIONS SHALL APPLY TO THE PHILIPPINE ADVERTISING COMMUNITY WHICH INCLUDES ADVERTISERS, ADVERTISING AGENCIES, MEDIA AND ADVERTISING SUPPORT GROUPS BUT SHALL NOT APPLY TO THE FOLLOWING:

1. PUBLIC SERVICE AND EMERGENCY ANNOUNCEMENTS OF UTILITY COMPANIES;
2. RELIGIOUS, POLITICAL AND PUBLIC ISSUE ADVERTISEMENTS AND ANNOUNCEMENTS, EXCEPT WHERE THESE INVOLVE OR SEEK TO PROMOTE COMMERCIAL TRANSACTIONS; AND
3. STANDARD TRANSPORT ANNOUNCEMENTS, CLASSIFIED ADVERTISEMENTS AND OBITUARIES."

1 Sec. 16. R. A. No. 7394 is hereby amended by inserting a new Article 117
2 under Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

3 **"ART. 117. ADVERTISING GENERAL PRINCIPLES. –**
4 **ADVERTISEMENTS SHALL BE GUIDED BY THE FOLLOWING**
5 **PRINCIPLES:**

6 (1) ADVERTISING MUST PROVIDE THE GENERAL PUBLIC
7 WITH RELEVANT AND TRUTHFUL INFORMATION ON
8 PRODUCTS AND SERVICES, THEREBY HELPING
9 CONSUMERS MAKE INFORMED CHOICES; AND
10 (2) THE ADVERTISING INDUSTRY SHOULD CONTINUE
11 TO IMPROVE THE LEVELS AND STANDARDS OF
12 ADVERTISING."

13 Sec. 17. R. A. No. 7394 is hereby amended by inserting a new Article 118
14 under Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

15 **"ART. 118. PRESENTATION OF ADVERTISEMENTS. – (1)**
16 **CLAIMS OF PRODUCTS AND SERVICE FEATURES OR THEIR**
17 **INTENDED USAGE SHOULD BE CLEARLY PRESENTED AND**
18 **SHOULD NOT MISLEAD OR BE LIKELY TO MISLEAD THE**
19 **PERSONS TO WHOM THEY ARE ADDRESSED BY INACCURACY,**
20 **AMBIGUITY, EXAGGERATION OR OMISSION;**

21 **(2) ANY TEST OR DEMONSTRATION MAY BE USED ONLY IF IT**
22 **DIRECTLY PROVES THE CLAIMED PRODUCT OR SERVICE**
23 **FEATURE OR CHARACTERISTICS AND SHOULD BE PRESENTED**
24 **CLEARLY AND ACCURATELY.**

25 **(3) CORPORATE ADVERTISING MUST BE FAIR, TRUTHFUL AND**
26 **ACCURATE; IT SHOULD NOT CONTAIN ANY EXAGGERATIONS**
27 **OR SWEEPING GENERALIZATIONS THAT MAY MISLEAD THE**
28 **PUBLIC REGARDING THE ADVERTISER OR THE ATTRIBUTES**
29 **OF ITS PRODUCTS OR SERVICES: PROVIDED, THAT WHERE**
30 **THE ADVERTISEMENTS CONTAIN SPECIFIC CLAIMS**
31 **REGARDING THE COMPANY OR ITS PRODUCTS OR SERVICES,**
32 **SUCH CLAIMS MUST BE VERIFIABLE AND SUBJECT TO**

1 **SUBSTANTIATION IN THE SAME MANNER AS REGULAR**
2 **PRODUCT OR SERVICE ADVERTISEMENTS."**

3 Sec. 18. Article 110, Chapter VI – Advertising and Sales Promotion, Title III
4 of R. A. No. 7394 is hereby amended to read as follows:

5 "Art. ~~[110]~~ **119. False, Deceptive or Misleading Advertisement.** – It
6 shall be unlawful for any person to disseminate or to cause the
7 dissemination of any false, deceptive or misleading advertisement by
8 Philippine mail or in commerce by print, radio, television, outdoor
9 advertisement, **INTERNET, MOBILE PHONE**, or other medium for
10 the purpose of inducing or which is likely to induce directly or indirectly
11 the purchase of consumer products or services."

12 "x x x."

13 Sec. 19. R. A. No. 7394 is hereby amended by inserting a new Article 120
14 under Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

15 **"ART. 120. SPECIFIC CLAIMS. – (1) INGREDIENT**
16 **ADVERTISING – (A) ADVERTISEMENTS SHOULD NOT**
17 **CONTAIN ANY REFERENCE WHICH COULD LEAD THE PUBLIC**
18 **TO ASSUME THAT A PRODUCT CONTAINS A SPECIFIC**
19 **INGREDIENT UNLESS THE INGREDIENT'S QUANTITIES AND**
20 **PROPERTIES AS WELL AS THE MATERIAL BENEFIT THAT**
21 **RESULTS FROM ITS INCLUSION IN THE PRODUCT**
22 **FORMULATION HAVE BEEN TECHNICALLY SUBSTANTIATED;**
23 **AND (B) ADVERTISEMENTS SHOULD NOT IMPLY THAT A**
24 **CERTAIN BENEFIT IS DUE TO A SPECIFIC INGREDIENT**
25 **UNLESS A VERIFIABLE CAUSE AND EFFECT RELATIONSHIP**
26 **EXISTS.**

27 **(2) PROFESSIONAL DATA REFERENCES – ADVERTISEMENTS**
28 **USING THE RESULTS OF A BONA FIDE RESEARCH, SURVEYS,**
29 **OR TEST RELATING TO A PRODUCT SHOULD NOT BE**
30 **PRESENTED INACCURATELY OR IN A MISLEADING MANNER,**
31 **NOR SHOULD IT CLAIM ANY IMPLICATIONS BEYOND WHAT IS**
32 **CLEARLY ESTABLISHED BY RESEARCH, SURVEY OR TEST.**

1 **(3) *SCIENTIFIC CLAIMS* – (A) VISUAL REPRESENTATIONS OF**
2 **LABORATORY SETTINGS MAY ONLY BE EMPLOYED PROVIDED**
3 **THE RESEARCH WAS CONDUCTED IN THE LABORATORY; AND**
4 **(B) IN CASE OF REFERENCES TO TESTS BY PROFESSIONALS**
5 **OR INSTITUTIONS INCLUDING BUT NOT LIMITED TO**
6 **DOCTORS, ENGINEERS, AND RESEARCH FOUNDATIONS, THE**
7 **DOCUMENTED AND AUTHORITATIVE EVIDENCE SHOULD BE**
8 **SUBMITTED TO SUBSTANTIATE SUCH TESTS AND CLAIMS**
9 **BASED THEREON.**

10 **(4) NUMBER ONE OR LEADERSHIP CLAIM – (A) NO "NUMBER**
11 **1" CLAIM WITH RESPECT TO ANY PRODUCT OR SERVICE**
12 **SHALL BE ALLOWED UNLESS IT IS CLEARLY DELINEATED AND**
13 **QUALIFIED AS TO RENDER THE CLAIM OBJECTIVELY**
14 **VERIFIABLE. THE CLAIM SHOULD, IN ANY CASE, BE**
15 **SUBSTANTIATED.**

16 **(5) TESTIMONIALS – (A) TESTIMONIAL CLAIMS RELATING TO**
17 **THE PRODUCT BEING ADVERTISED SHOULD BE GENUINE AND**
18 **TRUTHFUL; (B) INDIVIDUALS ENDORSING A PRODUCT OR**
19 **SERVICE IN COMMUNICATION MATERIALS AND WHO IS**
20 **PRESENTED AS AN EXPERT MUST HAVE DEMONSTRABLE**
21 **CREDENTIALS TO SUBSTANTIATE THE CLAIMED EXPERTISE.**
22 **THE ENDORSEMENT MUST BE SUPPORTED BY AN ACTUAL**
23 **EXERCISE OF EXPERTISE IN EVALUATING THE PRODUCT OR**
24 **SERVICE CHARACTERISTICS. SUCH EVALUATION MUST BE**
25 **RELEVANT AND AVAILABLE TO AN ORDINARY CONSUMER'S**
26 **USE OF THE PRODUCT; AND (C) ENDORSEMENTS BY AN**
27 **ORGANIZATION ARE CONSIDERED AS JUDGMENT BY A**
28 **GROUP WHOSE COLLECTIVE EXPERIENCE OUTWEIGHS THAT**
29 **OF AN INDIVIDUAL MEMBER. ADVERTISER MUST PROVIDE**
30 **EVIDENCE THAT THE ORGANIZATION'S ENDORSEMENT WAS**
31 **REACHED BY A PROCESS SUFFICIENT TO ENSURE THAT IT**
32 **REFLECTS THE COLLECTIVE JUDGMENT OF THE**

1 **ORGANIZATION. THE ORGANIZATION MAY BE CONSIDERED**
2 **LEGITIMATE IF IT CAN PRESENT PROOF OF EXISTENCE FOR**
3 **AT LEAST ONE (1) YEAR."**

4 Sec. 20. R. A. No. 7394 is hereby amended by inserting a new Article 125
5 under Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

6 **"ART. 125. COVERAGE AND EXEMPTION OF THE SALES**
7 **PROMOTION OF CONSUMER PRODUCTS AND SERVICES. (A)**
8 **COVERAGE OF THE SALES PROMOTION OF CONSUMER**
9 **PRODUCTS AND SERVICES. – THE PROVISIONS ON SALES**
10 **PROMOTION OF THE CONSUMER PRODUCTS AND SERVICES**
11 **SHALL APPLY TO ALL PROMOTIONAL CAMPAIGNS AND**
12 **ANNOUNCEMENTS FOR CONSUMER PRODUCTS, SERVICES,**
13 **CREDIT FACILITIES, AS WELL AS BEAUTY CONTESTS,**
14 **NATIONWIDE IN CHARACTER.**

15 **THE PROVISIONS OF SALES PROMOTION OF CONSUMER**
16 **PRODUCTS AND SERVICES SHALL LIKEWISE APPLY TO**
17 **SIMILAR ACTIVITIES SUCH AS BUT NOT LIMITED TO IN-**
18 **STORE PROMOTIONS OFFERING REDUCED PRICES, SPECIAL**
19 **OFFERS, PRODUCT DEMONSTRATION, PRODUCT SAMPLES,**
20 **REBATES, DISCOUNTS, PREMIUM-IN-PACK, AND EXPERT**
21 **ADVICE.**

22 **(B) EXEMPTION OF THE SALES PROMOTION OF CONSUMER**
23 **PRODUCTS AND SERVICES – THE PROVISIONS OF SALES**
24 **PROMOTION OF CONSUMER PRODUCTS AND SERVICES SHALL**
25 **NOT APPLY TO THE FOLLOWING PROMOTIONAL CAMPAIGNS**
26 **OR ACTIVITIES:**

27 **(1) GOVERNMENT OR ANY OF ITS AGENCIES OR**
28 **INSTRUMENTALITIES, WHEN THE SAME IS CONDUCTED**
29 **IN THE EXERCISE OF THEIR GOVERNMENTAL**
30 **FUNCTIONS;**

(2) PRIVATE ENTITIES IN JOINT PROJECT/S WITH ANY GOVERNMENT AGENCY UNDER THE PRECEDING PARAGRAPH; AND.

(3) SOCIAL, CIVIC, POLITICAL, RELIGIOUS, EDUCATIONAL, PROFESSIONAL AND OTHER SIMILAR ORGANIZATIONS WHICH EXTEND PROMOTIONAL ACTIVITY AMONG THEIR MEMBERS: *PROVIDED*, THAT THE PROMOTIONAL ACTIVITY IS NOT CONSIDERED SALES PROMOTIONAL CAMPAIGN AS DEFINED UNDER THIS ACT."

Sec. 21. Article 116, Chapter VI – Advertising and Sales Promotion, Title III of R. A. No. 7394 is hereby amended to read as follows:

"ART. ~~[116]~~ **127.** *Permit to Conduct Promotion.* — No person shall conduct any sales campaigns, including beauty contest, national in character, sponsored and promoted by **PRODUCERS, RETAILERS, SELLERS, DISTRIBUTORS, SUPPLIERS, IMPORTERS, OR** manufacturing enterprises without first securing a permit from the concerned department ~~[at least thirty (30) calendar days]~~ prior to the commencement thereof. Unless an objection or denial is received **WITHIN 5 (FIVE) DAYS** ~~[fifteen (15) days]~~ from filing of the **COMPLETE** application, the same shall be deemed approved and the promotion campaign or activity may be conducted: *Provided*, that any sales promotion campaign using medical prescriptions or any part thereof or attachment thereto for raffles or a promise of reward shall not be allowed, nor a permit be issued thereof."

Sec. 22. R. A. No. 7394 is hereby amended by inserting a new Article 128 under Chapter VI – Advertising and Sales Promotion, Title III, to read as follows:

"ART. **128. APPLICATION FOR PERMIT. – (A) THE APPLICATION FOR PERMIT SHALL BE IN THE FORM PRESCRIBED BY THE DEPARTMENT CONCERNED.**

(B) WHO MAY FILE THE APPLICATION FOR PERMIT – THE PERSON WHOSE CONSUMER PRODUCTS, SERVICES, CREDIT

1 FACILITIES, BEAUTY CONTESTS, COMPETITION, GAMES
2 SHOWS AND THE LIKE ARE BEING PROMOTED MAY FILE THE
3 APPLICATION FOR PERMIT.

4 THE ABOVE PERSON SHALL SIGN THE APPLICATION
5 INDIVIDUALLY OR JOINTLY WITH THE OTHERS OR SUBMIT
6 THEREWITH A TRUE COPY OF ANY WRITTEN AGREEMENT
7 BETWEEN OR AMONG THEMSELVES, REFLECTING THE DEGREE
8 OR EXTENT OF THEIR PARTICIPATION AND RESPONSIBILITY
9 IN THE CONDUCT OF THE PROMOTIONAL ACTIVITY COVERED
10 BY THIS ACT WHERE NO LIMITATION AS TO THE EXTENT OF
11 THE LIABILITY OR RESPONSIBILITY IS INDICATED IN SUCH
12 AGREEMENT, ALL OF THEM SHALL BE JOINTLY AND
13 SEVERALLY LIABLE AND RESPONSIBLE THEREFOR.

14 *(C) APPLICATION THROUGH AND BY AN AGENT – WHERE THE*
15 *PROMOTIONAL CAMPAIGN/ACTIVITY IS APPLIED FOR AND IN*
16 *BEHALF OF THE PERSONS MENTIONED IN PARAGRAPH (A)*
17 *HEREOF, THE AGENT SHALL BE AUTHORIZED BY A SPECIAL*
18 *POWER OF ATTORNEY OR A BOARD RESOLUTION AS*
19 *EVIDENCED BY A SECRETARY'S CERTIFICATE AS THE CASE*
20 *MAY BE."*

21 Sec. 23. R. A. No. 7394 is hereby amended by inserting a new Article 129
22 under Chapter VI – Advertising and Sales Promotion, Title III, to read as follows:

23 **"ART. 129. PROHIBITED ACTS IN THE CONDUCT OF SALES**
24 **PROMOTION. – "THE FOLLOWING ACTS ARE PROHIBITED IN**
25 **THE CONDUCT OF SALES PROMOTION CAMPAIGN:**

26 **(A) GAMBLING AND WAGERING SCHEMES;**

27 **(B) USE OF MEDICAL PRESCRIPTIONS; AND**

28 **(C) DIRECTLY OR INDIRECTLY TAMPERING WITH THE**
29 **ENTRIES, PARAPHERNALIA AND/OR ELECTRONIC**
30 **DEVICE IN A PROMOTIONAL CAMPAIGN/ACTIVITY**
31 **COVERED BY THIS ACT OR UNDULY INFLUENCING THE**
32 **RESULTS THEREOF OR PERFORMING ANY ACT TO THE**

1 **PREJUDICE OF LEGITIMATE PARTICIPANTS OR**
2 **WINNERS."**

3 Sec. 24. R. A. No. 7394 is hereby amended by inserting a new Article 130
4 under Chapter VI – Advertising and Sales Promotion, Title III, to read as follows:

5 **"ART. 130. VOLUNTARY CANCELLATION OF APPROVED**
6 **PROMOTIONAL CAMPAIGN/ACTIVITY.**

7 **(A) VOLUNTARY CANCELLATION BEFORE PUBLICATION – A**
8 **PERSON MAY VOLUNTARILY CANCEL OR DISCONTINUE THE**
9 **APPROVED PROMOTIONAL CAMPAIGN/ACTIVITY PROVIDED**
10 **NO INFORMATION DISSEMINATION AND ADVERTISING**
11 **THEREON HAS BEEN MADE AND THAT A WRITTEN NOTICE**
12 **SHALL BE SUBMITTED TO THE DEPARTMENT PRIOR TO SUCH**
13 **VOLUNTARY CANCELLATION.**

14 **(B) VOLUNTARY CANCELLATION AFTER PUBLICATION – IF**
15 **ANY ANNOUNCEMENT, INFORMATION DISSEMINATION OR**
16 **ADVERTISING OF THE PROMOTIONAL CAMPAIGN/ACTIVITY**
17 **HAS ALREADY BEEN MADE, BUT THE PROMOTION PERIOD**
18 **HAS NOT YET COMMENCED, THE DISCONTINUANCE OR**
19 **CANCELLATION OF THE PROMOTION MAY BE MADE ONLY**
20 **UPON PRIOR WRITTEN NOTICE TO THE DEPARTMENT WITHIN**
21 **A PERIOD OF NOT LESS THAN FIVE (5) DAYS BEFORE THE**
22 **COMMENCEMENT OF THE ORIGINAL INTENDED DATE OF**
23 **PROMOTION.**

24 **THE SPONSOR SHALL HONOR THE PROMOTIONAL**
25 **COMMITMENTS SHOULD IT FAIL TO COMPLY WITH THE**
26 **REQUIRED PERIOD.**

27 **(C) VOLUNTARY CANCELLATION OF ONGOING PROMOTION –**
28 **VOLUNTARY CANCELLATION OR DISCONTINUANCE OR**
29 **SUSPENSION OF ANY ONGOING PROMOTIONAL**
30 **CAMPAIGNS/ACTIVITIES SHALL NOT BE ALLOWED EXCEPT**
31 **UPON PRIOR WRITTEN APPROVAL BY THE DEPARTMENT**

1 WHICH SHALL BE BASED ON ANY OF THE FOLLOWING
2 GROUNDS:

3 (I) A FINAL JUDGMENT OF VOLUNTARY INSOLVENCY OR
4 BANKRUPTCY AGAINST THE PERSON WHO APPLIED;

5 (II) OCCURRENCE OF ANY FORTUITOUS EVENT OR
6 *FORCE MAJEURE* THAT WILL MAKE IT IMPOSSIBLE TO
7 CONTINUE THE PROMOTIONAL CAMPAIGN OR
8 ACTIVITY: *PROVIDED*, HOWEVER, THAT THOSE WHO
9 HAD ALREADY WON IN THE PROMOTION BEFORE THE
10 APPROVAL OF THE CANCELLATION OR
11 DISCONTINUANCE OR SUSPENSION SHALL BE PAID OR
12 GIVEN THEIR PRIZES."

13 Sec. 25. R. A. No. 7394 is hereby amended by inserting a new Article 131
14 under Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

15 "ART. 131. *RULES ON MECHANICS. – ALL COVERED*
16 *PROMOTIONAL CAMPAIGNS AND ACTIVITIES SHALL ABIDE*
17 *BY OR COMPLY WITH THE RULES ON THE MECHANICS OF THE*
18 *PROMOTION SET FORTH IN THE IMPLEMENTING RULES AND*
19 *REGULATIONS OF THE AGENCY CONCERNED."*

20 Sec. 26. R. A. No. 7394 is hereby amended by inserting a new Article 136
21 under Chapter VI – Advertising and Sales Promotion, Title III to read as follows:

22 "ART. 136. *SELECTION OF PARTICIPANTS AND WINNERS. –*
23 *THE SELECTION OF PARTICIPANTS AND WINNERS OF A*
24 *PROMOTIONAL PROGRAM SHALL BE GUIDED BY THE*
25 *FOLLOWING:*

26 (A) MODE OF SELECTION OF PROSPECTIVE
27 PARTICIPANTS/ENTRIES – PROSPECTIVE
28 PARTICIPANTS/ENTRIES ARE SELECTED IN A FAIR,
29 HONEST AND TRANSPARENT MANNER. THERE MUST BE
30 PROOF OF NOTICE OF SELECTION AND SUCH OTHER
31 RELEVANT INFORMATION TO THE SELECTED

1 PARTICIPANTS IN A MANNER EXPRESSLY PROVIDED
2 FOR IN THE MECHANICS.

3 (B) DETERMINATION OF WINNERS – DRAW DATE OR
4 DATES FOR THE SELECTION OF PARTICIPANTS OR
5 WINNERS TO A PROMOTIONAL CAMPAIGN OR ACTIVITY
6 SHALL NOT BE MORE THAN FOURTEEN (14) DAYS AFTER
7 THE DEADLINE OF THE SUBMISSION OF ENTRIES.

8 WINNERS MAY BE DETERMINED THROUGH THE USE OF
9 ANY TECHNIQUE NOT CONTRARY TO LAW, MORALS AND
10 PUBLIC POLICY PROVIDED THE SAME SHALL BE
11 CONDUCTED IN A FAIR, HONEST AND TRANSPARENT
12 MANNER.”

13 Sec. 27. R. A. No. 7394 is hereby amended by inserting a new Article 148
14 under Title IV - Consumer Credit Transaction to read as follows:

15 “ART. 148. **IMPLEMENTING AGENCY.** – THE BANGKO SENTRAL
16 NG PILIPINAS SHALL STRICTLY ENFORCE THE PROVISION OF
17 THIS CHAPTER AND ITS IMPLEMENTING RULES AND
18 REGULATIONS EXCEPT THOSE WHICH FALL WITHIN THE
19 JURISDICTION OF THE SECURITIES AND EXCHANGE
20 COMMISSION.”

21 Sec. 28. Article 149, Chapter I – Establishment and Composition, Title V of R.
22 A. No. 7394 is hereby amended to read as follows:

23 “Art. [149] **166. Composition.** The Council shall be composed of
24 representatives from the following government agencies and non-
25 government agencies:

- 26 a) Department of Trade and Industry;
- 27 b) Department of Education, [~~Culture and Sports,~~]
- 28 c) Department of Health;
- 29 d) Department of Agriculture;
- 30 **E) DEPARTMENT OF ENERGY;**
- 31 **F) BANGKO SENTRAL NG PILIPINAS;**

1 **G) [e]** four (4) representatives from the consumer
2 organizations of nationwide base to be chosen by the President
3 among ~~[the] ITS~~ nominees ~~[submitted by the various groups in~~
4 ~~the Philippines]~~; **AND**

5 **H) [f]** two (2) representatives from the business
6 industry/sector to be chosen by the President from among the
7 nominees submitted by the various business organizations.”

8 Sec. 29. Article 151, Chapter I – Establishment and Composition, Title V of R.

9 A. No. 7394 is hereby amended to read as follows:

10 “Art. ~~[151]~~ **168**. *Per Diems of Members*. – The members of the Council
11 shall be entitled to an allowance of **FIVE THOUSAND PESOS**
12 **(P5,000.00)** ~~[five hundred pesos (P500.00)]~~ per meeting actually
13 attended but not more than **TWENTY THOUSAND PESOS**
14 **(P20,000.00)** ~~[two thousand pesos (P2,000.00)]~~ a month.”

15 Sec. 30. Article 156, Chapter II – Powers and Functions, Title V, of R. A. No.
16 7394 is hereby amended to read as follows:

17 “Art. ~~[156]~~ **173** *Consumer Participation*. – The Departments shall
18 establish procedures for **RECOGNITION OF THE** meaningful
19 participation by consumers or consumer organizations in the
20 development and review of department rules, policies, and programs.
21 Such procedures shall include provisions for a forum, where consumers
22 can express their concerns and recommendations to decision-makers.
23 The departments shall exert efforts to inform consumers of pending
24 proceedings where their participation is important.”

25 Sec. 31. Article 164, Chapter III – Consumer Complaints, Title V, of R. A. No.
26 7394 is hereby amended to read as follows:

27 “Art. ~~[164]~~ **181**. *Sanctions*. – After investigation, any of the following
28 administrative penalties may be imposed even if not prayed for in the
29 complaint:

30 “a) x x x

31 “x x x

32 **“E) AUTOMATIC CANCELLATION OF A BUSINESS NAME;**

1 ~~[e]~~ **F)** the imposition of administrative fines in such amount as
2 deemed reasonable by the Secretary, which shall in no case be
3 less than **FIFTY THOUSAND PESOS (P50,000.00)** [Five
4 hundred pesos (P500.00)] nor more than **ONE MILLION**
5 **PESOS (P1,000,000.00)** [Three hundred thousand pesos
6 (P300,000.00)] depending on the gravity of the offense, and an
7 additional fine of not ~~[more]~~ **LESS** than One thousand pesos
8 (P1,000.00) **FOR** ~~[or]~~ each day of continuing violation."

9 Sec. 32. R. A. No. 7394 is hereby amended by inserting a new Article 185
10 under Title VI – Transitory and Final Provisions to read as follows:

11 **"ART. 185. CRIMINAL PENALTIES. – ANY PERSON WHO**
12 **VIOLATES ANY PROVISION OF THIS ACT SHALL, UPON**
13 **CONVICTION, BE SUBJECT TO A FINE OF NOT LESS THAN**
14 **FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE**
15 **THAN ONE MILLION PESOS (P1,000,000.00) OR**
16 **IMPRISONMENT OF NOT LESS THAN THREE (3) YEARS BUT**
17 **NOT MORE THAN SEVEN (7) YEARS OR BOTH, UPON THE**
18 **DISCRETION OF THE COURT."**

19 Sec. 33. Article 169, Title VI – Transitory and Final Provisions of R. A. No.
20 7394 is hereby amended to read as follows:

21 "Art. ~~[169]~~ **187. Prescription.** — All actions or claims accruing under
22 the provisions of this Act and the rules and regulations issued pursuant
23 thereto shall prescribe within ~~[two (2)]~~ **THREE (3)** years from the
24 time the consumer transaction was consummated or the deceptive or
25 unfair and unconscionable act or practice was committed and in case
26 of hidden defects, from discovery thereof."

27 Sec. 34. *Renumbering of Articles.* Articles of R. A. No. 7394 are hereby
28 renumbered accordingly.

29 Sec 35. *Implementing Rules and Regulations.* – Within sixty (60) days from
30 the effectivity of this Act, the Council shall formulate the rules and regulations to
31 effectively implement the provisions of this Act.

1 Sec. 36. *Separability Clause.* – If any portion or provision of this Act is
2 declared unconstitutional, the remainder of this Act or any provisions not affected
3 thereby shall remain in force and effect.

4 Sec. 37. *Repealing Clause.* – Any laws, presidential decrees or issuances,
5 executive orders, letters of instruction, rules or regulations inconsistent with the
6 provisions of this Act are hereby repealed or modified accordingly.

7 Sec. 38. *Effectivity.* – This Act shall take effect fifteen (15) days following its
8 complete publication in two (2) newspapers of general circulation or in the *Official*
9 *Gazette*.

Approved,