



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 4545



Introduced by Representative BONIFACIO LAQUI BOSITA

AN ACT
PROTECTING THE RIGHTS OF CONSUMERS IN THE PURCHASE
OF MOTORCYCLES, INCLUDING ITS PARTS AND ACCESSORIES,
AND HELMETS

EXPLANATORY NOTE

This bill seeks to protect the rights of buyers and riders in purchasing motorcycles, including parts, accessories, and helmets.

Under the existing laws, rules, and regulations, no motor vehicle, including a motorcycle, may be used or operated on any street or highway without a valid registration. Any person driving or operating a motor vehicle without a valid registration shall be fined and the motor vehicle impounded.

Many Filipinos are purchasing motorcycles because of the motorcycle's ability to move through traffic faster and its low cost. As demand grows, so does the number of motorcycle dealers and establishments selling motorcycles, motorcycle parts, accessories, and helmets. Most of these motorcycle dealers will let you buy a bike in installments, and most of them will sell you a bike that hasn't been registered.

Some motorcycle dealers issue "Authority to Travel," "Travel Permit," or any other similar document certifying that the possessor of the motorcycle is the owner, when in fact, they know that such a document is not honored by traffic enforcement personnel and may be treated as a mere scrap of paper. Worse, these motorcycle dealers induce buyers to sign a waiver for them to evade any liability. In many instances, riders' attempts to avoid apprehension always led to

untoward accidents caused by overthinking the consequences of driving unregistered motorcycles.

In one study, 9 out of 10 motorcycle drivers died from not wearing helmets. This holds true for wearing a substandard helmet. Also, substandard or unauthorized motorcycle parts and accessories are widely and openly distributed and sold nationwide.

Pursuant to Joint Administrative Order No. 2014 – 01 (Revised Schedule of Fines and Regulations Governing Land Transportation), the penalty for driving an unregistered motor vehicle is ten thousand pesos (P10,000.00). In case of non-registration, the motor vehicle shall be impounded. It shall be released only upon its valid registration and payment of appropriate fines and penalties. Conversely, the penalty for failing to wear the standard protective motorcycle helmet is one thousand five hundred pesos (P1,500) for the first offense, three thousand pesos (P3,000.00) for the second offense, five thousand pesos (P5,000.00) for the third offense and ten thousand pesos (P10,000.00) for fourth and succeeding offenses. The penalty for operating a motor vehicle without or with defective, improper, unauthorized accessories, devices, equipment, and parts is five thousand pesos (P5,000.00). In addition, the motor vehicle shall be impounded until the accessory, device, equipment, or part is properly installed, corrected, or removed, as the case may be, and the payment of a fine.

It is the State's inherent duty, through its agents, to protect and advance the consumer's right to evaluate the quality, including safety, performance, and comparative utility, of consumer products, and protect the public against unreasonable risks of injury from consumer products, undertake research on quality improvement of products and investigation into causes and prevention of product-related deaths, illnesses, and injuries, and assure the public of the consistency of standardized products. However, the hard realization is that the consumer's welfare is always sacrificed while the dealers of substandard helmets, motorcycle parts, and accessories evade liabilities.

This bill aims to protect consumers' rights in the sale and distribution of brand new motorcycles, parts, accessories, and helmets against business or trade practices that are deceptive or unfair by providing them with easier remedies to avail. It seeks to grant compensation or refund and return of the product, including the imposition of penalties for non-compliance with the mandatory registration of motorcycles; selling or distributing substandard helmets or those that do not bear the PS mark or ICC certificate, and selling or distributing substandard or unauthorized motorcycle parts and accessories.

It is high time to address the hardships and unnecessary troubles experienced by buyers of motorcycles, parts, accessories, and helmets, promote road safety, and safeguard their welfare should substandard or unauthorized products are sold.

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


BONIFACIO LAQUI BOSITA



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 4545

Introduced by Representative BONIFACIO LAQUI BOSITA

AN ACT

**PROTECTING THE RIGHTS OF CONSUMERS IN THE PURCHASE
OF MOTORCYCLES, INCLUDING ITS PARTS AND ACCESSORIES,
AND HELMETS**

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

SECTION 1. *Short Title.* – This Act shall be known as the “*Motorcycle
Buyers and Riders Protection Act.*”

SEC. 2. *Declaration of Policy.* – It is the policy of the State to protect the
rights of consumers, including the rights of buyers of motorcycles, their parts,
accessories, and helmets, against unfair, deceptive, and fraudulent trade
practices. Towards this end, the State shall formulate and enforce rules and
regulations that determine the rights of riders and buyers and the corresponding
liabilities of dishonest dealers and sellers regarding the sale of motorcycles,
motorcycle parts, accessories, and helmets.

SEC. 3. *Coverage.* – This Act shall cover brand new motorcycles,
motorcycle parts, accessories, and helmets purchased in the Philippines by a
consumer from any duly authorized and licensed local dealership, shop, or store.

The provisions of this Act are understood to complement the provisions
under Republic Act No. 7394, otherwise known as the “*Consumer Act of the
Philippines.*”

SEC. 4. *Registration of Motorcycle.* – All motorcycle dealers shall
register all brand new motorcycles sold in cash or installment with the Land

1 Transportation Office within five (5) working days from the date of the sales
2 invoice.

3 Section 4 of Republic Act (RA) No. 11235, otherwise known as the
4 "*Motorcycle Crime Prevention Act*," shall continue to govern the registration of
5 imported and second hand motorcycles.
6

7 **SEC. 5. *Effect of Non-registration.*** – The buyer, upon the failure of the
8 dealer to register the brand new motorcycle within five working days, may opt
9 to cancel the sale transaction and get a full refund of all the payments made,
10 including insurance and other fees, subject to the following rules:
11

12 a. If after the lapse of five working days, the motorcycle remains
13 unregistered, the buyer may file a complaint for a refund, with immediate notice
14 to the dealer; and
15

16 b. If after the lapse of five working days, the dealer has secured the
17 registration of the motorcycle due to the failure of the buyer to institute a
18 complaint and notify the dealer, the buyer may no longer demand the return of
19 the payments made.
20

21 **SEC. 6. *Release of Motorcycle.*** – The dealer shall release the brand new
22 motorcycle to the buyer only if such motorcycle is registered and a valid
23 certificate of registration is issued. Any waiver executed by the buyer for non-
24 liability of the dealer for the release of unregistered motorcycle is null and void.
25

26 **SEC. 7. *Refund.*** – Any buyer of a motorcycle helmet is entitled to a
27 refund if the helmet does not meet the required standards under RA 10054,
28 otherwise known as the "Motorcycle Helmet Act of 2009." Likewise, the buyer
29 is entitled to a refund if the motorcycle parts and accessories do not meet the
30 standard requirements set by the Bureau of Product Standards of the Department
31 of Trade and Industry (DTI) or if such parts and accessories are prohibited
32 under existing laws, rules, and regulations.
33

34 **SEC. 8. *Compensation.*** – In addition to the refund in the preceding
35 section, the buyer is also entitled to compensation equivalent to thrice the
36 amount of the purchase price of the motorcycle, motorcycle parts and
37 accessories, or helmet plus the amount of fines and penalties for driving an
38 unregistered motorcycle or using substandard or prohibited motorcycle parts,
39 accessories, or helmets in case the buyer or rider was apprehended.
40

41 **SEC. 9. *Duty of Fair Trade Enforcement Bureau.*** – The Fair Trade
42 Enforcement Bureau, hereinafter referred to as the "Bureau," of the DTI shall
43 resolve all complaints filed by the buyer against the dealer or seller who fails to
44 register a brand new motorcycle within five working days, release an

1 unregistered motorcycle and sells substandard or prohibited motorcycle parts,
2 accessories, or helmets within the period of fifteen (15) days from the date of
3 the filing of such complaint.

4
5 The resolution of the complaint shall state the period for the dealer or
6 seller to pay the amount of refund, compensation and administrative fine, which
7 should not be later than fifteen (15) days from the date of the resolution thereof.

8
9 The Bureau shall also notify in writing the concerned local government
10 unit (LGU) through its Business Permit and Licensing Office (BPLO) that has
11 jurisdiction over the dealer or seller's store of its resolution or order over the
12 buyer's complaint for purposes of implementing the suspension and revocation
13 or cancellation of business permit or license as may be ordered by the Bureau.

14
15 SEC. 10. **Notice.** – The buyer, through the assistance of the Bureau, may
16 notify in writing the authorized dealer or seller of the motorcycle, its parts and
17 accessories, and helmets of the intention to invoke the rights under this Act to
18 afford the dealer or seller an opportunity to settle any matter regarding the sale
19 before a formal complaint is filed by the buyer. Failure on the part of the dealer
20 or seller to avail themselves of the opportunity to settle authorizes the Bureau to
21 commence proceedings against them.

22
23 SEC. 11. **Prohibited Acts.** – The following acts are prohibited:

24
25 a. Releasing of an unregistered motorcycle; and

26
27 b. Selling or distributing substandard or prohibited motorcycle parts,
28 accessories, or helmets.

29
30 SEC. 12. **Fines and Penalties.** – In addition to the refund and
31 compensation under Sections 5, 7 and 8 of this Act, the dealer or seller who
32 commits any of the prohibited acts enumerated under Section 11 of this Act
33 shall suffer the following penalties:

34
35 a. First offense: Suspension of business permit or license for a period of
36 six (6) months and a fine of One hundred thousand pesos (P100,000.00);

37
38 b. Second offense: Suspension of business permit or license for a period
39 of one (1) year and a fine of Three hundred thousand pesos (P300,000.00); and

40
41 c. Third offense: Revocation or cancellation of business permit or license
42 and a fine of Five hundred thousand pesos (P500,00.00);

1 The fines herein collected shall be deposited in a special account in the
2 general fund and earmarked for the operation of the DTI relative to its mandate
3 on consumer protection. The release and disbursement of such fund is subject
4 to existing accounting, budgeting and auditing laws, rules and regulations.
5

6 SEC. 13. ***Liability of Concerned Agencies.*** – Any officer or employee of
7 the Bureau or the concerned LGU-BPLO who fails to act on its duties under this
8 Act may be held administratively liable under existing civil service laws, rules,
9 and regulations.
10

11 SEC. 14. ***Right to Seek Assistance.*** – Any aggrieved buyer or rider due to
12 the acts and omissions of the dealer or seller of motorcycles, motorcycle parts
13 and accessories, and helmets, or any officer or employee of the Bureau
14 or LGU-BPLO may seek free assistance or services from the
15 Road Safety Advocates of the Philippines (RSAP) or any other non-government
16 organizations.
17

18 SEC. 15. ***Implementing Rules and Regulations.*** – Within thirty (30) days
19 of the effectivity of this Act, the Secretary of Trade and Industry shall, in
20 coordination with the Secretaries of the Interior and Local Government and
21 Transportation, issue the necessary rules and regulations for the effective
22 implementation of this Act.
23

24 SEC. 16. ***Repealing Clause.*** – All laws, executive orders, issuances, rules,
25 and regulations, or parts thereof, inconsistent with the provisions of this Act are
26 repealed or modified accordingly.
27

28 SEC. 17. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its
29 publication in the *Official Gazette* or in a newspaper of general circulation.
30

31 Approved,