

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Second Regular Session

House Bill No. 9658



Introduced by Hon. MARVIN C. RILLO
Representative, Fourth District, Quezon City

EXPLANATORY NOTE

Republic Act No. 10642, otherwise known as the “**Philippine Lemon Law of 2013**,” was to provide protection to buyers who acquire vehicles that are defective or nonconforming to the manufacturer's or distributor's standards of quality and specifications. However, complaining buyers continue to experience great difficulty in availing of their rights under the Lemon Law due to its cumbersome provisions, among which is the numerous repair attempts required before a defective unit is to be replaced by the manufacturer or dealer.

This bill seeks to make it easier for buyers of motor vehicles to avail of their rights under the Lemon Law by reducing the number of repair attempts required under the law and obligating the manufacturer, distributor, authorized dealer or retailer to immediately replace the motor vehicle if it shall be found to have critical nonconformity issues which threaten the safety of its users.

Also, this bill mandates the immediate availability of parts, components or assemblies for the defective vehicle that is up for repair. Further, this bill provides penalties for failure of the manufacturer, distributor, authorized dealer or retailer to provide either a reasonable transportation allowance or a service vehicle to the buyer whenever a defective one is undergoing repairs.

On behalf of the people of the Fourth District of Quezon City, the approval of this Bill is earnestly sought.


MARVIN C. RILLO
Representative
4th District, Quezon City

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Introduced by REPRESENTATIVE MARVIN C. RILLO

“AN ACT AMENDING REPUBLIC ACT NO. 10642 OTHERWISE KNOWN AS THE “PHILIPPINE LEMON LAW” AND FOR OTHER PURPOSES”

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

SECTION 1. *Section 3 of Republic Act No. 10642 or the “Philippine Lemon Law” is hereby amended to read as follows:*

X x x

“(O) CRITICAL NONCONFORMITY ISSUE REFERS TO ANY DEFECT WHICH COULD AFFECT THE CONTROL OR DIRECTIONAL STABILITY OF THE VEHICLE, OR CAUSE INJURY TO THE PEOPLE INSIDE OR OUTSIDE THE VEHICLE.”

SEC. 2. *Section 5 of Republic Act No. 10642 is hereby amended to read as follow:*

“Section 5. *Repair Attempt.* - At any time within the Lemon Law rights period, and after at least ONE (1) repair attempt by the same manufacturer, distributor, authorized dealer or retailer for the same complaint, and the nonconformity issue remains unresolved, the consumer may invoke his or her rights under this Act. *PROVIDED, THAT WHEN A CRITICAL NONCONFORMITY ISSUE SURFACES DURING THE FIRST 1,000 KILOMETERS OF OPERATION AFTER DELIVERY OF THE VEHICLE, THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER, SHALL REPLACE SUCH VEHICLE WITH A BRAND-NEW MOTOR VEHICLE OF COMPARABLE SPECIFICATIONS AND VALUE, WITHOUT THE NEED TO COMPLY WITH THE ONE REPAIR ATTEMPT REQUIREMENT.*

The repair may include replacement of parts components, or assemblies.”

SEC. 3. *Section 5-A of Republic Act No. 10642 is hereby inserted to read as follow:*

“SECTION 5-A. AVAILABILITY OF PARTS COMPONENTS OR ASSEMBLIES - THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER SHOULD ENSURE THE AVAILABILITY OF PARTS, COMPONENTS AND ASSEMBLIES WITHIN THE PERIOD OF AVAILMENT OF THE LEMON LAW RIGHTS. FAILURE TO PROVIDE THE NECESSARY PARTS, COMPONENTS OR ASSEMBLIES WITHIN TEN (10) DAYS SHALL ENTITLE THE CONSUMER TO A REPLACEMENT WITH A BRAND-NEW MOTOR VEHICLE OF COMPARABLE SPECIFICATIONS AND VALUE, WITHOUT THE NEED TO COMPLY WITH THE ONE REPAIR ATTEMPT REQUIREMENT.”

SEC. 4. *Section 7 of Republic Act No. 10642 is hereby amended to read as follow:*

“SECTION 8. ~~[Availment of Lemon Law Rights.—Subsequent to filing the notice of availment referred to in the preceding section, the consumer shall bring the vehicle to the manufacturer, distributor, authorized dealer or retailer from where the vehicle was purchased for a final attempt to address the complaint of the consumer to his or her satisfaction.]~~ **DUTY OF THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER-** It shall be the duty of the manufacturer, distributor, authorized dealer or retailer, upon receipt of the motor vehicle and the notice of nonconformity required under Section [a] 7 hereof, to attend to the complaints of the consumer including, as may be necessary, making the repair and undertaking such actions to make the vehicle conform to the standards or specifications of the manufacturer, distributor, authorized dealer or retailer for such vehicle.

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To compensate for the non-usage of the vehicle while under repair and during the period of availment of the Lemon Law rights, the consumer shall be provided **WITH EITHER** a reasonable daily transportation allowance, an amount which covers the transportation of the consumer from his or her residence to his or her regular workplace or destination and vice versa, equivalent to air-conditioned taxi fare, ~~[as evidenced by official receipt,]~~ or in such amount to be agreed upon by the parties, or a service vehicle, at the option of the ~~[manufacturer, distributor, authorized dealer or retailer.]~~ **AFFECTED CONSUMER. Any disagreement on this matter shall be resolved by the DTI [-] WITHIN FIVE (5) WORKING DAYS FROM REFERRAL OF THE ISSUE.**

FAILURE OF THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER TO PROVIDE ANY OF THE ABOVE-MENTIONED REMEDIES FOR NON-USAGE OF VEHICLE WHILE UNDER REPAIR, SHALL MAKE THEM LIABLE FOR EXEMPLARY DAMAGES IN THE AMOUNT OF FIFTY

THOUSAND PESOS (PhP 50,000.00) IN ADDITION TO ACTUAL DAMAGES SUFFERED BY THE CONSUMER.

Nothing herein shall be construed to limit or impair the rights and remedies of a consumer under any other law.”

SEC. 5. *Separability Clause.* - If, for any reason, any part, section or provision of this Act is held invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 6. *Repealing Clause.* - All laws, presidential decrees, executive orders, rules and regulations, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 7. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.



MARVIN C. RILLO
Representative
4th District, Quezon City