

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

20th Congress
First Regular Session

House Bill No. 4977



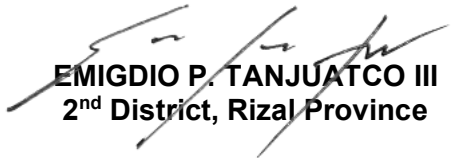
Introduced by **REPRESENTATIVE EMIGDIO P. TANJUATCO III**

EXPLANATORY NOTE

The Filipino consumer today faces growing threats from unsafe and substandard goods, counterfeit imports, and the unchecked rise of unregulated e-commerce. Recent seizures of uncertified products, warnings on counterfeit vape brands, and the surge of smuggled goods worth billions of pesos illustrate how gaps in enforcement continue to endanger public welfare and undermine legitimate businesses. At the same time, the rapid expansion of online and cross-border trade has led to a sharp increase in consumer complaints, many involving defective goods sold through digital platforms where accountability is difficult to enforce.

The Department of Trade and Industry (DTI), while central to consumer protection, has long been constrained by limited regulatory powers and outdated tools that have not kept pace with the demands of today's marketplace. The proposed DTI Regulatory Strengthening Act of 2025 seeks to modernize this framework by granting the Department greater authority to inspect establishments and online platforms, enforce updated standards, and act more decisively against violators. It also strengthens the country's systems for product testing and accreditation, enables regulatory flexibility during disasters and emergencies, and ensures that resources collected through fees and fines are reinvested in consumer protection. In doing so, the measure not only shields the public from harm but also supports honest enterprises by fostering a fair, competitive, and trustworthy market environment.

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


EMIGDIO P. TANJUATCO III
2nd District, Rizal Province

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Introduced by **REPRESENTATIVE EMIGDIO P. TANJUATCO III**

AN ACT STRENGTHENING THE REGULATORY POWERS OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI), 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 the “DTI Regulatory Strengthening Act of 2025”.

SECTION 2. Declaration of Policies. — It is the policy of the State to protect the interests and promote the general welfare of consumers, promote fair trade practices, and maintain high standards of goods and services. Toward this end, the State shall strengthen the regulatory functions of the Department of Trade and Industry (DTI) by expanding its mandate, modernizing its systems, and aligning existing laws with evolving market practices and technologies. Towards this end, the State shall:

- a. Enhance and develop consumer products standard;
- b. Increase/intensify the inspection, testing, validation, verification, surveillance, and monitoring of consumer products;
- c. Promote the right of consumers to quality and safe consumer products and services;
- d. Protect the health and safety of consumers through compliance with national standards, aligned with international requirements;
- e. Increase competitiveness of the industry through the development of product standards, as applicable, and compliance to relevant international standards and/or Philippine National Standards (PNS);
- f. Strengthen standards development, accreditation, conformity assessment bodies, mandatory certification, inspection, verification, calibration, testing and other conformity requirements for workplaces, laboratories and similar facilities;
- g. Provision of accessible services to facilitate trade, enhance competitiveness and quality of services of users of standards, accreditation, and accredited conformity assessment activities.

SECTION 3. Definition of Terms – For purposes of this Act, the following terms shall be defined as follows:

- a. *Consumer Products* – goods, merchandise, or commodities which are produced, distributed, or made available in the market for personal, family, household, or commercial use.

- b. *Philippine National Standards (PNS)* – standards formulated, adopted, and approved by the Bureau of Philippine Standards (BPS) as the national standards body, covering product quality, safety, and performance.
- c. *Technical Regulations (TR)* – mandatory requirements issued by a competent authority specifying product characteristics, processes, or production methods necessary to protect consumer health, safety, or welfare.
- d. *Conformity Assessment Bodies (CABs)* – organizations such as laboratories, inspection bodies, and certification entities that perform services to demonstrate whether specified requirements relating to a product, process, system, or person have been fulfilled.
- e. *Philippine Accreditation Bureau (PAB)* – the national accreditation body mandated to accredit conformity assessment bodies in accordance with international standards.
- f. *Visitorial Powers* – the authority granted to the DTI Secretary or duly authorized representatives to inspect establishments, warehouses, online platforms, or retail outlets, and to access records or seize products in furtherance of consumer protection and fair trade laws.
- g. *Digital Trade Platform* – any online marketplace, e-commerce site, mobile application, or social media-based selling platform through which goods or services are offered, marketed, or transacted in the Philippines.
- h. *Fair Trade Enforcement Bureau (FTEB)* – the bureau within the DTI mandated to implement and enforce fair trade, consumer protection, and related technical regulations in both physical and digital markets.
- i. *Strategic Lawsuit Against Public Participation (SLAPP)* – a legal action filed to harass, pressure, or stifle the exercise of rights or duties in the enforcement of trade and consumer protection laws, as prohibited under this Act.

SECTION 4. Expanded Regulatory Authority to the DTI Secretary. — In furtherance of the declared policy of the State to protect the interest of consumers and to ensure an agile, inclusive, and responsive regulatory environment that upholds consumer rights and promotes fair and ethical trade practices, the Secretary of the Department is hereby vested with such additional powers and authority as may be necessary to effectively implement and enforce the provisions of this Act. These powers in addition to the powers granted by existing statutes shall include, but are not limited to, the issuance of rules, regulations, and other administrative issuances to address emerging consumer concerns, enhance regulatory efficiency, and promote fair trade, including the following powers:

- a. **Visitorial Power.** The Secretary of Trade and Industry or his duly authorized representatives, shall be empowered to (1) conduct periodic or spot inspections, monitoring, and enforcement activities on business establishments, warehouses, online platforms, and retail outlets engaged in trade, manufacturing, or distribution of consumer products, (2) access books, records, documents, sales invoices or receipts, whether physical or digital, necessary to verify compliance with technical regulations, labeling requirements, and the Price Act, and, (3) seal, hold, seize, or confiscate products that are found to be in violation of technical regulations and labelling requirements, pending further investigation.
- b. **Relax Restrictive Periods under Existing Trade and Industry Laws and Grant Regulatory Relief.** Without compromising consumer welfare, the Secretary of Trade and Industry may relax existing restrictive periods and grant regulatory relief in consideration of rapid technological advantage, ease of doing business, and to support businesses during times of disaster, emergencies, and other analogous circumstances.
- c. **Compel Accreditation of Conformity Assessment Bodies (CABs).** The DTI Secretary may compel conformity assessment bodies whose test results, certifications, or

inspection findings are used in regulatory approvals or product clearances to be accredited by PAB when the public interest so requires.

- d. Regular Evaluation and Revision of Sanctions and Fines. The Secretary of Trade and Industry shall order the review of trade and industry laws every five (5) years to determine the need for increase or adjustments of fines and penalties based on current factors. For this purpose, the DTI Secretary shall publish an updated schedule of fines within six (6) months from the effectivity of this Act. To this end, the Secretary of Trade and Industry may impose an administrative fine of not less than One Hundred Thousand Pesos (P100,000.00) but not more than Five Hundred Thousand Pesos (P500,000.00) against entities misrepresenting their accreditation status despite receipt of the notice of cancellation, withdrawal, or suspension from the Philippine Accreditation Bureau (PAB).
- e. Publish Rules and Regulations via Alternative Means. In the case of Philippine National Standards (PNS), Technical Regulations (TR), and other voluminous rules and regulations which will incur large publication cost, the DTI Secretary shall be allowed to publish the full text thereof in a dedicated page in the DTI official website or in two (2) newspapers of general circulation the title of the PNS or TR and a statement how and where to secure copies of the full text.

SECTION 5. Strengthening of DTI Bureaus, Offices, and Units Involved in

Implementing Fair Trade Laws. — The following bureaus, offices, and units are hereby strengthened:

- a. *The Bureau of Philippine Standards (BPS)* shall serve as the National Standards Body of the Philippines. As the National Standards Body, the BPS: (1) is recognized to be the sole issuer and formulator of Philippine National Standards (PNS) and Technical Regulations (TR) with primary jurisdiction for all industrial, commercial, consumer, and all other similar products and services, (2) shall be the primary representative to the international fora for matters related to Standards, Technical Regulations, and Conformity Assessment Procedures as well as Technical Barriers to Trade, and (3) shall act as the Philippines' National Enquiry Point and National Notification Authority in compliance with the World Trade Organization - Technical Barriers to Trade (WTO-TBT) Agreement.
- b. *The Philippine Accreditation Bureau (PAB)* shall serve as the National Accreditation Body of the Philippines. As National Accreditation Body, PAB shall: (1) be vested with the sole authority to accredit conformity assessment bodies (CABs), for both public and private, such as certification bodies, calibration and testing laboratories, inspection bodies, validation and verification bodies, proficiency testing providers, and reference materials producers, following the international principles and standards for the accreditation of CABs (PAB), and (2) represent and defend the interests of the Philippines in all treaty and non-treaty international and regional for the accreditation of CABs. Accreditation by PAB is voluntary, in order to encourage competitiveness among CABs. However, regulatory bodies may require PAB accreditation of CABs providing services to government agencies as part of their regulations to ensure competency of CABs.
- c. *The Fair Trade Enforcement Bureau (FTEB)* shall serve as the Lead Enforcement Arm of the Department in ensuring compliance with fair trade, consumer protection, and technical regulations, with authority to conduct surveillance, inspections, and enforcement actions in both physical and digital markets. FTEB shall have authority to monitor and enforce compliance over digital and cross-border trade platforms operating in the Philippine market, including social media commerce, with power to issue take-down orders, geo-blocking recommendations, and digital platform compliance notices. The DTI Secretary may create and/or establish new units or divisions, if accompanied and supported by revenue sources, to effectively implement of trade and industry laws.

SECTION 6. Use of Income. — The DTI is authorized to collect, retain, and utilize or apply all fees, fines, royalties, and other charges collected by its different bureaus or offices to augment its inspection, certification, accreditation, monitoring, enforcement, and other consumer protection activities, the provisions of any law to the contrary notwithstanding. This amount, which shall be in addition to the DTI's annual budget, shall be deposited and maintained in a separate account or fund.

For this purpose, the DTI is hereby allowed to utilize twenty percent (20%) for Personal Services (PS), sixty percent (60%) for Maintenance and Other Operating Expenses (MOOE) and twenty percent (20%) for Capital Outlay (CO).

The DTI Secretary may recommend to Congress an amount to be used as an Enforcement Fund to support surveillance, investigation, mobility, equipment, and intelligence activities. Further, to encourage public reporting of fair trade and consumer law violations, the DTI may establish a whistleblower and evidence-based rewards which may be drawn from the Enforcement Fund.

The DTI Secretary may also allocate a portion of the fees, fines, and royalties collected to compensate the services and/or use of facilities of, or provide per diems, honoraria, allowances, insurance, other benefits such as hazard pay and payment for transportation and other reimbursable expenses to, technical experts, educational and research institutions, laboratories, professional groups, and government lawyers, from the government and private sectors, in the performance of its functions.

SECTION 7. Prohibiting the Filing of Strategic Lawsuit Against Public Participation (SLAPP). — A legal action filed to harass, vex, exert undue pressure or stifle any legal recourse that any person, institution or the government has taken or may take in the enforcement of trade and industry laws, protection or assertion of consumer rights and welfare shall be treated as a SLAPP and shall be prohibited. The courts, prosecutors, or public officers, with the duty to act and decide on civil, criminal or administrative complaint or information, as the case maybe, shall immediately order the dismissal of suits determined by them to be SLAPPs.

SECTION 8. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the DTI shall formulate and promulgate the rules and regulations necessary for implementing the law.

SECTION 9. Separability Clause. — If any clause, sentence, section, provision or part of this Act shall be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this Act, but shall be confined in its operation to the clause, sentence, paragraph, section, or part thereof directly involved in the controversy.

SECTION 10. Repealing Clause. — All laws, decrees, executive orders and regulations, or part or parts thereof inconsistent with any provision of this Act, are hereby repealed, amended or otherwise modified accordingly insofar as they are inconsistent with the provisions of this Act.

Section 13. Effectivity. — This Act shall take effect fifteen (15) days after publication in the Official Gazette or two national newspapers of general circulation.

Approved.