

SEVENTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Second Regular Session



17 JUN 13 AIO:15

RECEIVED

SENATE

S.B. No. 1489

Introduced by SEN. SHERWIN "WIN" GATCHALIAN

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

EXPLANATORY NOTE

Section 13, Article XII of the 1987 Constitution provides:

"Sec. 13. The State shall pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity."

Pursuant to the above stated policy, Congress enacted in 1992 Republic Act No. 7394, otherwise known as the "*Consumer Act of the Philippines*," to ensure the protection of the interests of the consumer, promote the general welfare and to establish standards of conduct for business and industry. Since its enactment more than 20 years ago, many provisions of RA 7394 are no longer applicable and adequate to address the prevailing situations at present. Hence, amendments to RA 7394 are imperative.

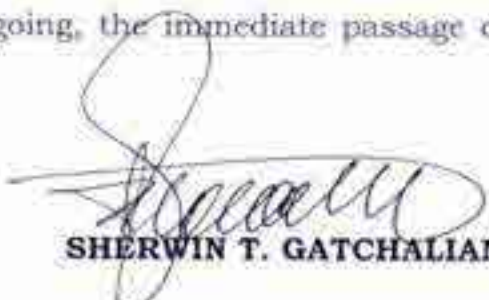
Thus, this bill seeks to provide a broader protection for consumers and strengthen their rights by enshrining a Consumer Bill of Rights under Article 2-A. Included under such rights are the rights of the consumer to basic needs; to choose products at competitive prices with an assurance of satisfactory quality; right to consumer education; right to safety and a healthy environment, and right to information. This measure also mandates that any product with product labels written in foreign language or characters shall have a corresponding English or Filipino translation to enable the appropriate authorities to determine whether such product has

complied with all the other labeling requirements as well as provide the consumers proper guidance on the contents and source or origin of the product. Likewise, this bill contains an avenue for redress where the consumer can ask for compensation as a result of misrepresentation, substandard or defective goods or unsatisfactory services of any seller, manufacturer or distributor.

Corrolarily, this bill requires that any advertisement for a consume - product must provide relevant and truthful information on products and services to help the general public to make informed choices. Any specific claim or attribute with respect to such product or service shall be substantiated and shall only include genuine and truthful testimonial claims.

Accordingly, this measure aims to increase the penalties of RA 7394 as the existing penalties no longer ensure compliance and neither does it deter violations to the provisions of the law.

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



SHERWIN T. GATCHALIAN

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

1 SECTION 1. **Short Title.** – This Act shall be known as the "Consumer
2 Act of 2017."

3 SEC. 2. Article 2 of Republic Act No. 7394, otherwise known as the
4 "Consumer Act of the Philippines," is hereby amended to read as follows:

5 "ART. 2. *Declaration of Policy.* – It is the policy of the State
6 to protect the interests of the consumer, promote his general
7 welfare and to establish standards of conduct for business and
8 industry. **THE STATE RECOGNIZES THAT CONSUMERS**
9 **OFTEN FACE IMBALANCES IN ECONOMIC STATUS,**
10 **EDUCATIONAL LEVELS AND BARGAINING POWER. IT**
11 **FURTHER RECOGNIZES THAT CONSUMERS SHOULD HAVE**
12 **THE RIGHT OF ACCESS TO NON-HAZARDOUS PRODUCTS,**

1 AS WELL AS THE RIGHT TO PROMOTE JUST, EQUITABLE
2 AND SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT
3 AND ENVIRONMENTAL PROTECTION. Towards this end, the
4 State shall implement measures to attain the following
5 objectives:

- 6 (a) protection against hazards to health and safety;
- 7 (b) protection against deceptive, unfair and
8 unconscionable sales acts and practices;
- 9 (c) provision of information and education to facilitate
10 sound choice and the proper exercise of rights by the consumer;
- 11 (d) provision of adequate rights and means of redress; and
12 (e) involvement of consumer representatives in the
13 formulation of social and economic policies.]

14 **A) TO ACHIEVE AND MAINTAIN ADEQUATE
15 PROTECTION FOR THE CONSUMERS;**

16 **B) TO FACILITATE PRODUCTION AND
17 DISTRIBUTION PATTERNS RESPONSIVE TO THE NEEDS
18 AND DESIRES OF CONSUMERS;**

19 **C) TO ENCOURAGE HIGH LEVELS OF ETHICAL
20 CONDUCT FOR THOSE ENGAGED IN THE PRODUCTION AND
21 DISTRIBUTION OF GOODS AND SERVICES TO CONSUMERS;**

22 **D) TO CURB ABUSIVE BUSINESS PRACTICES BY
23 ALL ENTERPRISES WHICH ADVERSELY AFFECT
24 CONSUMERS;**

25 **E) TO FACILITATE THE DEVELOPMENT OF**

1 **INDEPENDENT CONSUMER GROUPS;**

2 **F) TO FOSTER INTERNATIONAL COOPERATION IN**
3 **THE FIELD OF CONSUMER PROTECTION;**

4 **G) TO ENCOURAGE THE DEVELOPMENT OF**
5 **MARKET CONDITIONS WHICH PROVIDE CONSUMERS WITH**
6 **GREATER CHOICE AT LOWER PRICES; AND**

7 **H) TO PROMOTE SUSTAINABLE CONSUMPTION.”**

8
9 SEC. 3. The following articles are hereby inserted after Article 2 of the
10 same Act to read as follows:

11
12 **“ART. 2-A. CONSUMER BILL OF RIGHTS - THE**
13 **GOVERNMENT, IN MAINTAINING AND STRENGTHENING**
14 **THE PROMOTION OF CONSUMER INTEREST AND WELFARE**
15 **IN HIS RELATION TO THE BUSINESS AND INDUSTRY**
16 **PRACTICE AS WELL AS THE PRODUCTION AND**
17 **DISTRIBUTION OF CONSUMER PRODUCTS, SHALL ADOPT**
18 **MEASURES OR FORMULATE POLICES TAKING INTO**
19 **ACCOUNT THE FOLLOWING BASIC CONSUMER RIGHTS:**

20 **A) RIGHT TO BASIC NEEDS - THE CONSUMER**
21 **SHALL BE ENTITLED TO GUARANTEED SURVIVAL,**
22 **ADEQUATE FOOD, CLOTHING, SHELTER, HEALTH CARE,**
23 **EDUCATION AND SANITATION;**

24 **B) RIGHT TO CHOOSE - THE CONSUMER SHALL**
25 **BE ENTITLED TO CHOOSE PRODUCTS AT COMPETITIVE**
26 **PRICES WITH AN ASSURANCE OF SATISFACTORY QUALITY;**

1 C) RIGHT TO REPRESENTATION - THE CONSUMER
2 SHALL BE ENTITLED TO EXPRESS CONSUMER INTERESTS
3 AND BE INVOLVED IN THE FORMULATION AND EXECUTION
4 OF GOVERNMENT POLICIES;

5 D) RIGHT TO REDRESS - THE CONSUMER SHALL
6 BE ENTITLED TO COMPENSATION FOR
7 MISREPRESENTATION, SUBSTANDARD OR DEFECTIVE
8 GOODS OR UNSATISFACTORY SERVICES;

9 E) RIGHT TO CONSUMER EDUCATION - THE
10 CONSUMER SHALL BE ENTITLED TO ACQUIRE THE
11 KNOWLEDGE AND SKILLS NECESSARY TO MAKE AN
12 INFORMED CHOICE;

13 F) RIGHT TO SAFETY - THE CONSUMER SHALL BE
14 ENTITLED TO PROTECTION AGAINST THE MARKETING OF
15 GOODS OR PROVISION OF SERVICES THAT ARE
16 HAZARDOUS TO HEALTH AND LIFE;

17 G) RIGHT TO A HEALTHY ENVIRONMENT - THE
18 CONSUMER SHALL BE ENTITLED TO LIVE AND WORK IN
19 AN ENVIRONMENT WHICH IS NEITHER THREATENING NOR
20 DANGEROUS AND WHICH PERMITS A LIFE OF DIGNITY
21 AND WELL-BEING; AND

22 H) RIGHT TO INFORMATION - THE CONSUMER
23 SHALL BE ENTITLED TO PROTECTION AGAINST
24 DISHONEST OR MISLEADING ADVERTISING OR LABELING

1 AND SHOULD BE PROVIDED WITH THE FACTS AND
2 INFORMATION NEEDED TO MAKE AN INFORMED CHOICE.

4 ART. 2-B. CONSUMER RESPONSIBILITIES. - IN
5 CONNECTION WITH THE BASIC RIGHTS STATED IN THE
6 PRECEDING SECTION, THE CONSUMER SHALL EXERCISE
7 THE FOLLOWING RESPONSIBILITIES:

8 A) CRITICAL AWARENESS - THE CONSUMER
9 SHALL BE MORE ALERT AND INQUIRING ABOUT THE USE
10 OF, THE PRICE AND QUALITY OF GOODS AND SERVICES;

11 B) ACTION - THE CONSUMER SHALL ASSERT AND
12 ACT TO ENSURE THAT CONSUMERS WILL ALWAYS GET A
13 FAIR DEAL TAKING INTO CONSIDERATION THAT AS LONG
14 AS A CONSUMER REMAINS PASSIVE, CONSUMERS WILL
15 CONTINUE TO BE EXPLOITED;

16 C) SOCIAL CONCERN - THE CONSUMER SHALL BE
17 MORE AWARE OF THE IMPACT OF ONE'S CONSUMPTION
18 ON OTHER CITIZENS, ESPECIALLY DISADVANTAGED OR
19 POWERLESS GROUPS, WHETHER IN THE LOCAL,
20 NATIONAL, OR INTERNATIONAL COMMUNITY;

21 D) ENVIRONMENTAL AWARENESS - THE
22 CONSUMER SHALL UNDERSTAND THE ENVIRONMENTAL
23 CONSEQUENCES OF ONE'S CONSUMPTION. THE
24 CONSUMER SHOULD RECOGNIZE INDIVIDUAL AND SOCIAL
25 RESPONSIBILITY TO CONSERVE NATURAL RESOURCES

1 AND PROTECT THE EARTH FOR FUTURE GENERATIONS;

2 AND

3 E) SOLIDARITY - THE CONSUMER SHALL
4 ORGANIZE CONSUMERS TOGETHER TO DEVELOP THEIR
5 STRENGTH AND INFLUENCE THE PROMOTION AND
6 PROTECTION OF THEIR INTERESTS."

7
8 SEC. 4. Article 4 of the same Act is hereby amended to read as
9 follows:

10 "ART. 4. *Definition of Terms.* - For purposes of this Act, the
11 term:

12 a) xxx;

13 xxx xxx xxx

14 n) "Consumer" means a natural person who is a
15 purchaser, lessee, recipient or prospective purchaser, lessor or
16 recipient of consumer products, services, [or] credit,
17 **TECHNOLOGY, ADVERTISING OR PROMOTION, AND OTHER**
18 **ITEMS IN COMMERCE.**

19 xxx xxx xxx

20 q) "Consumer products and services" means goods,
21 services and credits, debts or obligations, which are primarily
22 for personal, family, household or agricultural purposes, which
23 shall include but not limited to food, drugs, cosmetics, [and]
24 devices, **PRODUCTS, MERCHANDISE, TECHNOLOGY AND**

1 **OTHER TRANSACTIONS OR MATTERS INTENDED TO BE**
2 **COVERED BY THIS ACT.**

3 xxx xxx xxx

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

10 **ANY SUBSTANCE OR PREPARATION INTENDED TO BE**
11 **PLACED IN CONTACT WITH THE VARIOUS EXTERNAL**
12 **PARTS OF THE HUMAN BODY OR WITH THE TEETH AND**
13 **THE MUCOUS MEMBRANES OF THE ORAL CAVITY WITH A**
14 **VIEW EXCLUSIVELY OR MAINLY FOR CLEANSING,**
15 **BEAUTIFYING, PROMOTING ATTRACTIVENESS, ALTERING**
16 **OR CHANGING THE APPEARANCE, OR PROTECTING THE**
17 **BODY OR KEEPING IT IN GOOD CONDITION.**

18 xxx xxx xxx

19 (v) "Credit card" means any card, plate, coupon book
20 or other credit **SINGLE** device existing for the purpose of **BEING**
21 **USED FROM TIME TO TIME UPON PRESENTATION TO**
22 obtain[ing] money, property, labor or services **OR ANYTHING**
23 **OF VALUE** on credit.

24 xxx xxx xxx

1 aj) "Guarantee" means an expressed or implied
2 assurance of the **REAL** quality, **COST, PRICE, AND**
3 **PROMOTION** of the consumer products and services offered for
4 sale or length of satisfactory use, **COSTS OR OTHER SIMILAR**
5 **MATTERS** to be expected from **SUCH CONSUMER** (a) products
6 [or other similar specified assurances] **SERVICES BASED ON**
7 **APPLICABLE AND ACTUAL DOCUMENTS IN ACCORDANCE**
8 **WITH THE LAW, MORALS, GOOD FAITH AND PUBLIC**
9 **POLICY.**

10 xxx

xxx

xxx

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

16 xxx

xxx

xxx

17 bm) "Sales Promotion" means techniques intended for
18 broad consumer participation which contain promises of gain
19 such as prizes, in cash or in kind, **OR AN OPPORTUNITY TO**
20 **WIN ANY PRIZES OR FREE SERVICES, OR GIFT, OR ANY**
21 **SIMILAR SCHEME,** as reward for **TRANSACTIONING FOR,**
22 **RECEIVING, OR PURCHASING** [the purchase of] a product,
23 security, service or winning in contest, game, tournament and
24 other similar competitions **OR CHALLENGES** which involve
25 determination of winner/s and which utilize mass media or

1 other widespread media of information such as **INFORMATION**
2 **AND COMMUNICATIONS TECHNOLOGY.** It also means
3 techniques purely intended to increase the sales, patronage
4 and/or goodwill of a product **OR SERVICE.**

5 xxx xxx xxx

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

15 xxx xxx xxx

16 br) "Standard" means a set of conditions to be fulfilled
17 to ensure the quality and safety of a product **AND SERVICE,**

18 xxx xxx xxx."

19 **SEC. 5.** Article 6 of the same Act is hereby amended to read as
20 follows:

21 "ART. 6. *Implementing Agencies.* - The provisions of this
22 Act and its implementing rules and regulations shall be
23 enforced by:

24 a) the Department of Health with respect to **PROCESSED**
25 food, drugs, cosmetics, devices and **HAZARDOUS** substances;

1 b) the Department of Agriculture with respect to products
2 related to agriculture **AND FISHERIES;**

3 c) **THE BANGKO SENTRAL NG PILIPINAS WITH RESPECT**
4 **TO CONSUMER CREDIT TRANSACTIONS; AND**

5 D) the Department of Trade and Industry with respect to
6 other consumer products not specified above.”

7
8
9 SEC. 6. Article 8 of the same Act is hereby amended to read as
10 follows:

11 *ART. 8. *Publication of Consumer Product Standards.* - The
12 concerned department shall, upon promulgation of the above
13 standards, publish or cause the publication of the same
14 **EITHER** in [two (2)] **A** newspaper[s] of general circulation [at
15 least once a week for a period of not less than one (1) month.] **IN**
16 **THE OFFICIAL GAZETTE, OR IN THE OFFICIAL WEB**
17 **PORTAL OF THE DEPARTMENT OR AGENCY.** It may likewise
18 conduct an information campaign through other means deemed
19 effective to ensure the proper guidance of consumers,
20 businesses, industries and other sectors concerned.”

21 SEC. 7. Article 10 of the same Act is hereby amended to read as
22 follows:

23 *ART. 10. *Injurious, Dangerous and Unsafe Products.* -
24 Whenever the departments find, by their own initiative or by
25 petition of a consumer, that a consumer product is found to be

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

15 The ban on the sale and distribution of a consumer
16 product adjudged injurious, unsafe or dangerous, or imminently
17 injurious, unsafe or dangerous under the preceding paragraph
18 shall stay in force until such time that its safety can be assured
19 or measures to ensure its safety have been established.”

20
21 SEC. 8. Article 11 of the same Act is hereby amended to read as
22 follows:

23 *“ART. 11. Amendment and Revocation of Declaration of the*
24 *Injurious, Unsafe or Dangerous Character of a Consumer Product*
25 - Any interested person may petition the appropriate

1 department to commence a proceeding for the issuance of an
2 amendment or revocation of a consumer product safety rule or
3 an order declaring a consumer product injurious, dangerous
4 and unsafe.

5 In case the department, upon petition by an interested
6 party or its own initiative and after due notice and hearing,
7 determines a consumer product to be substandard or materially
8 defective, it shall so notify the manufacturer, distributor or
9 seller thereof of such finding and order such manufacturer,
10 distributor or seller to **DO THE FOLLOWING WITHOUT
11 DELAY:**

12 a) give notice to the public of the defect or failure to
13 comply with the product safety standards; [and]

14 b) give notice to each distributor or seller of such product[.];

15 **AND**

16 **C) GIVE NOTICE, IN THE MOST PRACTICABLE
17 MEANS POSSIBLE, TO EVERY PERSON TO WHOM SUCH
18 CONSUMER PRODUCT WAS DELIVERED OR SOLD.**

19
20 The department shall also direct the manufacturer,
21 distributor or seller of such product to extend **WITHIN A
22 REASONABLE TIME** any or all of the following remedies to the
23 injured person:

1 a) to bring the product with a like or equivalent
2 product which complies with the applicable consumer product
3 standards which does not contain the defect;

4 b) to replace the product with a like or equivalent
5 product which complies with the applicable consumer product
6 standards which does not contain the defect;

7 c) to refund the purchase price of the product less a
8 reasonable allowance for use; and

9 d) to pay the consumer reasonable damages as may be
10 determined by the department.

11 The manufacturer, distributor or seller shall not charge a
12 consumer who avails himself of the remedy as provided above of
13 any expense and cost that may be incurred.”

14
15 SEC. 9. A new Article denominated as Article 14-A is hereby inserted
16 after Article 14 of the same Act, which shall read as follows:

17
18 **“ART. 14-A. PHYSICAL SAFETY. - APPROPRIATE**
19 **POLICIES SHOULD ENSURE THAT IF MANUFACTURERS OR**
20 **DISTRIBUTORS BECOME AWARE OF UNFORESEEN**
21 **HAZARDS AFTER PRODUCTS ARE PLACED ON THE**
22 **MARKET, THEY SHALL NOTIFY THE RELEVANT**
23 **AUTHORITIES AND, AS APPROPRIATE, THE PUBLIC**
24 **WITHOUT DELAY. THE GOVERNMENT SHOULD ALSO**
25 **CONSIDER WAYS TO ENSURE THAT CONSUMERS ARE**
26 **PROPERLY INFORMED OF SUCH HAZARDS.”**

1 SEC. 10. Article 15 of the same Act is hereby amended to read as
2 follows:

3 *ART. 15. *Imported Products.* - a) xxx

4 xxx

xxx

xxx

5 **G) WHEN THE MANUFACTURE, SALE OR USE OF A**
6 **CONSUMER PRODUCT IS PROHIBITED IN THE COUNTRY**
7 **OF ORIGIN OF SUCH PRODUCT, THE IMPORTATION, SALE**
8 **OR USE OF SUCH PRODUCT IN THE PHILIPPINES SHALL BE**
9 **PROHIBITED."**

10
11 SEC. 11. Article 16 of the same Act is hereby amended to read as
12 follows:

13 *ART. 16. *Consumer Products for Export.* - The preceding section
14 on safety does not apply to any consumer product if:

15 a) it can be shown that such product is manufactured,
16 sold or held for sale for export from the Philippines, or that such
17 product was imported for export, unless such consumer
18 product is in fact distributed in commerce for use in the
19 Philippines; [and]

20 b) such consumer product or the packaging thereof
21 bears a stamp or label stating that such consumer product is
22 intended for export and actually exported[.]; **AND**

23 **C) CONSUMER PRODUCTS INTENDED FOR EXPORT**
SHALL COMPLY WITH THE SAFETY STANDARDS

1 **ENFORCED BY THE IMPORTING COUNTRY, WHENEVER**
2 **APPLICABLE."**

3 SEC. 12. Article 19 of the same Act is hereby amended to read as
4 follows:
5

6 "ART. 19. Penalties. - a) Any person who shall violate any
7 provision of Article 18 shall, upon conviction, be subject to a
8 fine of not less than One **HUNDRED** thousand pesos
9 [(P1,000.00)] **(P100,000.00)** but not more than [Ten] **FIVE**
10 **HUNDRED** thousand pesos [(P10,000.00)] **(P500,000.00)** or
11 imprisonment of not less than [two (2) months] **THREE (3)**
12 **YEARS** but not more than [one (1) year] **SEVEN (7) YEARS**, or
13 both upon the discretion of the court. If the offender is an alien,
14 he shall be deported after service of sentence and payment of
15 fine without further deportation proceedings.
16

17 xxx xxx xxx."

18
19 SEC. 13. Article 41 of the same Act is hereby amended to read as
20 follows:

21 "ART. 41. Penalties. - a) Any person who violates any of
22 the provisions of Article 40 hereof shall, upon conviction, be
subject to imprisonment of not less than [one (1) year] **THREE**
23 **YEARS** but not more than [five (5)] **SEVEN (7)** years [and] **OR**
24 fine of not less than [Five] **ONE HUNDRED** thousand pesos
25 [(5,000.00)] **(P100,000.00)** but not more than [Ten] **FIVE**
26

1 **HUNDRED** thousand pesos [(10,000.00)] **(P500,000.00)**, or
2 both such imprisonment and fine, in the discretion of the Court.

3 xxx xxx xxx.*

4
5 SEC. 14. Article 47 of the same Act is hereby amended to read as
6 follows:

7 *ART. 47. Penalties, exception. - a) Any person who
8 violates any of the provisions of Article 46 shall, upon
9 conviction, be subject to a fine of not less than [One] **FIFTY**
10 thousand pesos [(P1,000.00)] **(P50,000.00)** or an imprisonment
11 of not less than [six (6) months] **THREE (3) YEARS** but not
12 more than [five (5)] **SEVEN (7)** years, or both, upon the
13 discretion of the court.

14 xxx xxx xxx.*

15
16 SEC. 15. Article 52 of the same Act is hereby amended to read as
17 follows:

18 *ART. 52. *Unfair or Unconscionable Sales Act or Practice*. -
19 An unfair or unconscionable sales act or practice by a seller or
20 supplier in connection with a consumer transaction violates this
21 Chapter whether it occurs before, during or after the consumer
22 transaction. An act or practice shall be deemed unfair or
23 unconscionable whenever the producer, manufacturer,
24 distributor, supplier or seller, by taking advantage of the
25 consumer's physical or mental infirmity, ignorance illiteracy,

1 lack of time or the general conditions of the environment or
2 surroundings, induces the consumer to enter into a sales or
3 lease transaction inimical to the interests of the producer,
4 manufacturer, distributor, supplier or seller.

5 In determining, whether an act or practice is unfair and
6 unconscionable, the following circumstances shall be
7 considered:

8 a) xxx;

9 xxx

xxx

xxx

10 c) that the transaction that the seller or supplier
11 induced the consumer to enter into was excessively one-sided in
12 favor of the seller or supplier **INCLUDING, BUT NOT LIMITED**
13 **TO, THE FOLLOWING CIRCUMSTANCES:**

14 1) **THE SELLER OR SUPPLIER IMPOSES UPON THE**
15 **CONSUMER TERMS AND CONDITIONS GROSSLY**
16 **DISADVANTAGEOUS TO THE LATTER WHO IS REDUCED TO**
17 **THE ALTERNATIVE OF ACCEPTING THE CONTRACT OR**
18 **LEAVING IT, COMPLETELY DEPRIVED OF THE**
19 **OPPORTUNITY TO BARGAIN ON EQUAL FOOTING; AND**

20 2) **THE SELLER OR SUPPLIER EMPLOYS AN**
21 **AGGRESSIVE MARKETING PRACTICE THAT SIGNIFICANTLY**
22 **CONSTRAINS OR IMPAIRS OR IS LIKELY TO**
23 **SIGNIFICANTLY CONSTRAIN OR IMPAIR THE CONSUMER'S**
24 **FREEDOM OF CHOICE OR CONDUCT WITH REGARD TO**
25 **THE PURCHASE OF A PRODUCT OR SERVICE THAT**

1 CAUSES THE CONSUMER OR IS LIKELY TO CAUSE THE
2 CONSUMER TO ENTER INTO A CONSUMER TRANSACTION
3 DIFFERENT FROM THE ONE THE CONSUMER WOULD HAVE
4 INTENDED, OR WOULD NOT HAVE DONE OTHERWISE.”

5
6 SEC. 16. Article 60 of the same Act is hereby amended to read as
7 follows:

8 “ART. 60. Penalties. - a) Any person who shall violate the
9 provisions of Title III, Chapter 1, shall upon conviction, be
10 subject to a fine of not less than [Five Hundred Pesos (P500.00)]
11 **TWENTY THOUSAND PESOS (P20,000.00)** but not more than
12 [Ten] **FIFTY** Thousand Pesos [(P10,000.00)] **(P50,000.00)** or
13 imprisonment of not less than five (5) months but not more
14 than one (1) year or both, upon the discretion of the court.

15 xxx xxx xxx.”

16
17 SEC. 17. Article 62 of the same Act is hereby amended to read as
18 follows:

19 “ART. 62. *Sealing and Testing of Instruments of Weights*
20 *and Measure.* - All instruments for determining weights and
21 measures in all consumer and consumer related transactions
22 shall be tested, calibrated and sealed every six (6) months by
23 the official scaler who shall be the Provincial or City or
24 Municipal Treasurer or his authorized representative upon
25 payment of fees required under existing law: *Provided*, That all

1 instruments of weights and measures shall continuously be
2 inspected for compliance with the provisions of this Chapter.

3 **THE SAFEKEEPING AND MAINTENANCE OF**
4 **INSTRUMENTS FOR DETERMINING WEIGHTS AND**
5 **MEASURES SHALL BE UNDER THE CONTROL AND**
6 **SUPERVISION OF THE MARKET SUPERVISOR WHO SHALL**
7 **LIKELIKE BE IN CHARGE OF KEEPING A RECORD OF**
8 **EVERY PRODUCT FOUND TO BE WANTING IN QUANTITY OR**
9 **SUBSTANDARD IN DIMENSION AS WELL AS THE**
10 **CIRCUMSTANCES SURROUNDING THE SALE THEREOF**
11 **INCLUDING, BUT NOT LIMITED TO, THE NAME OF THE**
12 **BUYER, THE PRICE PAID, AND THE NAME OF THE**
13 **ESTABLISHMENT WHERE THE SAME WAS BOUGHT**
14 **INCLUDING THE NAME OF THE PROPRIETOR OR MANAGER**
15 **THEREOF. A CERTIFICATION DULY ISSUED BY THE**
16 **MARKET SUPERVISION OR AN AUTHORIZED**
17 **REPRESENTATIVE REFLECTING THE CONTENTS OF SUCH**
18 **RECORD SHALL BE *PRIMA FACIE* EVIDENCE OF VIOLATION**
19 **OF THE PROHIBITED ACTS AS PROVIDED HEREIN."**

20 SEC. 18. Article 65 of the same Act is hereby amended to read as
21 follows:

22 "ART. 65. Penalties. - a) Any person who shall violate the
23 provisions of paragraphs (a) to (f) and paragraph (1) of Article 64
24 or its implementing rules and regulations shall, upon
25

1 conviction, be subject to a fine of not less than [Two hundred
2 pesos (P200.00)] **FIVE THOUSAND PESOS (P5,000.00)** but not
3 more than [One] **TWENTY-FIVE** thousand pesos [(P1,000.00)]
4 **(P25,000.00)** or by imprisonment of not more than one (1) year,
5 or both, upon the discretion of the court.

6 b) Any person who shall violate the provisions of
7 paragraph (g) of Article 64 for the first time shall be subject to a
8 fine of not less than [Five hundred pesos (P500.00)] **TEN**
9 **THOUSAND PESOS (P10,000.00)** or by imprisonment of not
10 less than [one (1) month] **SIX MONTHS** but not more than [five
11 (5)] **SIX (6)** years, or both, upon the discretion of the court.

12 c) The owner-possessor or user of instrument of weights
13 and measure enumerated in paragraphs (h) to (k) of Article 64
14 shall, upon conviction, be subject to a fine of not less than
15 [Three hundred pesos (P300.00)] **TEN THOUSAND PESOS** or
16 imprisonment not exceeding one (1) year, or both, upon the
17 discretion of the court."

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19 SEC. 19. Article 68 of the same Act is hereby amended to read as
20 follows:

21 "ART. 68. *Additional Provisions on Warranties.* – In
22 addition to the Civil Code provisions on sale with warranties,
23 the following provisions shall govern the sale of consumer
24 products with warranty:

25 a) xxx;

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f) *Breach of warranties.* - 1) In case of breach of express warranty, the consumer may elect to have the goods repaired or its purchase price refunded by the warrantor. In case the repair of the product in whole or in part is elected, the warranty work must be made to conform to the express warranty within thirty (30) days by either the warrantor or his representative. The thirty-day period, however, may be extended by conditions, which are beyond the control of the warrantor or his representative. In case the refund of the purchase price is elected, the amount directly attributable to the use of the consumer prior to the discovery of the non-conformity shall be deducted.

2) In case of breach of implied warranty, the consumer may retain in the goods and recover damages, or reject the goods, cancel [and] **THE** contract and recover from the seller so much of the purchase price as has been paid, including damages.

3) MANUFACTURERS OR DISTRIBUTORS MUST MAINTAIN A SERVICE CENTER THAT CONSUMERS CAN EASILY REACH FOR COMPLAINTS AND INQUIRIES BY PHONE, EMAIL, OR OTHER EFFECTIVE MEANS. CONSUMERS MUST NOT BE MADE TO SUFFER GREAT INCONVENIENCES IN CONTACTING MANUFACTURERS TO CLAIM WARRANTIES AND OTHER NEEDED SERVICES."

SEC. 20. Article 73 of the same Act is hereby amended to read as follows:

"ART. 73. Penalties. - a) Any person who shall violate the provisions of Article 67 shall be subject to fine of not less than [Five hundred pesos (P500.00)] **TEN THOUSAND PESOS (P10,000.00)** but not more than [Five] **FIFTY** thousand pesos [(P5,000.00)] **(P50,000.00)** or an imprisonment of not less than [three (3)] **SIX (6)** months but not more than [two (2)] **SIX (6)** years, or both, upon the discretion of the court.

The imposition of any of the penalties herein provided is without prejudice to any liability incurred under the warranty or guarantee.*

SEC. 21. Article 79 of the same Act is hereby amended to read as follows:

"ART. 79. *Authority of the Concerned Department to Provide for Additional Labeling and Packaging Requirements.* - Whenever the concerned department determines that regulations covering requirements other than those prescribed in Article 77 hereof are necessary to prevent the deception of the consumer or to facilitate value comparisons as to any consumer product, it may issue such rules and regulations to:

.xxx .xxx .xxx;

For purposes of paragraph (c) of this Article, a package shall be deemed to be non-functionally slack-filled if it is filled