

1 to substantially less than its capacity for reasons other than (1)
2 protection of the contents of such package, (2) the requirements
3 of machines used for enclosing the contents in such package, or
4 (3) inherent characteristics of package materials or construction
5 being used.

6 **THE CONCERNED DEPARTMENT MAY LIKEWISE**
7 **ISSUE SUCH OTHER REQUIREMENTS AS MAY BE**
8 **PRESCRIBED BY REGULATIONS TO ENSURE THE SAFETY,**
9 **EFFICACY AND QUALITY OF HEALTH PRODUCTS."**

10
11 SEC.22. Article 81 of the same Act is hereby amended to read as
12 follows:

13 "ART.81. *Price tag Requirement.* - It shall be unlawful to
14 offer any consumer product **OR SERVICE** for retail sale to the
15 public without an appropriate price tag, label, or marking, **OR**
16 **WITH MORE THAN ONE PRICE, OR DIFFERENT PRICE**
17 **TAGS, LABELS, OR MARKINGS** publicly displayed to indicate
18 the price of each article and said products shall not be sold at a
19 price higher than that stated therein and without discrimination
20 to all buyers: *Provided,* That **IT SHALL BE UNLAWFUL FOR**
21 **ANY RETAILER TO CHARGE THE CUSTOMER MORE THAN**
22 **THE ACTUAL CASH RETAIL PRICE OF THE GOODS OR**
23 **SERVICES PURCHASED WHEN SUCH PURCHASE IS DONE**
24 **WITH THE USE OF CREDIT CARD AND TO LIMIT BARGAIN**
25 **SALE ITEMS AND SERVICES TO CASH PURCHASES:**

1 **PROVIDED, FURTHER, THAT** lumber sold, displayed or offered
2 for sale to the public shall be tagged or labeled by indicating
3 thereon the price and the corresponding official name of the
4 wood: *Provided, [further,]* **FINALLY,** That if consumer products
5 for sale are too small or the nature of which makes it
6 impractical to place a price tag thereon price list placed at the
7 nearest point where the products are displayed indicating the
8 retail price of the same may suffice.”
9

10 SEC. 23. The following new articles are hereby inserted after Article 9-1
11 of the same Act, which shall read as follows:

12 **“ART. 94-A. ENGLISH OR FILIPINO TRANSLATION OF**
13 **PRODUCT LABELS. - CONSUMER PRODUCTS WITH**
14 **PRODUCT LABELS WRITTEN IN FOREIGN CHARACTERS OR**
15 **LANGUAGE SHALL BE ALLOWED ENTRY INTO THE**
16 **COUNTRY AND INTRODUCED INTO COMMERCE ONLY IF**
17 **THE CONSUMER PRODUCTS HAVE A CORRESPONDING**
18 **ENGLISH OR FILIPINO TRANSLATION TO ENABLE THE**
19 **APPROPRIATE AUTHORITIES TO DETERMINE WHETHER**
20 **THE PRODUCT HAS COMPLIED WITH ALL THE OTHER**
21 **LABELING REQUIREMENTS AS WELL AS PROVIDE THE**
22 **CONSUMERS PROPER GUIDANCE ON THE CONTENTS AND**
23 **SOURCE OR ORIGIN OF THE PRODUCT.”**
24

1 **ART. 94-B. OFFICIAL SOURCES OF INFORMATION FOR**
2 **IMPORTED CONSUMER PRODUCTS. - IMPORT DATA FROM**
3 **THE BUREAU OF CUSTOMS AND BUREAU OF IMPORT**
4 **SERVICES SHALL BE RECOGNIZED AS OFFICIAL SOURCES**
5 **OF INFORMATION TO VALIDATE THE FOLLOWING**
6 **INFORMATION RELATIVE TO A PARTICULAR IMPORTED**
7 **CONSUMER PRODUCT:**

8 **A) COUNTRY OF MANUFACTURE OR ORIGIN;**

9 **B) NAME AND ADDRESS OF MANUFACTURER OR**
10 **EXPORTER;**

11 **C) NAME AND ADDRESS OF IMPORTER AND**
12 **CONSIGNEE;**

13 **D) VALUE AND VOLUME OF SHIPMENT;**

14 **E) DATE OF ARRIVAL; AND**

15 **F) OTHER INFORMATION RELEVANT TO THE**
16 **SHIPMENT IN QUESTION."**

17
18 SEC. 24. Article 95 of the same Act is hereby amended to read as
19 follows:

20 "ART. 95. Penalties. - a) Any person who shall violate the
21 provisions of Title III, Chapter IV of this Act, or its implementing
22 rules and regulations, except Articles 81 to 83 of the same
23 Chapter, shall be subject to a fine of not less than [Five hundred
24 pesos (P500.00)] **TEN THOUSAND PESOS (P10,000.00)** but not
25 more than [Twenty] **ONE HUNDRED** thousand pesos

1 ~~[[P20,000.00]]~~ **[P100,000.00]** or imprisonment of not less than
2 ~~[three (3)]~~ **SIX (6)** months but not more than ~~[two (2)]~~ **SIX (6)**
3 years, or both, at the discretion of the court: *Provided, That, if*
4 the consumer product is one which is not a food, cosmetic,
5 drug, device or hazardous substance, the penalty shall be a fine
6 of not less than ~~[Two hundred pesos (P200.00)]~~ **FIVE**
7 **THOUSAND PESOS (P5,000.00)** but not more than ~~[Five]~~
8 **FIFTY** thousand pesos ~~[[P5,000.00]]~~ **(P50,000.00)** or
9 imprisonment of not less than ~~[one (1) month]~~ **SIX (6) MONTHS**
10 but not more than ~~[one (1) year]~~ **THREE (3) YEARS**, or both, at
11 the discretion of the court.

12 b) Any person who violates the provisions of Article 81 to
13 83 for the first time shall be subject to a fine of not less than
14 ~~[Two hundred pesos (P200.00)]~~ **FIVE THOUSAND PESOS**
15 **(P5,000.00)** but not more than ~~[Five]~~ **FIFTY** thousand pesos
16 ~~[[P5,000.00]]~~ **(P50,000.00)** or by imprisonment of not less than
17 one (1) month but not more than six (6) months or both, at the
18 discretion of the court. A second conviction under this
19 paragraph shall also carry with it the penalty of revocation of
20 business permit and license."

21
22 SEC. 25. Article 103 of the same Act is hereby amended to read as
23 follows:

24 *ART. 103. *Repair Service Obligation.* - When services are
25 provided for the repair of any product, the supplier shall be

1 considered implicitly bound to use adequate, new, original
2 replacement parts, or those that maintain the manufacturer's
3 technical specifications unless, otherwise authorized, as regards
4 to the latter by the consumer.

5
6 **IN PROVIDING SERVICE OR REPAIR AS REQUIRED**
7 **UNDER THIS ARTICLE, THE MANUFACTURER MUST**
8 **INFORM THE CONSUMER WHICH PARTICULAR PARTS OF**
9 **THE GOODS ARE DAMAGED AND HAVE TO BE REPAIRED.**
10 **THE CONSUMER SHALL BE GIVEN THE OPTION TO**
11 **REPLACE ONLY THE DAMAGED PARTS IF POSSIBLE. THE**
12 **CONSUMER SHOULD NOT BE FORCED TO REPLACE OTHER**
13 **PARTS THAT ARE STILL IN GOOD CONDITION ON THE**
14 **GROUNDS THAT ALL THESE PARTS COME IN ONE SET."**

15
16 SEC. 26. Article 107 of the same Act is hereby amended to read as
17 follows:

18 "ART. 107. Penalties. - Any person who shall violate any
19 provision of this Chapter or its implementing rules and
20 regulations with respect to any consumer product, which is not
21 food, cosmetic, or hazardous substance shall upon conviction,
22 be subject to a fine of not less than [~~Five~~] **FIFTY** thousand
23 pesos [~~(P5,000.00)]~~ **(P50,000.00)** and by imprisonment of not
24 **LESS THAN SIX (6) MONTHS BUT NOT** more that [one (1)
25 year] **THREE (30 YEARS), OR** both, upon the discretion of the
court.

1 In case of juridical persons, the penalty shall be imposed
2 upon its president, manager or head. If the offender is an alien,
3 he shall, after payment of fine and service of sentence, be
4 deported without further deportation proceedings.”

5
6 SEC. 27. The following new articles are hereby inserted after Article
7 108 of the same Act, which shall read as follows:

8 **“ART. 108-A. ADVERTISEMENT; GENERAL**
9 **PRINCIPLES. – AN ADVERTISEMENT FOR A CONSUMER**
10 **PRODUCT OR A SERVICE MUST PROVIDE THE GENERAL**
11 **PUBLIC WITH RELEVANT AND TRUTHFUL INFORMATION**
12 **ON PRODUCTS AND SERVICES, THEREBY HELPING**
13 **CONSUMERS MAKE INFORMED CHOICES.**

14 **THE ADVERTISING INDUSTRY SHOULD CONTINUE TO**
15 **IMPROVE THE LEVELS AND STANDARDS OF**
16 **ADVERTISING.”**

17
18 **ART. 108-B. COVERAGE; EXCEPTIONS. – THE**
19 **PROVISIONS OF THESE CHAPTER ON ADVERTISING AND**
20 **SALES PROMOTIONS SHALL APPLY TO THE PHILIPPINE**
21 **ADVERTISING COMMUNITY WHICH INCLUDES**
22 **ADVERTISERS, ADVERTISING AGENCIES, MEDIA AND**
23 **ADVERTISING SUPPORT GROUPS BUT SHALL NOT APPLY**
24 **TO THE FOLLOWING:**

1 1) TO PUBLIC SERVICE AND EMERGENCY
2 ANNOUNCEMENTS OF UTILITY COMPANIES;

3 2) TO RELIGIOUS, POLITICAL AND PUBLIC ISSUE
4 ADVERTISEMENTS AND ANNOUNCEMENTS, EXCEPT
5 WHERE THESE INVOLVE OR SEEK TO PROMOTE
6 COMMERCIAL TRANSACTIONS; AND

7 3) TO STANDARD TRANSPORT ANNOUNCEMENTS,
8 CLASSIFIED ADVERTISEMENTS AND OBITUARIES."

9
10 ART. 108-C. PRESENTATION OF ADVERTISEMENTS. -

11 A) CLAIMS OF PRODUCTS AND SERVICE PROPERTIES OR
12 THEIR INTENDED USAGE SHOULD BE CLEARLY
13 PRESENTED AND SHOULD NOT MISLEAD OR BE LIKELY TO
14 MISLEAD THE PERSONS TO WHOM THEY ARE ADDRESSED
15 BY INACCURACY, AMBIGUITY, EXAGGERATION OR
16 OMISSION.

17 B) ANY TEST OR DEMONSTRATION MAY BE USED
18 ONLY IF IT DIRECTLY PROVES THE CLAIMED PRODUCT OR
19 SERVICE PROPERTY OR CHARACTERISTICS AND SHOULD
20 BE PRESENTED CLEARLY AND ACCURATELY.

21 C) CORPORATE ADVERTISING MUST BE FAIR,
22 TRUTHFUL AND ACCURATE; IT SHOULD NOT CONTAIN ANY
23 EXAGGERATIONS OR SWEEPING GENERALIZATIONS THAT
24 MAY MISLEAD THE PUBLIC REGARDING THE ADVERTISER
25 OR THE ATTRIBUTES OF ITS PRODUCTS OR SERVICES.

1 **WHERE THE ADVERTISEMENTS CONTAIN SPECIFIC**
2 **CLAIMS REGARDING THE COMPANY OR ITS PRODUCTS OR**
3 **SERVICES, SUCH CLAIMS MUST BE VERIFIABLE AND**
4 **SUBJECT TO SUBSTANTIATION IN THE SAME MANNER AS**
 REGULAR PRODUCT OR SERVICE ADVERTISEMENTS."

7 SEC. 28. Article 110 of the same Act is hereby amended to read as
8 follows:

9 **"ART. 110. *False, Deceptive or Misleading Advertisement.* -**
10 It shall be unlawful for any person to disseminate or to cause
11 the dissemination of any false, deceptive or misleading
12 advertisement by Philippine mail or in commerce by print, radio,
13 television, outdoor advertisement, **INTERNET, MOBILE**
14 **PHONE**, or other medium for the purpose of inducing or which
 is likely to induce directly or indirectly the purchase of
15 consumer products or services.

17 xxx xxx xxx."

18
19 SEC. 29. A new Article denominated as Article 115-A is inserted after
20 Article 115 of the same Act, which shall read as follows:

21 **"ART. 115-A. SPECIFIC CLAIMS. - ANY**
22 **ADVERTISEMENT WHICH MAKES A SPECIAL CLAIM SHALL**
23 **CONFORM TO THE FOLLOWING CONDITIONS:**

A) AN ADVERTISEMENT CONCERNING AN
2 **INGREDIENT OF A CONSUMER PRODUCT:**

1 1) SHOULD NOT CONTAIN ANY REFERENCE WHICH
2 COULD LEAD THE PUBLIC TO ASSUME THAT A
3 PRODUCT CONTAINS A SPECIFIC INGREDIENT
4 UNLESS THE INGREDIENT'S QUANTITIES AND
5 PROPERTIES AS WELL AS THE MATERIAL
6 BENEFIT THAT RESULTS FROM ITS INCLUSION
7 IN THE PRODUCT FORMULATION HAVE BEEN
8 TECHNICALLY SUBSTANTIATED; AND

9 2) SHOULD NOT IMPLY THAT A CERTAIN BENEFIT
10 IS DUE TO A SPECIFIC INGREDIENT UNLESS A
11 VERIFIABLE CAUSE AND EFFECT
12 RELATIONSHIP EXISTS.

13 B) AN ADVERTISEMENT USING THE RESULTS OF A
14 BONA FIDE RESEARCH, SURVEY, OR TEST RELATING TO A
15 PRODUCT SHOULD NOT BE PRESENTED INACCURATELY
16 OR IN A MISLEADING MANNER, NOR SHOULD IT CLAIM
17 ANY IMPLICATIONS BEYOND THAT CLEARLY ESTABLISHED
18 BY RESEARCH, SURVEY OR TEST.

19 C) AN ADVERTISEMENT, WHICH INCLUDES ANY
20 SCIENTIFIC CLAIMS:

21 1) MAY EMPLOY VISUAL REPRESENTATIONS OF
22 LABORATORY SETTINGS ONLY WHEN THE
23 RESEARCH WAS CONDUCTED IN THE
24 LABORATORY; AND

1 2) SHOULD BE SUPPORTED BY DOCUMENTED AND
2 AUTHORITATIVE EVIDENCE TO SUBSTANTIATE
3 REFERENCES TO TESTS BY PROFESSIONALS
4 OR INSTITUTIONS INCLUDING DOCTORS,
5 ENGINEERS, AND RESEARCH FOUNDATIONS
6 FOR SUCH TESTS AND THE CLAIMS BASED
7 THEREON.

8 D) AN ADVERTISEMENT WHICH UTILIZES THE
9 NUMBER ONE OR LEADERSHIP CLAIM, NO "NO. 1" CLAIM
10 WITH RESPECT TO ANY PRODUCT OR SERVICE SHALL BE
11 ALLOWED UNLESS IT IS CLEARLY DELINEATED AND
12 QUALIFIED AS TO RENDER THE CLAIM OBJECTIVELY
13 VERIFIABLE. THE CLAIM SHOULD, IN ANY CASE, BE
14 SUBSTANTIATED.

15 E) AN ADVERTISEMENT USING TESTIMONIAL CLAIMS:

16 1) SHOULD ONLY INCLUDE GENUINE AND
17 TRUTHFUL TESTIMONIAL CLAIMS RELATING
18 TO THE PRODUCT BEING ADVERTISED;

19 2) SHOULD ONLY PRESENT AS EXPERT AN
20 INDIVIDUAL WHO HAS DEMONSTRABLE
21 CREDENTIALS TO SUBSTANTIATE THE
22 CLAIMED EXPERTISE. THE ENDORSEMENT
23 MUST BE SUPPORTED BY AN ACTUAL
24 EXERCISE OF THE INDIVIDUAL'S EXPERTISE IN
25 EVALUATING THE PRODUCT OR SERVICE

1 FEATURES OR CHARACTERISTICS, SUCH
2 EVALUATION MUST BE RELEVANT AND
3 AVAILABLE TO AN ORDINARY CONSUMER'S USE
4 OF OR EXPERIENCE WITH THE PRODUCT.

5 3) SHOULD ONLY PRESENT AN ENDORSEMENT BY
6 AN ORGANIZATION WHOSE COLLECTIVE
7 EXPERIENCE OUTWEIGHS THAT OF AN
8 INDIVIDUAL MEMBER. THE ADVERTISER MUST
9 PROVIDE EVIDENCE THAT THE
10 ORGANIZATION'S ENDORSEMENT WAS
11 REACHED BY A PROCESS SUFFICIENT TO
12 ENSURE THAT IT REFLECTS THE COLLECTIVE
13 JUDGMENT OF THE ORGANIZATION. THE
14 ORGANIZATION MAY BE CONSIDERED
15 LEGITIMATE IF IT CAN PRESENT PROOF OF
16 HAVING BEEN IN OPERATION FOR AT LEAST
17 ONE YEAR."

18
19 SEC. 30. Article 116 of the same Act is hereby amended to read as
20 follows:

21 "ART. 116. *Permit to Conduct Promotion.* — No person
22 shall conduct any sales campaigns, including beauty contest,
23 national in character, sponsored and promoted by
24 **PRODUCERS, RETAILERS, SELLERS, DISTRIBUTORS,**
25 **SUPPLIERS, IMPORTERS, OR** manufacturing enterprises

1 without first securing a permit from the concerned department
2 [at least thirty (30) calendar days] prior to the commencement
3 thereof. Unless an objection or denial is received **WITHIN 5**
4 **(FIVE) DAYS** [fifteen (15) days] from filing of the **COMPLETE**
5 application, the same shall be deemed approved and the
6 promotion campaign or activity may be conducted: *Provided,*
7 That any sales promotion campaign using medical prescriptions
8 or any part thereof or attachment thereto for raffles or a promise
9 of reward shall not be allowed, nor a permit be issued thereof."
10

11 SEC. 31. The following new articles are hereby inserted after Article
12 116 of the same Act, which shall read as follows:

13 **"ART. 116-A. REGULATION OF ADVERTISING AND**
14 **SALES PROMOTION. - THE ADVERTISING AND SALES**
15 **PROMOTION OF CONSUMER PRODUCTS, SERVICES AND**
16 **CREDIT FACILITIES, WHICH INCLUDE SPONSORSHIPS OF**
17 **PROGRAMS, CONCERTS, GAMES, SHOWS AND SIMILAR**
18 **ACTIVITIES SHALL BE REGULATED BY THE DEPARTMENT**
19 **OF TRADE AND INDUSTRY.**

20 **ADVERTISING AND SALES PROMOTION OF FOOD,**
21 **DRUGS, DEVICES, COSMETICS AND HAZARDOUS**
22 **SUBSTANCES SHALL BE UNDER THE JURISDICTION OF**
23 **THE DEPARTMENT OF HEALTH WHILE THE ADVERTISING**
24 **AND SALES PROMOTION OF AGRICULTURAL PRODUCTS**

1 SHALL BE UNDER THE JURISDICTION OF THE
2 DEPARTMENT OF AGRICULTURE.

3
4 ART. 116-B. COVERAGE AND EXEMPTION OF THE
5 SALES PROMOTION OF CONSUMER PRODUCTS AND
6 SERVICES. - THE PROVISIONS ON SALES PROMOTIONS OF
7 CONSUMER PRODUCTS AND SERVICES SHALL APPLY TO
8 ALL PROMOTIONAL CAMPAIGNS AND ANNOUNCEMENTS
9 FOR CONSUMER PRODUCTS, SERVICES, CREDIT
10 FACILITIES, AS WELL AS BEAUTY CONTESTS, NATIONWIDE
11 IN CHARACTER.

12 THE PROVISIONS OF SALES PROMOTION OF
13 CONSUMER PRODUCTS AND SERVICES SHALL LIKEWISE
14 APPLY TO SIMILAR ACTIVITIES INCLUDING IN-STORE
15 PROMOTIONS, REDUCED PRICES, SPECIAL OFFERS,
16 PRODUCT DEMONSTRATION, PRODUCT SAMPLES,
17 REBATES, DISCOUNTS, PREMIUM-IN-PACK, AND EXPERT
18 ADVICE.

19 THE PROVISIONS OF SALES PROMOTION OF
20 CONSUMER PRODUCTS AND SERVICES SHALL NOT APPLY
21 TO THE FOLLOWING PROMOTIONAL CAMPAIGNS OR
22 ACTIVITIES:

23 A) GOVERNMENT OR ANY OF ITS AGENCIES OR
24 INSTRUMENTALITIES, WHEN THE SAME IS CONDUCTED IN
25 THE EXERCISE OF THEIR GOVERNMENTAL FUNCTIONS;

1 B) PRIVATE ENTITIES IN JOINT PROJECT/S WITH
2 ANY GOVERNMENT AGENCY UNDER THE PRECEDING
3 PARAGRAPH; AND

4 C) SOCIAL, CIVIC, POLITICAL, RELIGIOUS,
5 EDUCATIONAL, PROFESSIONAL AND OTHER SIMILAR
6 ORGANIZATIONS WHICH EXTEND PROMOTIONAL ACTIVITY
7 AMONG THEIR MEMBERS: PROVIDED, THAT THE
8 PROMOTIONAL ACTIVITY IS NOT CONSIDERED AS A SALES
9 PROMOTIONAL CAMPAIGN AS DEFINED UNDER THIS ACT.

10
11 ART. 116-C. APPLICATION FOR PERMIT. - A) THE
12 APPLICATION FOR PERMIT SHALL BE IN THE FORM
13 PRESCRIBED BY THE DEPARTMENT CONCERNED.

14 ANY PERSON WHOSE CONSUMER PRODUCTS,
15 SERVICES, CREDIT FACILITIES, BEAUTY CONTESTS,
16 COMPETITION, GAMES SHOWS AND THE LIKE ARE BEING
17 PROMOTED MAY FILE AN APPLICATION FOR THE
18 ISSUANCE OF A PERMIT TO CONDUCT PROMOTION.

19 THE ABOVE PERSON SHALL SIGN THE APPLICATION
20 INDIVIDUALLY OR JOINTLY WITH THE OTHERS OR SUBMIT
21 THEREWITH A TRUE COPY OF ANY WRITTEN AGREEMENT
22 BETWEEN OR AMONG THEM, REFLECTING THE DEGREE
23 OR EXTENT OF THEIR PARTICIPATION AND
24 RESPONSIBILITY IN THE CONDUCT OF THE PROMOTIONAL
25 ACTIVITY COVERED BY THIS ACT OR THE RULES. WHERE

1 NO LIMITATION AS TO THE EXTENT OF THE LIABILITY OR
2 RESPONSIBILITY IS INDICATED IN SUCH AGREEMENT, ALL
3 OF THEM SHALL BE JOINTLY AND SEVERALLY LIABLE AND
4 RESPONSIBLE THEREFOR.

5 B) *APPLICATION THROUGH AND BY AN AGENT -*
6 WHERE THE PROMOTIONAL CAMPAIGN OR ACTIVITY IS
7 APPLIED FOR AND IN BEHALF OF THE PERSONS
8 MENTIONED IN PARAGRAPH (A) HEREOF, THE AGENT
9 SHALL BE AUTHORIZED BY A SPECIAL POWER OF
10 ATTORNEY OR A BOARD RESOLUTION AS EVIDENCED BY
11 SECRETARY'S CERTIFICATE.

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ART. 116-D. *PROHIBITED ACTS IN THE CONDUCT OF*
SALES PROMOTION. - THE FOLLOWING ACTS ARE
PROHIBITED IN THE CONDUCT OF SALES PROMOTION
CAMPAIGN:

- A) GAMBLING AND WAGERING SCHEMES;
- B) USE OF MEDICAL PRESCRIPTIONS;
- D) TAMPERING WITH THE ENTRIES,
PARAPHERNALIA OR ELECTRONIC DEVICE IN A
PROMOTIONAL CAMPAIGN OR ACTIVITY;
- E) UNDULY INFLUENCING THE RESULTS OF A
PROMOTIONAL CAMPAIGN OR ACTIVITY; AND

1 F) PERFORMING ANY ACT TO THE PREJUDICE OF
2 THE LEGITIMATE PARTICIPANTS OR WINNERS IN A
3 PROMOTIONAL CAMPAIGN OR ACTIVITY.
4

5 ART. 116-E. VOLUNTARY CANCELLATION OF
6 PROMOTIONAL CAMPAIGN OR ACTIVITY. - VOLUNTARY
7 CANCELLATION OF APPROVED PROMOTIONAL CAMPAIGN
8 OR ACTIVITY SHALL BE ALLOWED SUBJECT TO THE
9 FOLLOWING CONDITIONS:

10 A) VOLUNTARY CANCELLATION BEFORE
11 PUBLICATION - A PERSON MAY VOLUNTARILY CANCEL OR
12 DISCONTINUE THE APPROVED PROMOTIONAL CAMPAIGN
13 OR ACTIVITY PROVIDED NO INFORMATION
14 DISSEMINATION AND ADVERTISING THEREON HAS BEEN
15 MADE AND THAT A WRITTEN NOTICE BE SUBMITTED TO
16 THE DEPARTMENT PRIOR TO SUCH VOLUNTARY
17 CANCELLATION.

18 B) VOLUNTARY CANCELLATION AFTER PUBLICATION
19 - IF ANY ANNOUNCEMENT, INFORMATION DISSEMINATION
20 OR ADVERTISING OF THE PROMOTIONAL CAMPAIGN OR
21 ACTIVITY HAS ALREADY BEEN MADE, BUT THE
22 PROMOTION PERIOD HAS NOT YET COMMENCED, THE
23 DISCONTINUANCE OR CANCELLATION OF THE PROMOTION
24 MAY BE MADE ONLY UPON PRIOR WRITTEN NOTICE TO
25 THE DEPARTMENT NOT LATER THAN FIVE (5) DAYS

1 BEFORE THE COMMENCEMENT OF THE ORIGINAL
2 INTENDED DATE OF PROMOTION.

3 THE SPONSOR SHALL HONOR THE PROMOTIONAL
4 COMMITMENTS SHOULD IT FAIL TO COMPLY WITH THE
5 REQUIRED PERIOD.

6 C) VOLUNTARY CANCELLATION OF ONGOING
7 PROMOTION - VOLUNTARY CANCELLATION OR
8 DISCONTINUANCE OR SUSPENSION OF ANY ONGOING
9 PROMOTIONAL CAMPAIGNS OR ACTIVITIES SHALL NOT BE
10 ALLOWED EXCEPT UPON PRIOR WRITTEN APPROVAL BY
11 THE DEPARTMENT WHICH SHALL BE BASED ON ANY OF
12 THE FOLLOWING GROUNDS:

13 1) A FINAL JUDGMENT OF VOLUNTARY INSOLVENCY
14 OR BANKRUPTCY AGAINST THE APPLICANT;

15 2) OCCURRENCE OF ANY FORTUITOUS EVENT OR
16 FORCE MAJEURE THAT WILL MAKE IT IMPOSSIBLE TO
17 CONTINUE THE PROMOTIONAL CAMPAIGN OR ACTIVITY:
18 PROVIDED, THAT THOSE WHO HAD ALREADY WON IN THE
19 PROMOTION BEFORE THE APPROVAL OF THE
20 CANCELLATION OR DISCONTINUANCE OR SUSPENSION
21 SHALL BE PAID OR GIVEN THEIR PRIZES.

22
23 ART. 116-F. *RULES ON MECHANICS*. - ALL COVERED
24 PROMOTIONAL CAMPAIGNS OR ACTIVITIES SHALL ABIDE
25 BY OR COMPLY WITH THE RULES ON THE MECHANICS OF

1 THE PROMOTION SET FORTH IN THE IMPLEMENTING
2 RULES AND REGULATIONS OF THE AGENCY CONCERNED.

3
4
5 **ART. 116-G. MODE OF SELECTION OF PROSPECTIVE**
6 **PARTICIPANTS/ENTIRES. - PROSPECTIVE PARTICIPANTS**
7 **OR ENTRIES SHALL BE SELECTED IN A FAIR, HONEST AND**
8 **TRANSPARENT MANNER. THERE MUST BE PROOF OF**
9 **NOTICE OF SELECTION AND SUCH OTHER RELEVANT**
10 **INFORMATION TO THE SELECTED PARTICIPANTS IN A**
11 **MANNER EXPRESSLY PROVIDED FOR IN THE MECHANICS.**

12 **DRAW DATE OR DATES FOR THE SELECTION OF**
13 **PARTICIPANTS OR WINNERS TO A PROMOTION CAMPAIGN**
14 **OR ACTIVITY SHALL NOT BE MORE THAN FOURTEEN (14)**
15 **DAYS AFTER THE DEADLINE OF THE SUBMISSION OF**
16 **ENTIRES.**

17 **DETERMINATION OF WINNERS MAY BE THOROUGH**
18 **THE USE OF ANY TECHNIQUE NOT CONTRARY TO LAW,**
19 **MORALS AND PUBLIC POLICY WHICH SHALL BE**
20 **CONDUCTED IN A FAIR, HONEST AND TRANSPARENT**
21 **MANNER."**

22 SEC. 32. Article 123 of the same Act is hereby amended to read as
23 follows:

24 "ART. 123. Penalties. - a) Any person, association,
25 partnership or corporation who shall violate any of the

provisions of Articles 110 to 115 shall, upon conviction, be subject to a fine of not less than [Five Hundred Pesos (P500.00)] **TEN THOUSAND PESOS (P10,000.00)** but not more than [Five **ONE HUNDRED** thousand pesos [(P5,000.00)] **(P100,000.00)** or an imprisonment of not less than [one (1) month] **THREE MONTHS** but not more than [six (6) months] **THREE (3) YEARS, OR** both, upon the discretion of the court.

b) Any violation of the provisions of Articles 116 to 121 shall upon conviction, subject the offenders to a fine of not less than [Two hundred pesos (P200.00)] **FIVE THOUSAND PESOS (P5,000.00)** but not more than [Six hundred pesos (P600.00)] **FIFTY THOUSAND PESOS (P50,000.00)** or [an] imprisonment of not less than [one (1) month] **THREE (3) MONTHS** but not more than [six (6) months] **THREE (3) YEARS**, or both, upon the discretion of the court. If the violation was committed by a juridical person, the manager, representative, director, agent or employee of said juridical person responsible for the act shall be deported after service of sentence and payment of the fine without need for further deportation proceedings."

SEC. 33. A new Article denominated as Article 131-A is hereby inserted after Article 131 of the same Act, which shall read as follows:

"ART. 131-A. LIMITATION IN THE AUTHORITY OF BANGKO SENTRAL NG PILIPINAS. - THE BANGKO SENTRAL NG PILIPINAS SHALL STRICTLY ENFORCE THE

1 **PROVISIONS OF THIS CHAPTER AND ITS IMPLEMENTING**
2 **RULES AND REGULATIONS EXCEPT THOSE WHICH FALLS**
3 **WITHIN THE JURISDICTION OF THE SECURITIES AND**
4 **EXCHANGE COMMISSION."**

5
6 SEC. 34. Article 147 of the same Act is hereby amended to read as
7 follows:

8 "ART. 147. Penalties. - Any creditor who in connection
9 with any credit transaction fails to disclose to any person any
10 information in violation of this Chapter or the implementing
11 rules and regulations issued thereunder shall be liable to such
12 person in the amount of [One] **TWENTY** thousand pesos
13 [(P1,000.00)] **(P20,000.00)** or in amount equal to twice the
14 finance charge required by such creditor in connection with
15 such transaction, whichever is greater, except that such liability
16 shall not exceed [Three] **ONE HUNDRED** thousand pesos
17 [(P3,000.00)] **(P100,000.00)** for any credit transaction and
18 actual damages with the non-disclosure of the required
19 information. Action to recover such penalty may be brought by
20 such person within one (1) year from the date of the occurrence
21 of the violation in any court of competent jurisdiction."

1 SEC. 35. Article 149 of the same Act is hereby amended to read as
2 follows:

3 *ART 149. *Composition.* The Council shall be composed of
4 representatives from the following government agencies and
5 non-government agencies:

- 6 a) Department of Trade and Industry;
- 7 b) Department of Education[, Culture and Sports];
- 8 c) Department of Health;
- 9 d) Department of Agriculture;
- 10 e) **DEPARTMENT OF ENERGY;**
- 11 f) **BANGKO SENTRAL NG PILIPINAS;**

12 G) four (4) representatives from the consumer
13 organizations of nationwide base to be chosen by the President
14 among the nominees submitted by the various consumer groups
15 in the Philippines; **AND**

16 H) two (2) representatives from the business
17 industry/sector to be chosen by the President from among the
18 nominees submitted by the various business organizations.”

19
20 SEC. 36. Article 151 of the same Act is hereby amended to read as
21 follows:

22 *ART. 151. *Per Diems of Members.* — The members of the
23 Council shall [be entitled to an allowance of five hundred pesos
24 (P500.00) per] **RECEIVE PER DIEMS FOR EVERY** meeting
25 actually attended [but not more two thousand pesos (P2,000.00)

1 a month] **AT RATES ALLOWED UNDER EXISTING RULES**
2 **AND REGULATIONS."**

3
4 SEC. 37. Article 152 of the same Act is hereby amended to read as
5 follows:

6 "ART. 152. **The EXECUTIVE DIRECTOR AND THE**
7 *Secretariat.* — The Council shall appoint an Executive Director
8 who shall assist [the Chairman] and act as Secretary of the
9 Council. The **COUNCIL** [Department of Trade and Industry]
10 shall [provide] **APPOINT** the [Secretariat] **STAFF** which shall
11 assist the [Council] **EXECUTIVE DIRECTOR** in the [effective]
12 performance of [its functions] **DUTIES AND**
13 **RESPONSIBILITIES SUBJECT TO BUDGETARY,**
14 **COMPENSATION AND CIVIL SERVICE RULES AND**
15 **REGULATIONS."**

16
17 SEC. 38. Article 156 of the same Act is hereby amended to read as
18 follows:

19 "ART 156. *Consumer Participation.* — The Department shall
20 establish procedures for **RECOGNITION OF THE** meaningful
21 participation by consumers or consumer organizations in the
22 development and review of department rules, policies, and
23 programs. Such procedures shall include provisions for a
24 forum, where consumers can express their concerns and
25 recommendations to decision-makers. The departments shall

1 exert efforts to inform consumers of pending proceedings where
2 their participation is important."

3
4 SEC. 39. Article 164 of the same Act is hereby amended to read as
5 follows:

6 "ART. 164. Sanctions. - After investigation, any of the
7 following administrative penalties may be imposed even if not
8 prayed for in the complaint:

9 a) ~~XXX~~

10 ~~XXX XXX XXX~~

11 e) **AUTOMATIC CANCELLATION OF A BUSINESS NAME;**

12 f) the imposition of administrative fines in such
13 amount as deemed reasonable by the Secretary, which shall in
14 no case be less than [Five hundred pesos (P500.00)] **FIFTY**
15 **THOUSAND PESOS (P50,000.00)** nor more than [Three
16 hundred thousand pesos (P300,000.00)] **ONE MILLION PESOS**
17 **(P1,000,000.00)** depending on the gravity of the offense, and an
18 additional fine of [not more than One thousand pesos
19 (P1,000.00)] **NOT LESS THAN ONE THOUSAND PESOS**
20 **(P1,000.00)** [or] **FOR** each day of continuing violation.

21
22 SEC. 40. A new article denominated as Article 164-A is hereby
23 inserted after Article 164 of the same Act, which shall read as follows:

24 "ART. 164-A. **USE OF ADMINISTRATIVE FINES**
25 **IMPOSED BY THE CONCERNED DEPARTMENT. - THE**

1 **SECRETARY OF THE DEPARTMENT CONCERNED SHALL BE**
2 **AUTHORIZED TO RETAIN, WITHOUT NEED OF A SEPARATE**
3 **APPROVAL FROM ANY GOVERNMENT AGENCY, AND**
4 **SUBJECT ONLY TO EXISTING ACCOUNTING AND AUDITING**
5 **RULES AND REGULATIONS, THE FEES, FINES, AND OTHER**
6 **CHARGES COLLECTED BY THE DEPARTMENT UNDER THIS**
7 **ACT AND OTHER LAWS FOR THE EFFICIENT, EFFECTIVE**
8 **AND EXPEDITIOUS IMPLEMENTATION AND ENFORCEMENT**
9 **OF THIS ACT FOR USE IN ITS OPERATION, INCLUDING,**
10 **BUT NOT LIMITED TO, THE UPGRADING OF ITS**
11 **FACILITIES, EQUIPMENT OUTLAY, HUMAN RESOURCE**
12 **DEVELOPMENT AND EXPANSION, ACQUISITION OF**
13 **APPROPRIATE OFFICE SPACE, AND OTHER PROJECTS,**
14 **AIMS, OR ACTIVITIES OF THE DEPARTMENT CONCERNED**
15 **NECESSARY TO IMPROVE AND STRENGTHEN THE**
16 **DELIVERY OF ITS SERVICES TO THE PUBLIC. THIS**
17 **AMOUNT, WHICH SHALL BE IN ADDITION TO THE**
18 **DEPARTMENT'S ANNUAL BUDGET, SHALL BE DEPOSITED**
19 **AND MAINTAINED IN A SEPARATE ACCOUNT OR FUND,**
20 **WHICH MAY BE USED OR DISBURSED DIRECTLY BY THE**
21 **SECRETARY OF THE CONCERNED DEPARTMENT."**

22
23 SEC. 41. Article 169 of the same Act is hereby amended to read as
24 follows:

1 *ART. 169 *Prescription.* — All actions or claims accruing
2 under the provisions of this Act and the rules and regulations
3 issued pursuant thereto shall prescribe within [two (2)] **THREE**
4 **(3)** years from the time the consumer transaction was
5 consummated or the deceptive or unfair and unconscionable act
6 or practice was committed and in case of hidden defects, from
7 discovery thereof.”

8
9 SEC. 42. Article 171 of the same Act is hereby amended to read as
10 follows:

11 *ART. 171. *Appropriations.* — For the initial operating
12 expenses of the National Consumer Affairs Council, the sum of
13 Two million pesos (P2,000,000.00) is hereby appropriated out of
14 funds of the National Treasury not otherwise appropriated.
15 Thereafter, such sums as may be necessary to carry out the [its]
16 purposes **AND FUNCTIONS OF THE COUNCIL** shall be
17 included in the General Appropriations Act.”

18
19 SEC. 43. *Separability Clause.* — If any part or provision of this
20 Act is declared unconstitutional or invalid, the remaining parts or
21 provisions not affected shall remain in full force and effect.

22
23 SEC. 44. *Repealing Clause.* — All laws, decrees, executive order, rules
24 and regulations and other issuances inconsistent with this Act is hereby
25 repealed, amended or modified accordingly.

1 SEC. 45. *Effectivity.* - This Act shall take effect fifteen (15) days after
2 its publication in the *Official Gazette* or in at least two (2) newspapers of
3 general circulation.

4 Approved,

5