

NINETEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
First Regular Session]

'22 AUG -1 AIO 31

SENATE

RECEIVED BY: 

S.B. No. 942

Introduced by SEN. WIN GATCHALIAN

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

EXPLANATORY NOTE

An effective consumer protection legislation is important in addressing the imbalances that consumers face in economic terms, educational levels, and bargaining power. Governments should develop, strengthen, or maintain a strong consumer protection policy in accordance with the economic and social circumstances of the country, and the needs of its population, and the costs and benefits of proposed measures.

Thus, this bill seeks to amend Republic Act No. 7394 or the Consumer Act of the Philippines to include the following principles, among others:

1. Eight (8) Consumer Bill of Rights;
2. Five (5) Consumer Responsibilities;
3. Required English or Filipino translation of product labels in foreign languages;
4. Expansion of regulation on advertising and promotion to include those for consumer products, services and credit facilities;

5. Protection from aggressive marketing promotions that significantly impair the average consumer's freedom of choice on purchase of a product or service;
6. Authority to close down any establishment caught *in flagrante delicto* selling substandard and hazardous products; and
7. Increased penalties on the violations of the provisions of the law.

In sum, these amendments intends to enhance consumer protection and promote ethical standards in trade practices which will consequently improve market outcomes for the entire economy.

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

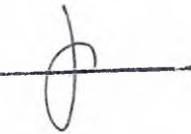


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*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

1 Section 1. *Short Title.* — This Act shall be known as "The Enhanced Consumer
2 Act".

3
4 Sec. 2. Republic Act (R.A.) No. 7394, otherwise known as the "Consumer Act
5 of the Philippines" is hereby amended by inserting a new Article 3 under Title I General
6 Provisions, to read as follows:

7 **"ART. 3. THE EIGHT (8) CONSUMER BILL OF RIGHTS. — THE**
8 **GOVERNMENT, IN MAINTAINING AND STRENGTHENING THE**
9 **PROMOTION OF CONSUMER INTEREST AND WELFARE IN RELATION**
10 **TO THE BUSINESS AND INDUSTRY PRACTICE AS WELL AS THE**
11 **PRODUCTION AND DISTRIBUTION OF CONSUMER PRODUCTS, SHALL**
12 **ADOPT MEASURES AND FORMULATE POLICIES TAKING INTO**

1 **ACCOUNT THE EIGHT (8) BASIC CONSUMER RIGHTS. THE**
2 **CONSUMERS SHALL BE ENTITLED TO:**

3 **A) RIGHT TO BASIC NEEDS - THE GUARANTEED SURVIVAL AND,**
4 **THUS, BE PROVIDED WITH ADEQUATE FOOD, CLOTHING,**
5 **SHELTER, HEALTH CARE, EDUCATION AND SANITATION;**

6 **B) RIGHT TO CHOOSE - THE CHOICE OF PRODUCTS AT**
7 **COMPETITIVE PRICES WITH ASSURED SATISFACTORY**
8 **QUALITY IN ACCORDANCE WITH GOVERNMENT STANDARDS;**

9 **C) RIGHT TO REPRESENTATION - THE CONSIDERATION OF**
10 **CONSUMER INTERESTS IN THE FORMULATION AND**
11 **EXECUTION OF GOVERNMENT POLICIES;**

12 **D) RIGHT TO REDRESS - CLAIM COMMENSURATE**
13 **COMPENSATION FOR MISREPRESENTATION, SUBSTANDARD,**
14 **DEFECTIVE GOODS OR UNSATISFACTORY SERVICES;**

15 **E) RIGHT TO CONSUMER EDUCATION - ACQUISITION OF**
16 **KNOWLEDGE AND SKILLS NECESSARY TO MAKE AN INFORMED**
17 **CHOICE;**

18 **F) RIGHT TO SAFETY - THE PROTECTION AGAINST THE**
19 **MARKETING OF GOODS OR PROVISION OF SERVICES THAT ARE**
20 **HAZARDOUS TO HEALTH AND LIFE;**

21 **G) RIGHT TO A HEALTHY ENVIRONMENT - LIVE AND WORK IN**
22 **AN ENVIRONMENT WHICH PERMITS A LIFE OF DIGNITY AND**
23 **WELL-BEING AND WHICH IS NEITHER THREATENING NOR**
24 **DANGEROUS; AND**

25 **H) RIGHT TO INFORMATION - PROTECTION AGAINST**
26 **DISHONEST OR MISLEADING ADVERTISING OR LABELING AND**
27 **BE GIVEN THE PRODUCT FACTS AND INFORMATION NEEDED**
28 **TO MAKE AN INFORMED CHOICE."**

29

1 Sec. 3. R. A. No. 7394, is hereby amended by inserting a new Article 4 under
2 Title I General Provisions to read as follows:

3 **"ART. 4. *THE FIVE (5) CONSUMER RESPONSIBILITIES.* - IN**
4 **CONNECTION WITH THE ENTITLEMENT OF THE BASIC RIGHTS**
5 **STATED IN THE PRECEDING SECTION, THE CONSUMER SHALL**
6 **EXERCISE THE FOLLOWING RESPONSIBILITIES:**

7 **A) CRITICAL AWARENESS - BE MORE ALERT AND**
8 **QUESTIONING ABOUT THE USES, THE PRICE AND QUALITY OF**
9 **GOODS AND SERVICES PURCHASED;**

10 **B) CONSUMER ACTION - ASSERT AND ACT TO ENSURE THAT**
11 **HIS RIGHTS ARE PROTECTED AND THAT HE IS NOT EXPLOITED;**

12 **C) SOCIAL CONCERN - BE MORE AWARE OF THE IMPACT OF HIS**
13 **CONSUMPTION ON OTHER CITIZENS, ESPECIALLY THE**
14 **DISADVANTAGED OR POWERLESS GROUPS, WHETHER IN THE**
15 **LOCAL, NATIONAL, OR INTERNATIONAL COMMUNITY;**

16 **D) ENVIRONMENTAL AWARENESS – UNDERSTAND THE**
17 **ENVIRONMENTAL CONSEQUENCES OF HIS CONSUMPTION. HE**
18 **SHOULD RECOGNIZE INDIVIDUAL AND SOCIAL**
19 **RESPONSIBILITY TO CONSERVE NATURAL RESOURCES AND**
20 **PROTECT THE EARTH FOR FUTURE GENERATIONS; AND**

21 **E) SOLIDARITY - ORGANIZE CONSUMER GROUPS TO DEVELOP**
22 **THEIR STRENGTH AND INFLUENCE TO PROMOTE AND PROTECT**
23 **CONSUMER INTERESTS."**

24
25 Sec. 4. Article 4, Title I — General Provisions of R. A. No. 7394, is hereby
26 amended and renumbered to read as follows:

27 "Art. [4] **6.** Definition of Terms. — For purposes of this Act, the term:

28 "a) x x x

29 "x x x

1 "n) *Consumer* - shall refer to a natural person who is a purchaser, lessee,
2 recipient or prospective purchaser, lessor or recipient of consumer products,
3 services, credit, **TECHNOLOGY, ADVERTISING OR PROMOTION, AND**
4 **OTHER ITEMS OF COMMERCE.**

5 "x x x

6 "q) *Consumer products and services* - shall refer to goods, services and
7 credits, debts or obligations, **SERVICES** which are primarily for personal,
8 family, household or agricultural purposes, which shall include but not limited
9 to food, drugs, cosmetics, and devices, **PRODUCT, MERCHANDISE,**
10 **GOODS, CREDIT, TECHNOLOGY AND OTHER TRANSACTIONS OR**
11 **MATTERS INTENDED TO BE COVERED BY THIS ACT.**

12 "u) *Cosmetics* - shall refer to [~~(1) articles intended to be rubbed, poured,~~
13 ~~sprinkled, or sprayed on, introduced into or otherwise applied to the human~~
14 ~~body or any part thereof for cleansing, beautifying, promoting attractiveness,~~
15 ~~or altering the appearance, and (2) article intended for uses as a component~~
16 ~~of any such article except that such term shall not include soap.] **ANY**
17 **SUBSTANCE OR PREPARATION INTENDED TO BE APPLIED ON THE**
18 **VARIOUS EXTERNAL PARTS OF THE HUMAN BODY INCLUDING THE**
19 **TEETH AND THE MUCOUS MEMBRANES OF THE ORAL CAVITY FOR THE**
20 **PURPOSE EXCLUSIVELY OR MAINLY FOR CLEANING, PERFUMING,**
21 **CHANGING APPEARANCE, CORRECTING BODY ODORS, OR**
22 **MAINTAINING IN HEALTHY CONDITION."**~~

23 "x x x

24 "w) *Credit card* - shall refer to any card, plate, coupon book or other
25 credit **SINGLE** device existing for the purpose of **BEING USED FROM TIME**
26 **TO TIME UPON PRESENTATION TO** obtain[ing] money, property, labor or
27 services on credit.

28 "x x x

29 "aj) *Guarantee* - shall refer to an expressed or implied assurance of the
30 **REAL** quality, **PRICE, PROMOTION** of the consumer products and services

1 offered for sale or length of satisfactory use, **COSTS OR OTHER SIMILAR**
2 **CLAIMS** to be expected from **SUCH CONSUMER** productS or **SERVICES**
3 **BASED ON APPLICABLE AND ACTUAL DOCUMENTS IN ACCORDANCE**
4 **WITH THE LAW, MORALS, GOOD FAITH AND PUBLIC POLICY."**

5 "x x x

6 "bm) *Sales Promotion* - shall refer to techniques intended for broad
7 consumer participation which contain promises of gain such as prizes, in cash
8 or in kind, **OR AN OPPORTUNITY TO WIN ANY PRIZES OR FREE**
9 **SERVICES, OR GIFT, OR ANY SIMILAR SCHEME**, as reward for
10 **TRANSACTING FOR, RECEIVING, OR** purchasING [~~the purchase of~~] a
11 product, security, service or winning in contest, game, tournament and other
12 similar competitions **OR CHALLENGES** which involve determination of
13 winner/s and which utilize mass media or other widespread media of
14 information such as **INFORMATION AND COMMUNICATION**
15 **TECHNOLOGY**. It also means techniques purely intended to increase the
16 sales, patronage and/or goodwill of [~~a product~~], **TRANSACTION FOR,**
17 **PURCHASING, OR RECEIVING OF, CONSUMER PRODUCTS AND**
18 **SERVICES.**

19 "x x x

20 "bn) *Seller* - shall refer to a person engaged in the business of selling
21 consumer products **AND SERVICES** directly to consumers. It shall include a
22 supplier or distributor if (1) the seller is a subsidiary or affiliate of the supplier
23 or distributor; (2) the seller interchanges personnel or maintains common or
24 overlapping officers or directors with the supplier or distributor; or (3) the
25 supplier or distributor provides or exercises supervision, direction or control
26 over the selling practices of the seller.

27 "x x x

28 "br) *Standard* - shall refer to a set of conditions to be fulfilled to ensure
29 the quality and safety of a product **AND SERVICE;**

30 "x x x

1 Sec. 5. Article 6, Chapter I - Consumer Product Quality and Safety of R. A. No.
2 7394 is hereby amended to read as follows:

3 "Art. [6] **8. Implementing Agencies.** — The provisions of this Act and its
4 implementing rules and regulations shall be enforced by:

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

7 b) the Department of Agriculture with respect to products related
8 to agriculture **AND FISHERIES**; and

9 c) the Department of Trade and Industry with respect to other
10 consumer products not specified above."
11

12 SEC. 6. Article 8, Chapter I - Consumer Product Quality and Safety of R. A. No.
13 7394 is hereby amended to read as follows:

14 "Art. [8] **10. Publication of Consumer Product Standards.** — The
15 department concerned shall, upon promulgation of the above standards,
16 publish or cause the publication of the same **EITHER** in a newspaper of general
17 circulation, **OR** in the **OFFICIAL GAZETTE, AND IN THE DEPARTMENT'S**
18 **OR AGENCY'S OFFICIAL WEB PORTAL.** It may likewise conduct an
19 information campaign through other means deemed effective to ensure the
20 proper guidance of consumers, businesses, industries and other sectors
21 concerned."
22

23 Sec. 7. Article 10, Chapter I — Consumer Product Quality and Safety of R. A.
24 No. 7394 is hereby amended to read as follows:

25 "Art. [10] **12. Injurious, Dangerous and Unsafe Products.** — Whenever
26 the departments find, by their own initiative or by petition of a consumer, that
27 a consumer product is found to be injurious, unsafe or dangerous, it shall, after
28 due notice and hearing, make the appropriate order for its recall, prohibition or
29 seizure from public sale or distribution: *Provided*, That, in the sound discretion
30 of the department it may declare a consumer product to be imminently

1 injurious, unsafe or dangerous, and order its immediate recall, ban or seizure
2 from public sale or distribution, in which case, the seller, distributor,
3 manufacturer or producer thereof shall be afforded a hearing within forty-eight
4 (48) hours from such order: **PROVIDED, FURTHER, THAT ANY**
5 **ESTABLISHMENT CAUGHT IN FLAGRANTE DELICTO SELLING,**
6 **DISTRIBUTING, MANUFACTURING, PRODUCING, OR IMPORTING**
7 **PREVIOUSLY DECLARED SUBSTANDARD AND HAZARDOUS**
8 **PRODUCTS SHALL BE AUTOMATICALLY CLOSED AND SHUT DOWN.**

9 "x x x."

10
11 SEC. 8. Article 11, Chapter I — Consumer Product Quality and Safety of R. A.
12 No. 7394 is hereby amended to read as follows:

13 "Art. [11] **13.** *Amendment and Revocation of Declaration of the*
14 *Injurious, Unsafe or Dangerous Character of a Consumer Product.* - Any
15 interested person may petition the appropriate department to commence a
16 proceeding for the issuance of an amendment or revocation of a consumer
17 product safety rule or an order declaring a consumer product injurious,
18 dangerous and unsafe.

19 In case the department, upon petition by an interested party or its own
20 initiative and after due notice and hearing, determines a consumer product to
21 be substandard or materially defective, it shall so notify the manufacturer,
22 distributor or seller thereof of such finding and order such manufacturer,
23 distributor or seller to **WITHOUT DELAY:**

24 a) give notice to the public of the defect or failure to comply with the
25 product safety standards;

26 b) give notice to each distributor or seller of such product; and

27 c) **WHEN POSSIBLE, GIVE NOTICE TO EVERY PERSON TO WHOM**
28 **SUCH CONSUMER PRODUCT WAS DELIVERED OR SOLD.**

1 The department shall also direct the manufacturer, distributor or seller of such
2 product to extend **WITHIN REASONABLE TIME** any or all of the following remedies
3 to the injured person:

4 "x x x."

5
6 Sec. 9. R. A. No. 7394 is hereby amended by inserting a new Article 14 under
7 Chapter I — Consumer Product Quality and Safety to read as follows:

8 **"ART. 14. PHYSICAL SAFETY. - MANUFACTURERS OR**
9 **DISTRIBUTORS SHOULD ENSURE THAT AS SOON AS THEY BECOME**
10 **AWARE OF UNFORESEEN HAZARDS AFTER PRODUCTS ARE PLACED**
11 **ON THE MARKET, THEY SHOULD NOTIFY THE GOVERNMENT**
12 **AUTHORITIES CONCERNED AND, AS APPROPRIATE, INFORM THE**
13 **PUBLIC WITHOUT DELAY. THE GOVERNMENT SHOULD ALSO**
14 **ESTABLISH MECHANISMS FOR ENSURING THAT CONSUMERS ARE**
15 **PROPERLY INFORMED OF SUCH HAZARDS."**

16
17 Sec. 10. Article 52, Chapter I — Deceptive, Unfair, and Unconscionable Sales
18 Acts or Practices, Title III of R. A. No. 7394 is hereby amended to read as follows:

19 "Art. [52] **55. Unfair or Unconscionable Sales Act or Practice.** - "x x x In
20 determining whether an act or practice is unfair and unconscionable, the
21 following circumstances shall be considered:

22 "d) that the transaction that the seller or supplier induced the
23 consumer to enter into was excessively one-sided in favor of the seller or
24 supplier **SUCH AS BUT NOT LIMITED TO:**

25 **I. THAT WHEN THE CONSUMER TRANSACTION WAS ENTERED**
26 **INTO, THE SELLER OR SUPPLIER IMPOSED UPON THE**
27 **CONSUMER TERMS AND CONDITIONS GROSSLY**
28 **DISADVANTAGEOUS TO THE LATTER WHO IS REDUCED TO**
29 **THE ALTERNATIVE OF ACCEPTING THE CONTRACT OR**

1 LEAVING IT, COMPLETELY DEPRIVED OF THE OPPORTUNITY
2 TO BARGAIN ON EQUAL FOOTING; AND

3 **II. THE SELLER OR SUPPLIER EMPLOYS AN AGGRESSIVE**
4 **MARKETING PRACTICE THAT SIGNIFICANTLY CONSTRAINS**
5 **OR IMPAIRS OR IS LIKELY TO SIGNIFICANTLY CONSTRAIN**
6 **OR IMPAIR THE AVERAGE CONSUMER'S FREEDOM OF**
7 **CHOICE OR CONDUCT WITH REGARD TO THE PURCHASE OF**
8 **A PRODUCT OR SERVICE THAT CAUSES THE CONSUMER OR**
9 **IS LIKELY TO CAUSE THE CONSUMER TO ENTER INTO A**
10 **TRANSACTION DIFFERENT FROM THE ONE THE CONSUMER**
11 **WOULD HAVE INTENDED, OR THE CONSUMER WOULD NOT**
12 **HAVE DONE WITHOUT THE MARKETING PRACTICE."**

13
14 Sec. 11. Article 81, Chapter IV - Labeling and Fair Packaging, Title III of R. A.
15 No. 7394 is hereby amended to read as follows:

16 "Art. [81] **84. Price Tag Requirement.** — It shall be unlawful to offer any
17 consumer product **OR SERVICE** for retail sale to the public without an
18 appropriate price tag, label, or marking, **OR WITH MORE THAN ONE PRICE,**
19 **OR DIFFERENT PRICE TAGS, LABELS, OR MARKINGS** publicly displayed
20 to indicate of each article and said products shall not be sold at a price higher
21 than that stated therein and without discrimination to all buyers: **PROVIDED,**
22 **THAT IT SHALL BE UNLAWFUL FOR ANY RETAILER TO CHARGE THE**
23 **CUSTOMERS MORE THAN THE ACTUAL CASH RETAIL PRICE OF THE**
24 **GOODS OR SERVICES PURCHASED WHEN SUCH PURCHASE IS DONE**
25 **WITH THE USE OF CREDIT CARD AND/OR TO LIMIT BARGAIN SALE**
26 **ITEMS AND SERVICES TO CASH PURCHASES: *Provided,* further, That**
27 **lumber sold, displayed or offered for sale to the public shall be tagged or labeled**
28 **by indicating thereon the price and the corresponding official name of the**
29 **wood: *PROVIDED, FINALLY,* That if consumer products for sale are too small**
30 **or the nature of which makes it impractical to place a price tag thereon price**

1 list placed at the nearest point where the products are displayed indicating the
2 retail price of the same may suffice."
3

4 Sec. 12. R. A. No. 7394 is hereby amended by inserting a new Article 87 under
5 Chapter IV Labeling and Fair Packaging, Title III to read as follows:

6 **"ART. 87. ENGLISH OR FILIPINO TRANSLATIONS OF PRODUCT**
7 **LABELS WRITTEN IN FOREIGN CHARACTERS OR LANGUAGES. -**
8 **CONSUMER PRODUCTS WITH PRODUCT LABELS WRITTEN IN**
9 **FOREIGN CHARACTERS OR LANGUAGE SHALL BE ALLOWED ENTRY**
10 **INTO THE COUNTRY AND INTRODUCED INTO COMMERCE ONLY IF**
11 **THEY HAVE A CORRESPONDING ENGLISH OR FILIPINO**
12 **TRANSLATION TO ENABLE THE AUTHORITIES TO DETERMINE**
13 **WHETHER THE PRODUCT HAS COMPLIED WITH ALL THE OTHER**
14 **LABELING REQUIREMENTS AS WELL AS PROVIDE THE CONSUMERS**
15 **PROPER GUIDANCE ON THE CONTENTS AND ORIGIN OF THE**
16 **PRODUCT."**
17

18 Sec. 13. R. A. No. 7394 is hereby amended by inserting a new Article 88 under
19 Chapter IV Labeling and Fair Packaging to read as follows:

20 **"ART. 88. OFFICIAL SOURCES OF INFORMATION FOR**
21 **IMPORTED CONSUMER PRODUCTS. - IMPORT DATA FROM THE**
22 **BUREAU OF CUSTOMS AND BUREAU OF IMPORT SERVICES SHALL BE**
23 **RECOGNIZED AS OFFICIAL SOURCES OF INFORMATION TO VALIDATE**
24 **THE FOLLOWING INFORMATION RELATIVE TO A PARTICULAR**
25 **IMPORTED CONSUMER PRODUCT:**

- 26 1. COUNTRY OF MANUFACTURE;
- 27 2. NAME AND ADDRESS OF MANUFACTURER/EXPORTER;
- 28 3. NAME AND ADDRESS OF IMPORTER/CONSIGNEE;
- 29 4. VALUE AND VOLUME OF SHIPMENT;
- 30 5. DATE OF ARRIVAL; AND

1 **6. OTHER INFORMATION RELEVANT TO THE SHIPMENT IN**
2 **QUESTION."**
3

4 Sec. 14. R. A. No. 7394 is hereby amended by inserting a new Article 115 under
5 Chapter VI —Advertising and Sales Promotion, Title III to read as follows:

6 **"ART. 115. COVERAGE OF ADVERTISING AND SALES**
7 **PROMOTION. - THE PROVISIONS ON ADVERTISING AND SALES**
8 **PROMOTION SHALL APPLY TO ADVERTISING AND PROMOTION OF**
9 **CONSUMER PRODUCTS, SERVICES AND CREDIT FACILITIES, WHICH**
10 **INCLUDE SPONSORSHIPS OF PROGRAMS, CONCERTS, GAMES,**
11 **SHOWS AND SIMILAR ACTIVITIES: PROVIDED, THAT WITH RESPECT**
12 **TO FOOD, DRUGS, DEVICES, COSMETICS AND HAZARDOUS**
13 **SUBSTANCES AND AGRICULTURAL PRODUCTS, THE SAME SHALL BE**
14 **UNDER THE JURISDICTION OF THE DEPARTMENTS CONCERNED."**
15

16 Sec. 15. R. A. No. 7394 is hereby amended by inserting a new Article 116 under
17 Chapter VI — Advertising and Sales Promotion, Title III to read as follows:

18 **"ART. 116. COVERAGE. - THESE PROVISIONS SHALL APPLY TO**
19 **THE PHILIPPINE ADVERTISING COMMUNITY WHICH INCLUDES**
20 **ADVERTISERS, ADVERTISING AGENCIES, MEDIA AND ADVERTISING**
21 **SUPPORT GROUPS BUT SHALL NOT APPLY TO THE FOLLOWING:**

- 22 1. PUBLIC SERVICE AND EMERGENCY ANNOUNCEMENTS
23 OF UTILITY COMPANIES;
24 2. RELIGIOUS, POLITICAL AND PUBLIC ISSUE
25 ADVERTISEMENTS AND ANNOUNCEMENTS, EXCEPT
26 WHERE THESE INVOLVE OR SEEK TO PROMOTE
27 COMMERCIAL TRANSACTIONS; AND
28 3. STANDARD TRANSPORT ANNOUNCEMENTS, CLASSIFIED
29 ADVERTISEMENTS AND OBITUARIES."
30

1 Sec. 16. R. A. No. 7394 is hereby amended by inserting a new Article 117 under
2 Chapter VI —Advertising and Sales Promotion, Title III to read as follows:

3 **"ART. 117. *ADVERTISING GENERAL PRINCIPLES.* -**
4 **ADVERTISEMENTS SHALL BE GUIDED BY THE FOLLOWING**
5 **PRINCIPLES:**

6 **(1) ADVERTISING MUST PROVIDE THE GENERAL PUBLIC WITH**
7 **RELEVANT AND TRUTHFUL INFORMATION ON PRODUCTS AND**
8 **SERVICES, THEREBY HELPING CONSUMERS MAKE INFORMED**
9 **CHOICES; AND**

10 **(2) THE ADVERTISING INDUSTRY SHOULD CONTINUE TO**
11 **IMPROVE THE LEVELS AND STANDARDS OF ADVERTISING."**

12
13 Sec. 17. R. A. No. 7394 is hereby amended by inserting a new Article 118 under
14 Chapter VI —Advertising and Sales Promotion, Title III to read as follows:

15 **"ART. 118. *PRESENTATION OF ADVERTISEMENTS.* - (1)**
16 **CLAIMS OF PRODUCTS AND SERVICE FEATURES OR THEIR INTENDED**
17 **USAGE SHOULD BE CLEARLY PRESENTED AND SHOULD NOT MISLEAD**
18 **OR BE LIKELY TO MISLEAD THE PERSONS TO WHOM THEY ARE**
19 **ADDRESSED BY INACCURACY, AMBIGUITY, EXAGGERATION OR**
20 **OMISSION;**

21 **(2) ANY TEST OR DEMONSTRATION MAY BE USED ONLY IF IT**
22 **DIRECTLY PROVES THE CLAIMED PRODUCT OR SERVICE FEATURE OR**
23 **CHARACTERISTICS AND SHOULD BE PRESENTED CLEARLY AND**
24 **ACCURATELY.**

25 **(3) CORPORATE ADVERTISING MUST BE FAIR, TRUTHFUL AND**
26 **ACCURATE; IT SHOULD NOT CONTAIN ANY EXAGGERATIONS OR**
27 **SWEEPING GENERALIZATIONS THAT MAY MISLEAD THE PUBLIC**
28 **REGARDING THE ADVERTISER OR THE ATTRIBUTES OF ITS**
29 **PRODUCTS OR SERVICES: *PROVIDED,* THAT WHERE THE**
30 **ADVERTISEMENTS CONTAIN SPECIFIC CLAIMS REGARDING THE**

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

4
5 Sec. 18. Article 110, Chapter VI —Advertising and Sales Promotion, Title III of
6 A. No. 7394 is hereby amended to read as follows:

7 "Art. [110] **119. False, Deceptive or Misleading Advertisement.** — It shall be
8 unlawful for any person to disseminate or to cause the dissemination of any false,
9 deceptive or misleading advertisement by Philippine mail or in commerce by print,
10 radio, television, outdoor advertisement, **INTERNET, MOBILE PHONE**, or other
11 medium for the purpose of inducing or which is likely to induce directly or indirectly
12 the purchase of consumer products or services."

13 "x x x."

14
15 Sec. 19. R. A. No. 7394 is hereby amended by inserting a new Article 120 under
16 Chapter VI —Advertising and Sales Promotion, Title III to read as follows:

17 **"ART. 120. SPECIFIC CLAIMS. - (1) INGREDIENT ADVERTISING**
18 **- (A) ADVERTISEMENTS SHOULD NOT CONTAIN ANY REFERENCE**
19 **WHICH COULD LEAD THE PUBLIC TO ASSUME THAT A PRODUCT**
20 **CONTAINS A SPECIFIC INGREDIENT UNLESS THE INGREDIENT'S**
21 **QUANTITIES AND PROPERTIES AS WELL AS THE MATERIAL BENEFIT**
22 **THAT RESULTS FROM ITS INCLUSION IN THE PRODUCT**
23 **FORMULATION HAVE BEEN TECHNICALLY SUBSTANTIATED; AND (B)**
24 **ADVERTISEMENTS SHOULD NOT IMPLY THAT A CERTAIN BENEFIT IS**
25 **DUE TO A SPECIFIC INGREDIENT UNLESS A VERIFIABLE CAUSE AND**
26 **EFFECT RELATIONSHIP EXISTS.**

27 **(2) PROFESSIONAL DATA REFERENCES – ADVERTISEMENTS**
28 **USING THE RESULTS OF A BONA FIDE RESEARCH, SURVEYS, OR TEST**
29 **RELATING TO A PRODUCT SHOULD NOT BE PRESENTED**
30 **INACCURATELY OR IN A MISLEADING MANNER, NOR SHOULD IT**

1 CLAIM ANY IMPLICATIONS BEYOND WHAT IS CLEARLY
2 ESTABLISHED BY RESEARCH, SURVEY OR TEST.

3 (3) SCIENTIFIC CLAIMS - (A) VISUAL REPRESENTATIONS OF
4 LABORATORY SETTINGS MAY ONLY BE EMPLOYED PROVIDED THE
5 RESEARCH WAS CONDUCTED IN THE LABORATORY; AND (B) IN CASE
6 OF REFERENCES TO TESTS BY PROFESSIONALS OR INSTITUTIONS
7 INCLUDING BUT NOT LIMITED TO DOCTORS, ENGINEERS, AND
8 RESEARCH FOUNDATIONS, THE DOCUMENTED AND AUTHORITATIVE
9 EVIDENCE SHOULD BE SUBMITTED TO SUBSTANTIATE SUCH TESTS
10 AND CLAIMS BASED THEREON.

11 (4) NUMBER ONE OR LEADERSHIP CLAIM - (A) NO "NUMBER 1"
12 CLAIM WITH RESPECT TO ANY PRODUCT OR SERVICE SHALL BE
13 ALLOWED UNLESS IT IS CLEARLY DELINEATED AND QUALIFIED AS
14 TO RENDER THE CLAIM OBJECTIVELY VERIFIABLE. THE CLAIM
15 SHOULD, IN ANY CASE, BE SUBSTANTIATED.

16 (5) TESTIMONIALS - (A) TESTIMONIAL CLAIMS RELATING TO
17 THE PRODUCT BEING ADVERTISED SHOULD BE GENUINE AND
18 TRUTHFUL; (B) INDIVIDUALS ENDORSING A PRODUCT OR SERVICE
19 IN COMMUNICATION MATERIALS AND WHO IS PRESENTED AS AN
20 EXPERT MUST HAVE DEMONSTRABLE CREDENTIALS TO
21 SUBSTANTIATE THE CLAIMED EXPERTISE. THE ENDORSEMENT MUST
22 BE SUPPORTED BY AN ACTUAL EXERCISE OF EXPERTISE IN
23 EVALUATING THE PRODUCT OR SERVICE CHARACTERISTICS. SUCH
24 EVALUATION MUST BE RELEVANT AND AVAILABLE TO AN ORDINARY
25 CONSUMER'S USE OF THE PRODUCT; AND (C) ENDORSEMENTS BY AN
26 ORGANIZATION ARE CONSIDERED AS JUDGMENT BY A GROUP
27 WHOSE COLLECTIVE EXPERIENCE OUTWEIGHS THAT OF AN
28 INDIVIDUAL MEMBER. ADVERTISER MUST PROVIDE EVIDENCE THAT
29 THE ORGANIZATION'S ENDORSEMENT WAS REACHED BY A PROCESS
30 SUFFICIENT TO ENSURE THAT IT REFLECTS THE COLLECTIVE

1 JUDGMENT OF THE ORGANIZATION. THE ORGANIZATION MAY BE
2 CONSIDERED LEGITIMATE IF IT CAN PRESENT PROOF OF EXISTENCE
3 FOR AT LEAST ONE (1) YEAR."
4

5 Sec. 20. R. A. No. 7394 is hereby amended by inserting a new Article 125 under
6 Chapter VI - Advertising and Sales Promotion, Title III to read as follows:

7 **"ART. 125. COVERAGE AND EXEMPTION OF THE SALES**
8 **PROMOTION OF CONSUMER PRODUCTS AND SERVICES. - (A)**
9 **COVERAGE OF THE SALES PROMOTION OF CONSUMER PRODUCTS**
10 **AND SERVICES. - THE PROVISIONS ON SALES PROMOTION OF THE**
11 **CONSUMER PRODUCTS AND SERVICES SHALL APPLY TO ALL**
12 **PROMOTIONAL CAMPAIGNS AND ANNOUNCEMENTS FOR CONSUMER**
13 **PRODUCTS, SERVICES, CREDIT FACILITIES, AS WELL AS BEAUTY**
14 **CONTESTS, NATIONWIDE IN CHARACTER.**

15 **THE PROVISIONS OF SALES PROMOTION OF CONSUMER**
16 **PRODUCTS AND SERVICES SHALL LIKEWISE APPLY TO SIMILAR**
17 **ACTIVITIES SUCH AS BUT NOT LIMITED TO IN-STORE PROMOTIONS**
18 **OFFERING REDUCED PRICES, SPECIAL OFFERS, PRODUCT**
19 **DEMONSTRATION, PRODUCT SAMPLES, REBATES, DISCOUNTS,**
20 **PREMIUM-IN-PACK, AND EXPERT ADVICE.**

21 **(B) EXEMPTION OF THE SALES PROMOTION OF CONSUMER**
22 **PRODUCTS AND SERVICES - THE PROVISIONS OF SALES PROMOTION**
23 **OF CONSUMER PRODUCTS AND SERVICES SHALL NOT APPLY TO THE**
24 **FOLLOWING PROMOTIONAL CAMPAIGNS OR ACTIVITIES:**

25 **(1) GOVERNMENT OR ANY OF ITS AGENCIES OR**
26 **INSTRUMENTALITIES, WHEN THE SAME IS CONDUCTED IN THE**
27 **EXERCISE OF THEIR GOVERNMENTAL FUNCTIONS;**

28 **(2) PRIVATE ENTITIES IN JOINT PROJECT/S WITH ANY**
29 **GOVERNMENT AGENCY UNDER THE PRECEDING PARAGRAPH;**
30 **AND**

1 (3) SOCIAL, CIVIC, POLITICAL, RELIGIOUS,
2 EDUCATIONAL, PROFESSIONAL AND OTHER SIMILAR
3 ORGANIZATIONS WHICH EXTEND PROMOTIONAL ACTIVITY
4 AMONG THEIR MEMBERS: *PROVIDED*, THAT THE
5 PROMOTIONAL ACTIVITY IS NOT CONSIDERED SALES
6 PROMOTIONAL CAMPAIGN AS DEFINED UNDER THIS ACT."
7

8 Sec. 21. Article 116, Chapter VI — Advertising and Sales Promotion, Title III of
9 A. No. 7394 is hereby amended to read as follows:

10 "ART. [~~116~~] **127. Permit to Conduct Promotion.** — No person shall
11 conduct any sales campaigns, including beauty contest, national in character,
12 sponsored and promoted by **PRODUCERS, RETAILERS, SELLERS,**
13 **DISTRIBUTORS, SUPPLIERS, IMPORTERS, OR** manufacturing enterprises
14 without first securing a permit from the concerned department prior to the
15 commencement thereof. Unless an objection or denial is received **WITHIN**
16 **FIVE (5) DAYS** [~~fifteen (15) days~~] from filing of the **COMPLETE** application,
17 the same shall be deemed approved and the promotion campaign or activity
18 may be conducted: *Provided*, that any sales promotion campaign using medical
19 prescriptions or any part thereof or attachment thereto for raffles or a promise
20 of reward shall not be allowed, nor a permit be issued thereof."
21

22 Sec. 22. R. A. No. 7394 is hereby amended by inserting a new Article 128 under
23 Chapter VI — Advertising and Sales Promotion, Title III, to read as follows:

24 "ART. 128. **APPLICATION FOR PERMIT. - (A) THE APPLICATION**
25 **FOR PERMIT SHALL BE IN THE FORM PRESCRIBED BY THE**
26 **DEPARTMENT CONCERNED.**

27 **(B) WHO MAY FILE THE APPLICATION FOR PERMIT. - THE**
28 **PERSON WHOSE CONSUMER PRODUCTS, SERVICES, CREDIT**
29 **FACILITIES, BEAUTY CONTESTS, COMPETITION, GAMES SHOWS AND**

1 THE LIKE ARE BEING PROMOTED MAY FILE THE APPLICATION FOR
2 PERMIT.

3 THE ABOVE PERSON SHALL SIGN THE APPLICATION
4 INDIVIDUALLY OR JOINTLY WITH THE OTHERS OR SUBMIT
5 THEREWITH A TRUE COPY OF ANY WRITTEN AGREEMENT BETWEEN
6 OR AMONG THEMSELVES, REFLECTING THE DEGREE OR EXTENT OF
7 THEIR PARTICIPATION AND RESPONSIBILITY IN THE CONDUCT OF
8 THE PROMOTIONAL ACTIVITY COVERED BY THIS ACT WHERE NO
9 LIMITATION AS TO THE EXTENT OF THE LIABILITY OR
10 RESPONSIBILITY IS INDICATED IN SUCH AGREEMENT, ALL OF THEM
11 SHALL BE JOINTLY AND SEVERALLY LIABLE AND RESPONSIBLE
12 THEREFOR.

13 (C) APPLICATION THROUGH AND BY AN AGENT- WHERE THE
14 PROMOTIONAL CAMPAIGN/ACTIVITY IS APPLIED FOR AND IN
15 BEHALF OF THE PERSONS MENTIONED IN PARAGRAPH (A) HEREOF,
16 THE AGENT SHALL BE AUTHORIZED BY A SPECIAL POWER OF
17 ATTORNEY OR A BOARD RESOLUTION AS EVIDENCED BY A
18 SECRETARY'S CERTIFICATE AS THE CASE MAY BE."

19
20 Sec. 23. R. A. No. 7394 is hereby amended by inserting a new Article 129 under
21 Chapter VI -- Advertising and Sales Promotion, Title III, to read as follows:

22 "ART. 129. *PROHIBITED ACTS IN THE CONDUCT OF SALES*
23 *PROMOTION.* - "THE FOLLOWING ACTS ARE PROHIBITED IN THE
24 CONDUCT OF SALES PROMOTION CAMPAIGN:

25 (A) GAMBLING AND WAGERING SCHEMES;

26 (B) USE OF MEDICAL PRESCRIPTIONS; AND

27 (C) DIRECTLY OR INDIRECTLY TAMPERING WITH THE
28 ENTRIES, PARAPHERNALIA AND/OR ELECTRONIC DEVICE IN A
29 PROMOTIONAL CAMPAIGN/ACTIVITY COVERED BY THIS ACT OR
30 UNDULY INFLUENCING THE RESULTS THEREOF OR PERFORMING

1 **ANY ACT TO THE PREJUDICE OF LEGITIMATE PARTICIPANTS OR**
2 **WINNERS."**

3
4 Sec. 24. R. A. No. 7394 is hereby amended by inserting a new Article 130 under
5 Chapter VI — Advertising and Sales Promotion, Title III, to read as follows:

6 **"ART. 130. VOLUNTARY CANCELLATION OF APPROVED**
7 **PROMOTIONAL CAMPAIGN/ACTIVITY.**

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

14 **(B) VOLUNTARY CANCELLATION AFTER PUBLICATION - IF ANY**
15 **ANNOUNCEMENT, INFORMATION DISSEMINATION OR**
16 **ADVERTISING OF THE PROMOTIONAL CAMPAIGN/ACTIVITY HAS**
17 **ALREADY BEEN MADE, BUT THE PROMOTION PERIOD HAS NOT YET**
18 **COMMENCED, THE DISCONTINUANCE OR CANCELLATION OF THE**
19 **PROMOTION MAY BE MADE ONLY UPON PRIOR WRITTEN NOTICE TO**
20 **THE DEPARTMENT WITHIN A PERIOD OF NOT LESS THAN FIVE (5)**
21 **DAYS BEFORE THE COMMENCEMENT OF THE ORIGINAL INTENDED**
22 **DATE OF PROMOTION.**

23 **THE SPONSOR SHALL HONOR THE PROMOTIONAL**
24 **COMMITMENTS SHOULD IT FAIL TO COMPLY WITH THE REQUIRED**
25 **PERIOD.**

26 **(C) VOLUNTARY CANCELLATION OF ONGOING PROMOTION**
27 **VOLUNTARY CANCELLATION OR DISCONTINUANCE OR SUSPENSION**
28 **OF ANY ONGOING PROMOTIONAL CAMPAIGNS/ACTIVITIES SHALL**
29 **NOT BE ALLOWED EXCEPT UPON PRIOR WRITTEN APPROVAL BY THE**

1 **DEPARTMENT WHICH SHALL BE BASED ON ANY OF THE FOLLOWING**
2 **GROUND:**

3 **(I) A FINAL JUDGMENT OF VOLUNTARY INSOLVENCY OR**
4 **BANKRUPTCY AGAINST THE PERSON WHO APPLIED;**

5 **(II) OCCURRENCE OF ANY FORTUITOUS EVENT OR FORCE**
6 **MAJEURE THAT WILL MAKE IT IMPOSSIBLE TO**
7 **CONTINUE THE PROMOTIONAL CAMPAIGN OR ACTIVITY:**
8 ***PROVIDED*, HOWEVER, THAT THOSE WHO HAD ALREADY**
9 **WON IN THE PROMOTION BEFORE THE APPROVAL THE**
10 **CANCELLATION OR DISCONTINUANCE OR SUSPENSION**
11 **SHALL BE PAID OR GIVEN THEIR PRIZES."**

12

13 Sec. 25. R. A. No. 7394 is hereby amended by inserting a new Article 131 under
14 Chapter VI — Advertising and Sales Promotion, Title III to read as follows:

15 **"ART. 131. *RULES ON MECHANICS.* - ALL COVERED**
16 **PROMOTIONAL CAMPAIGNS AND ACTIVITIES SHALL ABIDE BY OR**
17 **COMPLY WITH THE RULES ON THE MECHANICS OF THE PROMOTION**
18 **SET FORTH IN THE IMPLEMENTING RULES AND REGULATIONS OF**
19 **THE AGENCY CONCERNED."**

20

21 Sec. 26. R. A. No. 7394 is hereby amended by inserting a new Article 136 under
22 Chapter VI Advertising and Sales Promotion, Title IIII to read as follows:

23 **"ART. 136. *SELECTION OF PARTICIPANTS AND WINNERS.* - THE**
24 **SELECTION OF PARTICIPANTS AND WINNERS OF A PROMOTIONAL**
25 **PROGRAM SHALL BE GUIDED BY THE FOLLOWING:**

26 **(A) MODE OF SELECTION OF PROSPECTIVE**
27 **PARTICIPANTS/ENTRIES PROSPECTIVE PARTICIPANTS/ENTRIES**
28 **ARE SELECTED IN A FAIR, HONEST AND TRANSPARENT MANNER.**
29 **THERE MUST BE PROOF OF NOTICE OF SELECTION AND SUCH OTHER**

1 RELEVANT INFORMATION TO THE SELECTED PARTICIPANTS IN A
2 MANNER EXPRESSLY PROVIDED FOR IN THE MECHANICS.

3 (B) DETERMINATION OF WINNERS - DRAW DATE OR DATES
4 FOR THE SELECTION OF PARTICIPANTS OR WINNERS TO A
5 PROMOTIONAL CAMPAIGN OR ACTIVITY SHALL NOT BE MORE THAN
6 FOURTEEN (14) DAYS AFTER THE DEADLINE OF THE SUBMISSION OF
7 ENTRIES. WINNERS MAY BE DETERMINED THROUGH THE USE OF
8 ANY TECHNIQUE NOT CONTRARY TO LAW, MORALS AND PUBLIC
9 POLICY PROVIDED THE SAME SHALL BE CONDUCTED IN A FAIR,
10 HONEST AND TRANSPARENT MANNER."

11
12 Sec. 27. R. A. No. 7394 is hereby amended by inserting a new Article 148 under
13 Title IV - Consumer Credit Transaction to read as follows:

14 "ART. 148. **IMPLEMENTING AGENCY.** -THE BANGKO SENTRAL
15 NG PILIPINAS SHALL STRICTLY ENFORCE THE PROVISION OF THIS
16 CHAPTER AND ITS IMPLEMENTING RULES AND REGULATIONS
17 EXCEPT THOSE WHICH FALL WITHIN THE JURISDICTION OF THE
18 SECURITIES AND EXCHANGE COMMISSION."

19
20 Sec. 28. Article 149, Chapter I - Establishment and Composition, Title V of R.A.
21 No. 7394 is hereby amended to read as follows:

22 "Art. [~~149~~] **166. Composition.** - The Council shall be composed of
23 representatives from the following government agencies and nongovernment
24 agencies:

25 a) Department of Trade and Industry;

26 b) Department of Education,

27 c) Department of Health;

28 d) Department of Agriculture;

29 **E) DEPARTMENT OF ENERGY;**

30 **F) BANGKO SENTRAL NG PILIPINAS;**

1 **G)** [e] four (4) representatives from the consumer organizations of
2 nationwide base to be chosen by the President among [the] **ITS** nominees
3 [~~submitted by the various groups in the Philippines~~]; **AND**

4 **H)** [f] two (2) representatives from the business industry/sector to be
5 chosen by the President from among the nominees submitted by the various
6 business organizations."

7
8 Sec. 29. Article 151, Chapter I - Establishment and Composition, Title V of R.A.
9 No. 7394 is hereby amended to read as follows:

10 "Art. [~~151~~] **168**. Per Diems of Members. — The members of the Council shall
11 be entitled to an allowance of **FIVE THOUSAND PESOS** [~~five hundred pesos~~
12 [~~(P500.00)~~] per meeting actually attended but not more than **TWENTY THOUSAND**
13 **PESOS (P20,000.00)** [~~two thousand pesos (P2,000.00)~~] a month.

14
15 Sec. 30. Article 156, Chapter II - Powers and Functions, Title V, of R. A. No.
16 7394 is hereby amended to read as follows:

17 "Art. [~~156~~] **173**. *Consumer Participation*. — The Departments shall
18 establish procedures for **RECOGNITION OF THE** meaningful participation by
19 consumers or consumer organizations in the development and review of
20 department rules, policies, and programs.

21 Such procedures shall include provisions for a forum, where consumers
22 can express their concerns and recommendations to decision-makers. The
23 departments shall exert efforts to inform consumers of pending proceedings
24 where their participation is important."

25
26 Sec. 31. Article 164, Chapter III - Consumer Complaints, Title V, of R. A. No.
27 7394 is hereby amended to read as follows:

28 "Art. [~~164~~] **181**. *Sanctions*. — After investigation, any of the following
29 administrative penalties may be imposed even if not prayed for in the
30 complaint:

1 "a) x x x

2 "x x x

3 **"E) AUTOMATIC CANCELLATION OF A BUSINESS NAME;**

4 [e] **F)** the imposition of administrative fines in such amount as deemed
5 reasonable by the Secretary, which shall in no case be less than **FIFTY**
6 **THOUSAND PESOS (P50,000.00)** [~~Five hundred pesos (P500.00)~~] nor more
7 than **ONE MILLION PESOS (P1,000,000.00)** [~~Three hundred thousand~~
8 ~~pesos (P300,000.00)~~] depending on the gravity of the offense, and an additional
9 fine of not [~~more~~] **LESS** than One thousand pesos (P1,000.00) **FOR** [~~or~~] each
10 day of continuing violation."
11

12 Sec. 32. R. A. No. 7394 is hereby amended by inserting a new Article 185 under
13 Title VI - Transitory and Final Provisions to read as follows:

14 **"ART. 185. CRIMINAL PENALTIES. - ANY PERSON WHO**
15 **VIOLATES ANY PROVISION OF THIS ACT SHALL, UPON CONVICTION,**
16 **BE SUBJECT TO A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS**
17 **(P50,000.00) BUT NOT MORE THAN ONE MILLION PESOS**
18 **(P1,000,000.00) OR IMPRISONMENT OF NOT LESS THAN THREE (3)**
19 **YEARS BUT NOT MORE THAN SEVEN (7) YEARS OR BOTH, UPON THE**
20 **DISCRETION OF THE COURT."**

21
22 Sec. 33. Article 169, Title VI - Transitory and Final Provisions of R. A. No. 20
23 7394 is hereby amended to read as follows:

24 "Art. [~~169~~] **187. Prescription.** — All actions or claims accruing under the
25 provisions of this Act and the rules and regulations issued pursuant thereto
26 shall prescribe within [~~two (2)~~] **THREE (3)** years from the time the consumer
27 transaction was consummated or the deceptive or unfair and unconscionable
28 act or practice was committed and in case of hidden defects, from discovery
29 thereof."
30

1 Sec. 34. *Renumbering of Articles.* - Articles of R. A. No. 7394 are hereby
2 renumbered accordingly.

3
4 Sec 35. *Implementing Rules and Regulations.* — Within sixty (60) days from
5 the effectivity of this Act, the Council shall formulate the rules and regulations to
6 effectively implement the provisions of this Act.

7
8 Sec. 36. *Separability Clause.* — If any portion or provision of this Act is declared
9 unconstitutional, the remainder of this Act or any provisions not affected thereby shall
10 remain in force and effect.

11
12 Sec. 37. *Repealing Clause.* — Any laws, presidential decrees or issuances,
13 executive orders, letters of instruction, rules or regulations inconsistent with the
14 provisions of this Act are hereby repealed or modified accordingly.

15
16 Sec. 38. *Effectivity.* - This Act shall take effect fifteen (15) days following its
17 complete publication in two (2) newspapers of general circulation or in the Official
18 Gazette.

Approved,