



S E N A T E

S. No. 1846\*

(In substitution of Senate Bill Nos. 154, 612, 806, 1125,  
1250, 1341, 1424, and 1478, taking into consideration  
House Bill No. 4)

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PREPARED JOINTLY BY THE COMMITTEES ON TRADE,  
COMMERCE AND ENTREPRENEURSHIP; WAYS AND  
MEANS; AND FINANCE WITH SENATORS GATCHALIAN,  
ZUBIRI, ESTRADA, VILLAR (M.), MARCOS, LEGARDA,  
REVILLA JR., VILLANUEVA, GO, PADILLA, AND VILLAR  
(C.) AS AUTHORS THEREOF

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AN ACT PROTECTING ONLINE CONSUMERS AND  
MERCHANTS ENGAGED IN INTERNET  
TRANSACTIONS, CREATING FOR THIS PURPOSE  
THE ELECTRONIC COMMERCE BUREAU,  
APPROPRIATING FUNDS THEREFOR, AND FOR  
OTHER PURPOSES

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

1

CHAPTER I

2

GENERAL PROVISIONS

3

SECTION 1. *Short Title.* – This Act shall be known as

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the “Internet Transactions Act of 2023”.

1           SEC. 2. *Declaration of Policy.* – It is the policy of the  
2 State to promote and maintain a robust electronic  
3 commerce (e-commerce) environment in the country by  
4 building trust between online merchants and online  
5 consumers. The State recognizes the value and potential of  
6 the digital economy to increase competition and improve  
7 productivity. Toward this end, the State shall guarantee  
8 effective regulation of e-commerce to protect consumer  
9 rights and data privacy, encourage innovation, promote  
10 competition, secure internet transactions, uphold  
11 intellectual property rights, ensure product standards and  
12 safety compliance, and observe environmental  
13 sustainability.

14           SEC. 3. *Scope and Coverage.* – This Act shall apply to  
15 all business-to-business and business-to-consumer internet  
16 transactions within the mandate of the Department of  
17 Trade and Industry (DTI), where one (1) of the parties is  
18 situated in the Philippines or where the digital platform,  
19 e-retailer, or online merchant is availing of the Philippine  
20 market and has minimum contacts therein: *Provided, That*

1 online media content, and Consumer-to-Consumer (C2C)  
2 transactions shall not be covered under this Act.

3 SEC. 4. *Definition of Terms.* – As used in this Act:

4 (a) *Business-to-business Transaction* refers to internet  
5 transactions between businesses, such as between a  
6 manufacturer and a wholesaler, or a wholesaler and a retailer,  
7 whether the transacting parties are natural or juridical  
8 persons;

9 (b) *Business-to-consumer Transaction* refers to  
10 internet transactions between businesses and end-users;

11 (c) *Consumer-to-consumer (C2C) Transactions* refer  
12 to transactions between end-users done for personal,  
13 family, or household purposes and not done in the ordinary  
14 course of business;

15 (d) *Digital Platforms* refer to information and  
16 communication technology-enabled mechanisms that  
17 connect and integrate producers and users in online  
18 environments where goods and services are requested,  
19 developed, and sold, and data is generated and exchanged

1 such as, but not limited to, e-marketplace, mobile  
2 application platforms, online delivery platforms, social  
3 media platforms, and travel platforms;

4 (e) *E-marketplace* refers to digital platforms whose  
5 business is to connect online consumers with online  
6 merchants, facilitate and conclude the sales, process the  
7 payment of the products, goods or services through the  
8 platform, or facilitate the shipment of goods or provide  
9 logistics services and post-purchase support within such  
10 platforms, and otherwise retains oversight over the  
11 consummation of the transaction;

12 (f) *E-Retailer* refers to a natural or juridical person  
13 selling goods or services directly to online consumers  
14 through its own website, webpage or application;

15 (g) *Goods* refer to physically or digitally produced  
16 items over which ownership or proprietary rights may be  
17 established and transferred from one (1) institutional unit  
18 to another by entering into a transaction;

1           (h) *Internet Transaction* refers to the sale or lease of  
2 digital or non-digital goods and services over the internet.  
3 For purposes of this Act, internet transactions shall also  
4 refer to e-commerce;

5           (i) *Online Consumer* refers to a natural or juridical  
6 person who purchases, leases, receives, or subscribes to  
7 goods or services over the internet for a fee;

8           (j) *Online Merchant* refers to a person selling non-  
9 financial goods or services to online consumers through an  
10 e-marketplace or third-party digital platform. An e-retailer  
11 shall also be considered an online merchant if it offers the  
12 same goods or services outside its own website through a  
13 third-party digital platform and the online consumer  
14 purchases, leases, subscribes to, or obtains the service of  
15 the e-retailer through the said third-party platform; and

16           (k) *Producer* refers to the manufacturer or importer  
17 of goods, or any person purporting to be a manufacturer,  
18 who places its name, trademark, or other distinctive sign  
19 on goods.



1           The Bureau shall be headed by a Director and at least  
2 one (1) Assistant Director who must possess competencies  
3 in e-commerce and online transactions, and all the laws  
4 and processes related thereto.

5           The DTI Secretary shall determine the organizational  
6 structure and staffing pattern of the Bureau, subject to the  
7 approval of the Department of Budget and Management  
8 and consistent with the civil service laws, rules and  
9 regulations.

10           SEC. 8. *Functions of the E-Commerce Bureau.* – The  
11 Bureau shall have the following powers and functions:

12           (a) Formulate policies, plans, and programs to ensure  
13 the robust and dynamic development of e-commerce;

14           (b) Implement, monitor, and ensure strict  
15 compliance with the provisions of this Act;

16           (c) Exert efforts to enforce the registration of digital  
17 platforms and online merchants with the Bureau and to  
18 require the submission of information necessary for  
19 policy-making and program development purposes,

1 consistent, however, with the principles of minimization  
2 and proportionality in data privacy;

3 (d) Identify regulatory gaps affecting the e-commerce  
4 and recommend appropriate executive or legislative  
5 measures that foster the growth of the sector;

6 (e) Receive and refer business and consumer  
7 complaints on internet transactions to the appropriate  
8 government agency, consistent with the no-wrong door  
9 policy of the DTI;

10 (f) Coordinate with or petition, through the DTI  
11 Secretary, whenever appropriate, any entity, government  
12 agency, or instrumentality to take action on any matter  
13 that may impede e-commerce;

14 (g) Investigate, *motu proprio*, and recommend the  
15 filing of the appropriate case for violations of this Act;

16 (h) Monitor the implementation of this Act for policy-  
17 making and program development purposes;

18 (i) Develop consumer education and information  
19 programs for consumers of different ages, incomes and



1 literacy, giving special attention to the needs of  
2 vulnerable and disadvantaged consumers, by raising  
3 awareness on rights, responsibilities, and red flags in  
4 internet transactions, with the goal of enabling consumers  
5 to make informed choices and preventing them from  
6 falling prey to online frauds and scams;

7 (j) Collaborate with *Bangko Sentral ng Pilipinas*  
8 (BSP) and other government agencies to develop  
9 frameworks to incentivize the use of digital payments and  
10 promote their education and adoption among businesses  
11 and consumers; and

12 (k) Engage with law enforcement and other relevant  
13 government agencies in a formalized inter-regulator  
14 cooperation mechanism to address all cross-cutting issues  
15 and concerns that affect online consumers and the general  
16 public.

17 The powers of the Bureau shall not be exercised in a  
18 manner that stifles innovation, restricts competition,

1 creates barriers to entry in trade, or impedes the ease of  
2 doing business.

3       SEC. 9. *Referral and Tracking of Complaints.* – The  
4 Bureau shall refer any complaint it receives involving  
5 violations of other laws committed in the course of e-commerce  
6 activities to the appropriate regulatory authority for action. In  
7 appropriate cases, the DTI may initiate a formal complaint  
8 with the appropriate regulatory authorities. The Bureau shall  
9 track any such complaint or referral and coordinate the speedy  
10 resolution thereof.

11       SEC. 10. *Online Business Database (OBD).* – Within one  
12 (1) year from the effectivity of this Act, the Bureau shall  
13 establish a database of digital platforms, e-marketplaces,  
14 e-retailers, and online merchants engaged in e-commerce in  
15 the Philippines that will provide the government and online  
16 consumers access to contact information of online businesses.

17       In establishing the OBD, the DTI shall utilize  
18 existing business databases and coordinate with other

1 agencies that already maintained the same or similar  
2 database.

3         The DTI, in consultation with the Department of  
4 Information and Communications Technology (DICT), the  
5 National Privacy Commission (NPC), the Philippine  
6 Competition Commission (PCC), the Securities and  
7 Exchange Commission (SEC), the Cooperative  
8 Development Authority (CDA), and other concerned  
9 agencies shall issue the regulations to govern the  
10 development, management, operation, and maintenance of  
11 the OBD, consistent with Republic Act No. 11032 or the  
12 “Ease of Doing Business and Efficient Government Service  
13 Delivery Act of 2018”.

14         SEC. 11. *E-Commerce Philippine Trustmark.* – To  
15 provide assurance of safety and security in internet  
16 transactions, the DTI shall encourage the development of  
17 an E-Commerce Philippine Trustmark, hereinafter  
18 referred to as the “Trustmark,” which may be established

1 and operated by an industry-led private sector governance  
2 body.

3 CHAPTER III  
4 AUTHORITY OF THE DEPARTMENT OF  
5 TRADE AND INDUSTRY

6 SEC. 12. *Regulatory Jurisdiction of the DTI.* – For  
7 purposes of this Act, the DTI shall exercise regulatory  
8 jurisdiction as to the use of internet for conducting  
9 e-commerce by e-marketplaces, online merchants, e-retailers,  
10 digital platforms, and third-party platforms.

11 *Provided, however,* That the regulatory authority of  
12 the DTI shall be ancillary to any duly constituted  
13 regulatory jurisdiction granted to an agency by existing  
14 laws such as, but not limited to, the DICT, BSP, and NPC:  
15 *Provided, further,* That reasonable notice to, and  
16 coordination with the appropriate regulatory agency shall  
17 be made by the DTI prior to the enforcement of the  
18 provisions of this Act. Unless expressly specified, nothing  
19 in this Act shall be construed as to diminish or deprive the  
20 regulatory jurisdiction conferred by law upon other

1 government agencies concerning the services that they  
2 regulate, notwithstanding an e-commerce aspect or feature  
3 in such services.

4 SEC. 13. *Subpoena.* – In the exercise of its powers  
5 under this Act, the DTI Secretary shall have the power to  
6 issue summons, *subpoena ad testificandum*, and *subpoena*  
7 *duces tecum* to alleged violators or witnesses to compel  
8 attendance and the production of documents in  
9 investigations or proceedings before the Bureau. Failure to  
10 comply with the *subpoena ad testificandum* and *subpoena*  
11 *duces tecum* shall authorize the filing of a case for  
12 contempt under the Rules of Court.

13 A *subpoena duces tecum* is valid if issued on matters  
14 within the jurisdiction of the DTI, is reasonably relevant to  
15 the subject matter under investigation, and designates or  
16 describes the information or document sought to be  
17 produced, allowing it to be identified.

18 SEC. 14. *Authority to Issue Compliance Order.* – The  
19 DTI Secretary shall have the power to issue a compliance

1 order to require conformity with this Act, Republic Act  
2 No. 7394 or the “Consumer Act of the Philippines”, or any  
3 other applicable trade and consumer protection issuances  
4 promulgated by the DTI.

5 SEC. 15. *Authority to Issue Takedown Order.* – The  
6 DTI Secretary, after investigation or verification, may  
7 issue an *ex parte* takedown order directing the removal of a  
8 listing or offer on a webpage, website, platform or  
9 application, regardless of the intended nature of the  
10 transaction, when any of the following is present:

11 (a) Sale or lease of goods or services which are  
12 prohibited or regulated under existing laws such as  
13 endangered animals, illicit drugs, fireworks and other  
14 explosives, and counterfeit goods: *Provided,* That the  
15 prohibited nature of the goods and services is apparent  
16 from the photo or description in the post;

17 (b) Sale or lease of goods or services subject of a  
18 cease and desist order issued by an appropriate  
19 government agency;

1 (c) Sale or lease of goods or services online  
2 previously subject of a takedown order but which are  
3 subsequently reposted and proliferated online by the seller  
4 under investigation; and

5 (d) Such other transactions or activities online,  
6 within the jurisdiction of the DTI, purporting to sell or  
7 lease goods or services that otherwise threaten public or  
8 personal safety, compromises financial or personal  
9 information.

10 Other regulatory government agencies may request  
11 the DTI to issue a takedown order for the removal of an  
12 online listing or offer in violation of laws, rules or  
13 regulations under their jurisdiction. Nothing herein shall  
14 preclude the appropriate agency from exercising its  
15 regulatory authority, including the issuance of orders  
16 directly to the erring person or entity, to prevent or stop  
17 the sale of goods or services under its jurisdiction.

1           The violating entity shall be given an opportunity to  
2 be heard within forty-eight (48) hours from the issuance of  
3 a takedown order.

4           The takedown order shall be directed against the  
5 e-retailer or online merchant, and the owner or operator of  
6 the e-marketplace or digital platform. Copies of the order  
7 shall likewise be served on entities whose cooperation  
8 would be required for its enforcement such as, but not  
9 limited to, the duly registered internet service provider  
10 involved, related payment gateways, and other government  
11 agencies.

12           The order shall remain in effect for a maximum  
13 period of thirty (30) days unless otherwise extended or  
14 made permanent by a judicial order or decision.

15           SEC. 16. *Blacklisting of Online Business.* – The DTI  
16 Secretary shall have the authority to establish a publicly  
17 accessible list of websites, webpages, online applications,  
18 social media accounts, or other similar platforms that fail  
19 to comply with a compliance order, or are subject of a



1 takedown order issued under Chapter III hereof or of a  
2 cease and desist order issued by an appropriate  
3 government agency, indicating the specific violation  
4 incurred. Should the violation consist in failure to abide by  
5 a compliance order, entry in the blacklist shall indicate the  
6 act or requirement subject of the compliance order. The  
7 blacklist shall be made publicly available and shall be  
8 furnished to digital platforms and financial regulators.  
9 After compliance or correction, the DTI, *motu proprio* or  
10 upon request, shall promptly remove the entry from the  
11 list, without the necessity of a hearing.

12       SEC. 17. *Online Dispute Resolution (ODR)*. – Within  
13 six (6) months from the effectivity of this Act, the DTI shall  
14 develop a platform to facilitate an alternative mode of  
15 dispute resolution for online consumers, online merchants,  
16 e-retailers, e-marketplaces, and other digital platforms.  
17 The DTI, in consultation with other concerned agencies,  
18 shall issue the implementing rules and regulations on ODR  
19 procedure and the development, management, operations,  
20 and maintenance of the platform.



1 (a) The online consumer uses electronic or digital  
2 payment and authorized the crediting of the amount  
3 despite cancellation;

4 (b) The online consumer reimburses third-party  
5 delivery service as a pre-condition for the cancellation of  
6 the order;

7 (c) The transaction allows cancellation for a fee; or

8 (d) The parties agree otherwise.

9 SEC. 20. *Remedies of Online Consumers.* – In case of  
10 defect, malfunction, or loss without the fault of the online  
11 consumer, or failure to conform with warranty or any  
12 liability of the online merchant or e-retailer arising from  
13 the contract, the online consumer shall have the right to  
14 pursue repair, replacement, refund or other remedies  
15 provided under Republic Act No. 7394 or any existing  
16 relevant laws.

17 When the online consumer avails replacement or  
18 refund as a remedy, the online merchant is entitled to the  
19 return of the original goods delivered, without any cost to

1 the online consumer, within a reasonable period from the  
2 receipt thereof, unless otherwise agreed upon by the  
3 parties. In case the refund is already paid, but the goods  
4 cannot be returned due to the fault of the online consumer,  
5 the amount received shall be immediately reimbursed to  
6 the online merchant or e-retailer subject to proportionate  
7 reduction in price, if appropriate.

8 SEC. 21. *Obligations of E-Marketplaces.* – Except as  
9 otherwise provided in this Act, e-marketplaces shall:

10 (a) Ensure that the internet transactions on their  
11 platform:

12 (1) Are clearly identifiable as an e-commerce  
13 transaction;

14 (2) Identify the person or persons on whose behalf  
15 the e-commerce transaction is made; and

16 (3) Identify any promotional offer including any  
17 discount, premium, or gift, and that conditions required to  
18 qualify for it are accessible, clear, and unambiguous.

1           (b) Require, as far as practicable, all online  
2 merchants, whether foreign or Filipino, to submit the  
3 following, prior to listing with their platforms:

4           (1) Name of the online merchant accompanied by at  
5 least one (1) valid government identification card for  
6 individuals or business registration documents for juridical  
7 entities;

8           (2) Geographic address where the online merchant is  
9 located;

10          (3) Contact details of the online merchant which  
11 must include a mobile or landline number and a valid  
12 e-mail address; and

13          (4) In instances when the services offered by an  
14 online merchant is connected with the exercise of a  
15 regulated profession, the details of membership in any  
16 professional body or similar relevant institution with  
17 which the online merchant is registered or otherwise is a  
18 member of.

1           Except for the government identification cards or  
2 registration documents mentioned under Section 21(b)(1)  
3 and the contact details of the online merchant as required  
4 under Section 21(b)(3), the information required under this  
5 paragraph shall be published or posted on the  
6 e-marketplace or digital platform for transparency, unless  
7 the e-marketplace or digital platform establishes means to  
8 facilitate communication between online merchants and  
9 online consumers or provides a link to the OBD on their  
10 platform.

11           (c) Maintain a list of all online merchants registered  
12 under their platform, containing the information provided  
13 in Section 21(b). The list shall be updated and verified  
14 regularly.

15           An e-marketplace shall be required to provide specific  
16 information upon the issuance of a *subpoena* by competent  
17 authority pursuant to an investigation based on a sworn  
18 complaint, stating that the e-marketplace or e-retailer is  
19 being used in the commission of a crime or that it was

1 utilized as a means to commit a malicious, fraudulent, or  
2 unlawful act, and that the complaint is unable to ascertain  
3 the identity of the perpetrator.

4 (d) Take the necessary precautions to protect the  
5 data privacy of consumers, at all times, in accordance with  
6 Republic Act No. 10173, or the “Data Privacy Act of 2012”,  
7 and comply with the minimum information security  
8 standards set by the Bureau, NPC, and other issuances of  
9 relevant government agencies. Digital platforms and  
10 e-marketplaces shall be covered by the provisions of  
11 Republic Act No. 10173 and issuances by the NPC.

12 (e) Prohibit the sale of regulated goods unless they  
13 provide the necessary permits and license information, and  
14 contractually obligating their compliance with sale  
15 procedures and limitations, and other relevant conditions  
16 for the sale as may be imposed by any law or local  
17 government regulation.

18 (f) Provide an effective and responsive redress  
19 mechanism for online consumers and online merchants to

1 report a user or information posted on the platform that  
2 are deemed in violation of relevant laws.

3 (g) Require all online merchants to clearly indicate  
4 the following in their product offers online, regardless of  
5 the nature of the goods and services:

6 (1) Name and brand of the goods or services;

7 (2) Price;

8 (3) Description; and

9 (4) Condition.

10 In performing their obligations under this section,  
11 e-marketplaces and other digital platforms are required to  
12 observe ordinary diligence. Failure to do so will subject  
13 them to penalties under Section 29 of this Act.

14 *SEC 22. Obligations of other Digital Platforms that*  
15 *Do Not Retain Oversight over the Consummation of the*  
16 *Transaction.* – Other digital platforms that do not retain  
17 oversight over the consummation of the transaction shall  
18 have the following obligations:



1           (a) Enable consumers to distinguish between  
2 commercial and non-commercial or private accounts;

3           (b) Prohibit the sale and advertisement of regulated  
4 goods unless they provide the necessary permits and  
5 license information, and contractually obligating their  
6 compliance with sale procedures and limitations, and other  
7 relevant conditions for the sale as may be imposed by any  
8 law or local government regulation;

9           (c) Require online merchants to indicate the  
10 following in their product offers online, regardless of the  
11 nature of the goods and services:

12           (1) Name and brand of the goods or services;

13           (2) Price;

14           (3) Description;

15           (4) Condition; and

16           (5) Contact information of the online merchant.

17           (d) Provide an effective and responsive redress  
18 mechanism for online consumers and online merchants to

1 report a user or information posted on the platform that  
2 are deemed in violation of relevant laws;

3 (e) Maintain, as far as practicable, an updated list of  
4 accounts that make use of the platform for e-commerce.  
5 The platform shall be required to provide specific  
6 information upon the issuance of a *subpoena* by competent  
7 authority pursuant to an investigation based on a sworn  
8 complaint, stating that the platform covered under this  
9 section is being used in the commission of a crime or that it  
10 was utilized as a means to commit a malicious, fraudulent,  
11 or unlawful act, and that the complaint is unable to  
12 ascertain the identity of the perpetrator.

13 (f) Take the necessary precautions to protect the  
14 data privacy of consumers, at all times, in accordance with  
15 Republic Act No. 10173 and comply with the minimum  
16 information security standards set by the Bureau, NPC,  
17 and other issuances of relevant government agencies.  
18 Digital platforms and e-marketplaces shall be covered by

1 the provisions of Republic Act No. 10173 and issuances by  
2 the NPC.

3 In performing their obligations, platforms covered  
4 under this section are required to observe ordinary  
5 diligence. Failure to do so will subject them to penalties  
6 under Section 29 of this Act.

7 SEC. 23. *Obligations of E-Retailers and Online*  
8 *Merchants.* – An e-retailer or online merchant of digital or  
9 non-digital goods and services, shall exercise the following  
10 responsibilities:

11 (a) Indicate the price of goods and services offered  
12 consistent with Article 81 of Republic Act No. 7394;

13 (b) Ensure that the goods are received by the online  
14 consumer:

15 (1) In the same condition, type, quantity, and quality  
16 as described and stated and, in applicable circumstances,  
17 possess the functionality, compatibility, interoperability,  
18 and fitness for the purpose for which they were intended;

1           (2) In the same condition, type, quantity, and quality  
2 of a sample, picture, or model of the goods shown by the  
3 e-retailer or online merchant upon request of the online  
4 consumer, or of additional descriptions or specifications  
5 provided by the e-retailer or online merchant upon  
6 inquiries made by the online consumer; and

7           (3) It must also be fit for the particular purpose for  
8 which the online consumer requires them, as  
9 communicated to the e-retailer or online merchant at the  
10 time of the perfection of the contract, and which the  
11 e-retailer or online merchant has accepted;

12           (c) All the goods shall:

13           (1) Be delivered together with its accessories,  
14 including all other packaging, installation inclusions, any  
15 user manual, or other instructions as advertised or  
16 described, if applicable, with the relevant information  
17 stated in the packaging, printed or written in Filipino  
18 and/or English; and

1           (2) Possess qualities and performance capabilities,  
2 including functionality, compatibility, and interoperability,  
3 that are standard and normal in goods of the same type,  
4 which the online consumer may expect given its nature  
5 and considering any public statement or testimonial made  
6 by or on behalf of the e-retailer, online merchant, or other  
7 persons in earlier links of the chain of transactions,  
8 including the producer, unless the e-retailer or online  
9 merchant shows that:

10           (i) The e-retailer or online merchant was not, and  
11 could not have been, reasonably aware of the statement in  
12 question;

13           (ii) By the time of the conclusion of the contract, the  
14 statement had already been corrected; or

15           (iii) The decision to buy the goods could not have  
16 been influenced by the statement.

17           (d) Where the e-retailer or online merchant is a  
18 digital goods or services provider, it shall ensure that the  
19 digital goods or services have the qualities and

1 performance features, in relation to functionality,  
2 compatibility, interoperability, accessibility, continuity,  
3 and security, which are standard and normal for digital  
4 goods or services of the same type as advertised or  
5 described.

6 (e) Where the transaction involves a digital platform  
7 that offers a performance of a service, the e-retailer or  
8 online merchant shall ensure the completion of the same in  
9 accordance with the contract and as advertised.

10 (f) An e-retailer shall:

11 (1) Publish on its homepage the following:

12 (i) Its corporate and trade or business name, as may  
13 be appropriate;

14 (ii) Address of the physical shop or place of business;

15 (iii) Contact details of the e-retailer, which must  
16 include a mobile or landline number and a valid e-mail  
17 address to ensure direct and efficient communication with  
18 online consumers; and

1           (iv) In instances when the services offered by an  
2 e-retailer is connected with the exercise of a regulated  
3 profession, the details of membership in any professional  
4 body or similar relevant institution with which the  
5 e-retailer is registered or otherwise is a member of.

6           The foregoing shall be submitted to the Bureau and  
7 must be accompanied by at least one (1) government  
8 identification card or registration document as valid proof  
9 of identity.

10          (2) Take the necessary precautions to protect the  
11 data privacy of consumers, at all times, in accordance with  
12 Republic Act No. 10173, and comply with the minimum  
13 information security standards set by the Bureau, NPC,  
14 and other issuances of relevant government agencies.  
15 E-retailers and online merchants shall be covered by the  
16 provisions of Republic Act No. 10173 and issuances by the  
17 NPC.

18          (g) Where the e-retailer or online merchant is  
19 engaged in delivery service, it shall have the right to

1 require its online consumers to provide at least a valid  
2 e-mail address or mobile phone number before entering  
3 into a transaction.

4 (h) E-retailers or online merchants shall issue paper  
5 or electronic invoices or receipts for all sales.

6 (i) E-retailers shall have in place an accessible and  
7 efficient redress mechanism for handling complaints from  
8 their clients.

9 SEC. 24. *Internal Redress Mechanism.* – An aggrieved  
10 party shall avail of the internal redress mechanism of the  
11 digital platform, e-marketplace or e-retailer prior to the  
12 filing of a complaint before any court or appropriate  
13 government agency, or resorting to alternative dispute  
14 resolution. Such mechanism is deemed exhausted if the  
15 complaint remains unresolved after seven (7) calendar  
16 days from filing thereof.

17 SEC. 25. *Primary Liability of E-retailers or Online*  
18 *Merchants.* – The e-retailer or online merchant shall be  
19 primarily liable for indemnifying the online consumer in



1 civil actions or administrative complaints arising from the  
2 internet transaction, without prejudice to the imposition of  
3 other penalties as may be appropriate under Section 29 of  
4 this Act and other laws.

5 The liability of the e-marketplace or digital platform  
6 shall be treated as one and the same as the online  
7 merchant upon a finding that both are the same entity.

8 SEC. 26. *Subsidiary Liability of E-Marketplaces or*  
9 *Digital Platforms.* – The e-marketplace or digital platform  
10 that facilitated the internet transaction subject of a civil  
11 action or administrative complaint shall be subsidiarily  
12 liable to the online consumer if any of the following  
13 circumstances are present:

14 (a) The digital platform or e-marketplace failed to  
15 exercise ordinary diligence in complying with its  
16 obligations under Sections 21 and 22 hereof, resulting in  
17 loss or damage to the online consumer; or

18 (b) If the digital platform or e-marketplace failed,  
19 after notice, to act expeditiously in removing or disabling

1 access to goods or services that either infringe on another's  
2 intellectual property rights or is subject to a takedown  
3 order by any appropriate government agency; or

4 (c) If the online merchant has no legal presence in  
5 the Philippines and the digital platforms or e-marketplace  
6 failed to provide the contact details thereof despite notice.

7 The subsidiary liability of digital platforms or  
8 e-marketplaces shall be limited only to the extent of  
9 damages suffered by the online consumer as a direct result  
10 of the transaction, without prejudice to other liabilities  
11 that may be incurred under this Act or other laws.

12 Digital platforms or e-marketplaces shall not be held  
13 liable for their reliance in good faith on an online merchant's  
14 representations, warranties, or submitted registration  
15 documents regardless if such information or documents are  
16 later proved to be inaccurate, false, or untrue: *Provided*, That  
17 the digital platform or e-marketplace must show evidence of  
18 good faith and that reasonable effort was exerted to ascertain



1           SEC. 29. *Penalties.* – The DTI shall impose the  
2 following administrative fines as penalty against:

3           (a) An online merchant or e-retailer that sells, leases  
4 or allows the sale or lease of goods or services, whether  
5 digital or not, that are imminently injurious, unsafe,  
6 dangerous, or illegally done through the internet shall be  
7 punished under the laws, rules and regulations that  
8 prohibit or regulate such acts.

9           (b) An online merchant or e-retailer found guilty of  
10 any deceptive, unfair or unconscionable sales act or  
11 practice, done through the internet, shall be, in addition to  
12 the penalties imposed under Republic Act No. 7394,  
13 punished with:

14           (1) A fine ranging from Twenty thousand pesos  
15 (P20,000.00) to One hundred thousand pesos (P100,000.00)  
16 for the first offense.

17           (2) A fine ranging from One hundred thousand pesos  
18 (P100,000.00) to Five hundred thousand pesos  
19 (P500,000.00) for the second offense.

1           (3) A fine ranging from Five hundred thousand pesos  
2 (P500,000.00) to One million pesos (P1,000,000.00) for the  
3 third and subsequent offenses.

4           (c) An online merchant, e-retailer, e-marketplace or  
5 digital platform, who shall willfully or unreasonably refuse  
6 to comply with the takedown order issued under Section  
7 15(a), (c), and (d) of this Act, shall be punished with:

8           (1) A fine ranging from Twenty thousand pesos  
9 (P20,000.00) to One hundred thousand pesos (P100,000.00)  
10 for the first offense.

11           (2) A fine ranging from One hundred thousand pesos  
12 (P100,000.00) to Five hundred thousand pesos  
13 (P500,000.00) for the second offense.

14           (3) A fine ranging from Five hundred thousand pesos  
15 (P500,000.00) to One million pesos (P1,000,000.00) for the  
16 third and subsequent offenses.

17           (d) Any person found in violation of Section 19 or 20  
18 of this Act shall be punished, in addition to the value of the  
19 goods or services subject of the transaction, with:

1           (1) A fine not less than One hundred pesos (P100.00)  
2 but not more than Five thousand pesos (P5,000.00) for  
3 goods or services amounting to not more than One hundred  
4 pesos (P100.00).

5           (2) A fine not less than One thousand pesos  
6 (P1,000.00) but not more than Ten thousand pesos  
7 (P10,000.00) for goods or services amounting to more than  
8 One hundred pesos (P100.00) but less than One thousand  
9 pesos (P1,000.00).

10          (3) A fine not less than the value of the goods or  
11 services but in no case shall exceed Twenty thousand pesos  
12 (P20,000.00) for goods or services which price exceeds One  
13 thousand pesos (P1,000.00).

14          (e) An online merchant, e-retailer, e-marketplace or  
15 digital platform found in violation of Sections 21, 22(b), (c)  
16 or (d), and 23 (a), (f) or (i) of this Act shall be punished  
17 with:

1           (1) A fine ranging from Five thousand pesos  
2 (P5,000.00) to Ten thousand pesos (P10,000.00) for the first  
3 offense.

4           (2) A fine ranging from Ten thousand pesos  
5 (P10,000.00) to Fifty thousand pesos (P50,000.00) for the  
6 second offense.

7           (3) A fine ranging from Fifty thousand pesos  
8 (P50,000.00) to One hundred thousand pesos (P100,000.00)  
9 for the third and subsequent offenses.

10           The DTI Secretary shall increase the schedule of fines  
11 indicated in this section every five (5) years to maintain  
12 their real value from the time it was set.

13           In fixing the amount of the fine, the DTI Secretary  
14 shall have regard to both the gravity and the duration of  
15 the violation.

16           The penalty of takedown shall be imposed, whenever  
17 applicable, in addition to the abovementioned penalties, by  
18 permanently removing any listing or offer on any website,

1 webpage, online application, social media post, or on any  
2 similar platform.

3 The application of these penalties shall be without  
4 prejudice to the civil or criminal liability of the offending  
5 party under other laws or regulations.

6 SEC. 30. *Congressional Oversight Committee.* – A  
7 Congressional Oversight Committee, hereinafter referred  
8 to as the Internet Transactions Act Congressional  
9 Oversight Committee (ITA-COC), shall be constituted to  
10 monitor and ensure the proper implementation of this Act.  
11 It shall be composed of five (5) members from the Senate,  
12 which shall include the Chairpersons of the Committees on  
13 Trade, Commerce and Entrepreneurship, Science and  
14 Technology, and Finance, and five (5) members from the  
15 House of Representatives, which shall include the  
16 Chairpersons of the Committees on Trade and Industry,  
17 Information and Communications Technology, and  
18 Appropriations. The Chairpersons of the Senate  
19 Committee on Trade and Commerce and the House of



1 Representatives Committee on Trade and Industry shall  
2 jointly chair the Committee. The ITA-COC shall cease to  
3 exist after five (5) years from the effectivity of this Act.

4       SEC. 31. *Implementing Rules and Regulations.* –  
5 Within ninety (90) days from the effectivity of this Act, a  
6 Committee headed by the DTI Secretary and composed of  
7 representatives from DICT, NPC, Department of  
8 Agriculture (DA), Department of Health (DOH), BSP, and  
9 other relevant government agencies as determined by the  
10 DTI shall formulate and promulgate the rules and  
11 regulations necessary for implementing the law.

12       SEC. 32. *Transitory Provisions.* – A transitory period  
13 of eighteen (18) months from effectivity of this Act shall be  
14 provided to all affected online merchants, e-retailers,  
15 e-marketplaces, and digital platforms to comply with the  
16 requirements of the law.

17       SEC. 33. *Applicability of the Civil Code.* – In  
18 construing the rights and responsibilities of the parties,

1 the Civil Code provisions on sales, and obligations and  
2 contracts shall apply.

3 SEC. 34. *Interpretation.* – In case of doubt, the  
4 provisions of this Act, including its implementing rules and  
5 regulations and subsequent issuances by the implementing  
6 agency, shall be construed in a manner that accords the  
7 highest respect for human dignity, consumer rights, and  
8 individual privacy.

9 SEC. 35. *Appropriations.* – The amount necessary to  
10 carry out the provisions of this Act shall be included in the  
11 annual General Appropriations Act.

12 SEC. 36. *Separability Clause.* – If any provision of  
13 this Act is declared unconstitutional, the remainder thereof  
14 not otherwise affected shall remain in full force and effect.

15 SEC. 37. *Repealing Clause.* – All laws, presidential  
16 decrees, executive orders, letters of instruction, and  
17 administrative regulations that are inconsistent with the  
18 provisions of this Act are hereby repealed, amended, or  
19 modified accordingly.

1           SEC. 38. *Effectivity.* – This Act shall take effect after  
2 fifteen (15) days following the completion of its publication  
3 in the *Official Gazette*, or in a newspaper of general  
4 circulation.

Approved,