Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5752

INTRODUCED BY HONORABLE CHERYL P. DELOSO-MONTALLA

AN ACT REGULATING THE MANUFACTURE, USE, SALE, PACKAGING, DISTRIBUTION AND ADVERTISEMENTS OF VAPOR PRODUCTS AND FOR OTHER PURPOSES

EXPLANATORY NOTE

This bill seeks to establish a public high school in Barangay Sto. Niño in the Municipality of Palauig in the Province of Zambales.

E-cigarettes are devices that vaporize a solution that users inhale. It does not use tobacco leaves, unlike regular cigarettes. Its use became popular among Filipinos, particularly the youth, as the government implemented higher excise taxes on tobacco products, and the ban on smoking in public areas. While long-term health impacts from vaping remain largely unknown, e-cigarettes were viewed as a healthier alternative that could help users quit smoking when they were first launched a few years ago.[1]

There are contradicting views about vaping but while there is no sufficient scientific evidence through randomized, controlled clinical trials to show the benefits and/or ill-effects of vaping, the government is left with anecdotal reports to rely to in imposing its police power.

Available sources claim the following benefits of vaping:

1. It's safer than smoking: The Royal College of Physicians in Great Britain stated that vaping is at least 95% safer than smoking based on their extensive research. Since there's no combustion, tar or ash associated with vaping, switching to it from smoking enables the user to experience health benefits from being smoke-free. That means better oral hygiene, skin health, circulation, lung capacity and an improved sense of smell and taste.[2]

2. No noxious odors: One of the biggest advantages of vaping is that the person using it and environment won't smell of smoke. Vaping may have an aroma from the flavors used, but it's not the smoke from dead tobacco leaves. To some people, the smell of vapor is barely noticeable. Sometimes one might even get a few complements on the aroma.

3. Control over nicotine intake: Vaping gives one full control over his/her nicotine dosage. E-juice is available in a variety of strengths, ranging from nicotine-free to high-strength nicotine. One can choose exactly how much nicotine is in his/her vape, if one decides to use any at all. Most vapers tend to start off with high nicotine levels, and gradually work their way down to lower levels, or eliminate it completely.

In contrast, those who are against vaping have the following arguments:

1. Stigma of nicotine: Nicotine is a lightweight as drugs go. It's a mild stimulant that also paradoxically relaxes the user. But because its history is inevitably tied to smoking — which is a

[1] https://news.abs-cbn.com/news/10/30/19/doh-wants-ban-on-e-cigarettes
[2] https://www.rcplondon.ac.uk/projects/outputs/nicotine-without-smoke-tobacco-harm-reduction

highly dangerous delivery mechanism—nicotine has a bad name. The most long-term study on vaping is 3.5 years. It showed no negative health effects from its participants. Unfortunately, there's no longer-term research beyond that. Because vaping is a new phenomenon, barely a decade old, it's impossible to have truly long-term data.[3]

2. Scary headlines: There are lots of myths and rumors about vaping perpetuated in the news. Some of them have a kernel of truth while some are just made up. Some headlines may be true but are isolated cases made to look like an epidemic. Vaping looks like smoking, and both can provide nicotine for those who want it. Aside from that, they have little in common. When you light a cigarette, you're incinerating dead tobacco and inhaling the smoke, which is full of tar and carbon monoxide that damage your lungs and cardiovascular system. [4]

3. FDA regulations and rules: The FDA was given regulatory authority over cigarettes and tobacco. That Congressional act also gave the FDA the ability to define new products as tobacco if they contain "nicotine derived from tobacco." Oddly enough, even for e-liquid that has zero nicotine, the FDA requires a disclaimer that the product does contain it.

With the existing vaping industry in the country flourishing, a total ban on the use of vaping would push the sale of vaping products and implements "underground" or into the "blackmarket". This would leave the government to grope in the dark in the monitoring of diseases related to vaping and would also deprive it with the taxes that would have been available should a regulatory mechanism be available through legislative action.

It is in this light that this bill is being filed.

Immediate passage of this bill is earnestly sought.

CHERYL P. DELOSO-MONTALLA
Representative
2nd District, Zambales

[3] https://www.nature.com/articles/s41598-017-14043-2
[4] https://bmcpublichealth.biomedcentral.com/articles/10.1186/1471-2458-14-18

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

SECTION 1. ***Short Title.*** — This Act shall be known as the "Vapor Products Regulation Act of 2019".

SECTION 2. ***Policy.*** — It is the policy of the State to protect the interests of consumers, promote their general welfare and to establish standards to regulate the industry.

SECTION 3. ***Scope.*** — This Act shall apply to all individuals, enterprises and businesses which seek to manufacture, distribute, import, export, sell, offer for sale, and/or use vapor products. It shall also provide for the standards to be implemented by the Inter-Agency Council for Vapor products (IAC-V) in the monitoring and regulation of vapor products.

This Act shall not apply to heated tobacco products.

SECTION 4. ***Purpose.*** — It is the objective of this Act to:

a. Minimize risks posed by Vapor products;
b. Prohibit sale of Vapor products to Minors;
c. Monitor potential risks of Vapor products; and
d. Create an Inter-Agency Committee on Vapor products to oversee the implementation of the provisions of this Act.

SECTION 5. ***Definition of terms.*** — As used in this Act;

a. "Advertisement" - refers to any visual and/or audible message disseminated to the public about or on a particular vapor product that promotes the purchase or use of vapor products by words, designs, images or any other means through broadcast, electronic, print or whatever form of mass media, including outdoor advertisements, such as but not limited to signs and billboards;

b. "Advertising" - refers to any messages and images promoting the purchase or use of vapor products;

c. "Carcinogenic" - refers to properties that can induce cancer or an increase in the incidence of cancer occurring after exposure to a substance or mixture as defined under the GHS;

d. "Closed-System" - refers to an E-device with a tank that is not intended by the manufacturer to be refillable or that is intended by the Manufacturer to be used with Pods designed by the Manufacturer;

e. "COC-V" - refers to the Congressional Oversight Committee on Vapor Products, whose members are set out in Section 30;

f. "Commissioner" - refers to the Commissioner of the Bureau of Internal Revenue (BIR);

g. "Distributor" - refers to any person to whom a vapor product is delivered or sold for purposes of distribution in commerce, except that such term does not include a Manufacturer or retailer or common carrier of such product;

h. "DTI" - refers to the Department of Trade and Industry (DTI);

i. "Design" - refers to any composition of lines or colors or any three-dimensional form, whether or not associated-with lines or colors, provided that such composition or form gives a special appearance to and can serve as a pattern for an industrial product, but shall exclude designs dictated essentially by technical or functional considerations to obtain a technical result;

j. "E-device" - refers to an electronic device that delivers E-liquid in aerosol form into the mouth and lungs when inhaled It is also referred to as an aerosolizing apparatus;

k. "E-liquid" - refers to any liquid solution or gel whether containing nicotine or not, that is encased in a Receptacle;

l. "Emission" - refers to the vapor, mist or aerosol that is produced when the E-liquid is heated by the E-device;

m. "Flavor/Flavoring" - refers to an additive or a combination of additives, including but not limited to fruit, spice, herbs, alcohol, candy, menthol or vanilla, that imparts smell and/or taste to the E-liquid;

n. "GHS" - refers to the Globally Harmonized System of Classification and Labelling of Chemicals issued by the United Nations;

o. "Health Claims" - refers to any representation to consumers that the use of vapor products reduces risk of disease or health-related conditions or that vapor products are a smoking cessation aid;

p. "HPHC" - refers to harmful and potentially harmful constituents;

q. "IAC-V" - refers to the Inter-Agency Council on Vapor Products created under this Act;

r. "Ingredient" - refers to any substance used as a component in the manufacture or preparation of an E-liquid;

s. "Label/labelling" means the display of written, printed or graphic matter on any vapor products, its immediate container, tag, literature or other suitable material affixed thereto for the purpose of giving information as to the identity, components, ingredients, attributes, directions for use, specifications and such other information as may be required by this Act;

t. "Minor" - refers to any person below eighteen (18) years old;

u. "Manufacture" means any and all operations involved in the production, including preparation, propagation, processing, formulating, filing, packing, repacking, altering, ornamenting, finishing or otherwise changing the container, wrapper or labeling of a Vapor product in the furtherance of the distribution of the same from the original place of manufacture to the person who makes the final delivery or sale to the ultimate consumer;

v. "Manufacturer" means any person who manufactures, assembles or processes vapor products, except that if the goods are manufactured, assembled or processed for another person who attaches his own brand name to the vapor products, the latter shall be deemed the manufacturer.

w. "Mutagenic" - refers to properties that may cause heritable gene mutations, including heritable structural and numerical chromosome aberrations in germ cells occurring after exposure to a substance or mixture as defined under the GHS;

x. "Open-System" - refers to an E-device with a tank that a user can refill with an E-liquid of their choosing;

y. "Package" or "Packaging" - refers to any container or wrapping in which any vapor product is enclosed for use in the delivery or display of that vapor product to retail purchasers, but does not include: *(i)* shipping containers or wrappings used solely for the transportation of any vapor product in bulk or in big quantities by manufacturers, packers, or processors to wholesale retail distributors thereof; *(ii)* shipping containers or outer wrappings used by retailers to ship or deliver any product to retail customers if such containers and wrappings bear no printed matter pertaining any particular product; and *(iii)* the wrappers or containers of vapor products sold in small quantities by small retail stores to the consumer which by tradition are wrapped with ordinary paper;

z. "Person" - refers to an individual, partnership, corporation or any other business or legal entity;

aa. "Pod" - refers to a sealed, pre-filled and disposable bottle, container or cartridge containing E-liquid, in which the E-liquid is intended by the Manufacturer to be inaccessible by the user through customary or reasonably foreseeable handling or use, that is attached or inserted into the E-device;

bb. "Point-of-Sale" - refers to any location, including online, at which an individual can purchase or otherwise obtain Vapor products;

cc. "Principal Display Surface" - refers to any of the following:

(i) In the case of a package and carton that has at least two (2) equal sized sides or surfaces, other than the top and bottom, that may be displayed or visible under normal or customary conditions of sale or use, the areas of each of the two (2) largest surfaces;

(ii) In the case of a spherical, cylindrical or conical container of vapor products, the two (2) largest surfaces that are predominantly displayed; and

(iii) In the case of a package and carton that do not have a particular side or surface that is predominantly displayed or visible under normal or customary conditions of sale or use or those that are not described under subsections 1 and 2, fifty percent (50%) of the three (3) dominant sides or the total surface thereof, whichever is bigger, which will ensure that the Warnings are visibly shown;

dd. "Product Information" - means accurate information as to the nature, quality, design, quantity of the contents, trademarks, brand names and identity of the Manufacturer of a Vapor product, which facilitate the comparison of the value of such Vapor product against other Vapor products, and includes any information prescribed under the packaging and labelling requirements in Sections 12 of this Act;

ee. "Promotion" - means techniques intended for broad consumer participation which contain promises of gain such as prizes, in cash or in kind, as a reward for the purchase of a Vapor

product or winning in a contest, game, tournament and other similar competitions which involve determination of winner/s. It also means techniques purely intended to increase the sales, patronage and/or goodwill of a product;

ff. "Public Conveyances" - refer to modes of transportation servicing the general population, such as, but not limited to, elevators, airplanes, buses, taxicabs, ships, jeepneys, light rail transits, tricycles, and similar vehicles;

gg. "Receptacle" - refers to Pods and Refills and excludes tanks of E-devices which are used to contain E-liquids;

hh. "Refill" - refers to a bottle or container containing E-liquid, in which the E-liquid is intended by the Manufacturer to be accessible by the user through customary or reasonably foreseeable handling or use;

ii. "Reprotoxic" - refers to property or properties that may cause adverse effects on sexual function and fertility in adult males and females, as well as developmental toxicity in the offspring, occurring after exposure to a substance or mixture as defined under the GHS;

jj. "Retailer" - refers to any person who or entity that sells vapor products to individuals for personal consumption;

kk. "Selfie" - refers to a photograph that one has taken of oneself, typically with a smartphone or webcam;

ll. "Sponsorship" - refers to any public or private contribution to a third party in relation to an event, team or activity made with the aim of promoting a brand of vapor products, which event, team or activity would still exist or occur without such contribution. For the purpose of this Act, sponsorship shall be understood as Vapor products sponsorship;

mm. "Vaping" - refers to the act of inhaling the vapor, mist or aerosol produced by the vapor products;

nn. "Vapor product" - as the context may require, refers to an E-device (whether Closed-System or Open System), E-liquid, Receptacles, its accessories or any combination thereof;

oo. "Warning" - refers to the textual warning specified in Section 12a(i), which shall be required in lieu of the health warnings required by Republic Act No. 11346 in relation to Republic Act No. 10643 or the Graphic Health Warnings Law.

SECTION 6. ***Prior notice to the IAC-V.*** — Any person who wishes to engage in the activity of manufacturing, selling, offering for sale, importing, exporting, distributing or transferring vapor products shall give prior notice the IAC-V of its intention at least three (3) months before the commencement of its operation. The IAC-V, through its Secretariat, after review of the documents presented, shall issue a "Certificate of No Objection" which shall be the basis for the issuance of the appropriate agency of its permit to operate its business.

SECTION 7. ***Product standards.*** — No Person shall manufacture, sell, offer for sale, import, export, distribute or transfer any vapor product unless:

a. the E-device operates in such a way that when used as intended, delivers controlled heating during the entire process of consumption of the E-liquid;

b. the E-device complies with all applicable electrical safety standards as promulgated by the Bureau of Product Standards of the Department of Trade and Industry (DTI);

c. the tank of Open-System E-devices and Refills are child-resistant, tamper resistant, protected against leakage or breakage and have a mechanism that ensures refilling without leakage;

d. the tanks of E-device and Pods shall only be permitted to have a maximum volume of two (2) milliliters while Refills shall only be permitted to have a maximum volume of thirty (30) milliliters; and the Manufacturer provides a written declaration to the IAC-V at least three (3) months prior to manufacturing, selling, offering for sale, importing, exporting, distributing or transferring a vapor product that

(i) the vapor product complies with the standards set out in Section 7 of this Act; and

(ii) they shall bear full responsibility for the quality and safety of the vapor product when placed on the market and used under normal or reasonably foreseeable conditions.

SECTION 8. ***Ingredients and emissions standards.*** — No person shall manufacture, sell, offer for sale, import, export, distribute or transfer any E-liquid unless it complies with the following:

a. Each of the components of the E-liquid particularly nicotine, propylene glycol or glycerol, must be within the specifications of internationally-accepted pharmacopoeia;

b. The E-liquid shall not contain additives that have carcinogenic, mutagenic or reprotoxic properties in unburnt form under the prevailing GHS revision;

c. The E-liquid shall not contain vitamins or other additives that are promoted or marketed to create the impression that the product has a health benefit or presents reduced health risks;

d. The E-liquid shall not contain caffeine, taurine, or other additives and neuro- or psycho-stimulant compounds;

e. The E-liquid shall not contain additives having coloring properties for Emissions;

f. The E-liquid shall not contain additives such as diacetyl and 2,3-Pentandione, which are known to pose a risk to human health when used in vapor products.

g. The E-liquid shall contain a maximum nicotine value of not more than sixty-five milligrams of nicotine per milliliter;

h. The E-liquid additives not prohibited under the preceding sub-sections, such as but not limited to additives used in Flavoring permitted under Section 9, must be of at least food grade purity;

i. The E-liquid shall not contain any dangerous drugs, as enumerated under Republic Act No. 9165, otherwise known as the Comprehensive Dangerous Drugs Act of 2002; and

j. The manufacturer shall provide a written declaration to the IAC-V at least three (3) months prior to manufacturing, selling, offering for sale, importing, exporting, distributing or transferring an E-liquid that

(i) the E-liquid complies with the standards set out in Section 8 of this Act and

(ii) (ii) they shall bear full responsibility for the quality and safety of the E-

liquid when placed on the market and used under normal or reasonably foreseeable conditions.

The IAC-V, through the issuance of rules and regulations, may prohibit any other additive/s that are, after notice and hearing, proven to have caused death, serious illness or injury, or pose grave and imminent risk to consumer safety and public health when used in vapor products under normal consumption patterns;

The sale, offer for sale, import, export, distribution or transfer of any nicotine shotsand/or concentrates shall be strictly prohibited.

SECTION 9. ***Flavors.*** — The manufacture, importation, sale and distribution of vapor products containing flavoring shall be prohibited, except for tobacco or menthol flavors. The IAC-V may, however, on the basis of evidence-based medicine, permit additional flavors through the issuance of the necessary and appropriate rules and regulations,

SECTION 10. ***Prior submission of data and information to IAC-V.*** — In addition to the requirement of prior notice under Section 6, no vapor product shall be manufactured, sold, offered for sale, imported, exported, distributed or transferred unless the following shall have been submitted to the IAC-V:

a. a full statement and report of the components of the E-device;

b. a full statement and report of the ingredients of the E-liquids, except for ingredients used in quantities of 0.1% or less of the final formulation of the E-Liquid, which are considered confidential or trade secret and can be described in the report by the name of the flavoring, provided that the Manufacturer or importer (as the case may be) provides a written declaration to the IAC-V that they would disclose these ingredients to the IAC-V in confidence in the event of a safety problem with the product;

c. for closed-system vapor products, a report listing the known HPHCs in the E-liquid and a toxicological analysis of the HPHCs in Emissions produced when the E-device is used with the Pod;

d. for refills, a report listing the known HPHCs in the E-liquid and toxicological analysis of the HPHCs in Emissions produced when used with three (3) compatible E-devices. The toxicological analysis should be performed using E-devices that are known to be typically used with the Refill on the market;

e. for open-system e-devices, a toxicological analysis of the HPHCs in Emissions produced when used with three (3) compatible Refills. The toxicological analysis should be performed using Refills that are known to be typically used with the E- device on the market;

f. samples of the E-device and/or Receptacle, as the IAC-V may reasonably require;

g. specimens of the Packaging proposed to be used for the E-device and/or Receptacle; and

h. the Manufacturer's written declaration required under Section 7(e) and/or Section 8(j) and/or Section 10(a) and/or Section 10(b).

The IAC-V shall establish a list of HPHCs within three (3) months of the effectivity of this Act, and periodically revise the list as appropriate; provided however that the list must be supported by substantial scientific evidence and shall not be formulated or revised without prior notice to and consultation with the public and interested stakeholders.

SECTION 11. ***Advertisements, sponsorships and promotions.*** — The following restrictions shall apply:

a. *Advertisements.* — All forms of advertising of vapor products shall be prohibited.

b. *Sponsorships.* — Manufacturers, distributors, importers, exporters and retailers of vapor products are prohibited from providing any Sponsorship. This sub-Section shall not prohibit any donations or sponsorships made in connection with programs that are permitted under Section 21 of this Act.

c. *Promotions.* — The following restrictions shall apply to all promotions:

(i) all communications to consumers about promotions shall comply with the provisions of Section 11(d) governing Product Information;

(ii) no Minor may participate in promotions. All participants must be required to provide a valid government-issued photo identification for verification; and

(iii) in addition to the Warning, the age requirement for participation in any promotion must be clearly marked on the program materials distributed to consumers.

d. *Product Information.* — Product Information shall be displayed and provided only at points-of-sale. All Product Information displayed and provided at points-of-sale shall include the Warning.

SECTION 12. ***Packaging and labelling.*** — All vapor products shall comply with the following requirements:

a. *Packaging.* — the Packaging of vapor products shall:

(i) carry the warning on the principal display surface:

"THIS PRODUCT CONTAINS NICOTINE, WHICH IS A HIGHLY ADDICTIVE SUBSTANCE.";

(ii) The warning shall be contained within a frame, which shall occupy 30% of the lower part of the principal display surface. The warning shall occupy a total area of not less than fifty percent (50%) of the frame;

(iii) Nothing shall be printed or applied on a location where it is likely to obscure or cover, in part or in whole, the warning;

(iv) No part of the warning may be destroyed, obscured, folded, severed or become unreadable when the packaging is opened or closed or when a wrapper on the packaging is removed;

(v) In addition to the warning, the following textual health warnings should also be included on the packaging:

(1) "This product is not suitable for use by pregnant women, nursing mothers, children, persons with respiratory or cardiovascular diseases."; and

(2) "Intended only for adult smokers.";

(vi) for Receptacles:

(1) specify the nicotine content in the format of "XX mg of nicotine / ml";

(2) the actual volume in milliliters of the E-liquid; and

(3) all ingredients used in quantities of 0.1% or more by volume of the final formulation of the E-liquid, except for the ingredients of flavoring, which are considered confidential or trade secret, and can be described on the Packaging by the name of the flavoring, provided that the requirements of Section 10(b) are complied with; and

(vii) not contain cartoon characters or subjects that depict humans or animals with comically exaggerated features or that attribute human or unnatural characteristics to animals, plants or other objects.

b. *Design of vapor products.* — The Design of the E-device and/or Receptacle shall not be of a color, shape, pattern, configuration or artistic appearance that is similar to toys or objects meant specifically for Minors.

c. *Labels.* — The Label for vapor products shall comply with the minimum labelling requirements for consumer products as set out under Article 77 of Republic Act No. 7394 otherwise known as the Consumer Act of the Philippines.

d. *Instructions for use.* — a leaflet or insert for E-device containing:

(i) instructions for handling;
(ii) instructions for proper use;
(iii) telephone number to call in case of accidents, injury or illness arising from the use of the vapor product;
(iv) instructions for maintenance of the product; and
(v) warnings on:

(1) risks of improper usage;
(2) the product is not suitable for use by pregnant women, nursing mothers, children, persons with respiratory or cardiovascular diseases;
(3) risks of prolonged contact with the skin;
(4) risks of ingestion; and
(5) addictive quality of nicotine.

SECTION 13. ***Health claims.*** — Vapor products which make Health Claims shall be excluded from the scope of this Act and shall be regulated by the Food and Drug Administration of Philippines as pharmaceutical products under existing laws and regulations.

SECTION 14. ***Signage.*** — All points-of-sale selling, offering for sale, distributing or transferring vapor products to consumers shall post the following statement in a clear and conspicuous manner:

"SALE OR DISTRIBUTION OF VAPOR PRODUCTS TO MINORS IS A CRIMINAL ACT PUNISHABLE BY IMPRISONMENT AND/OR FINE."

SECTION 15. ***Prohibited vaping Areas.*** — Use of vapor products shall be absolutely prohibited in the following places:

a. Centers of youth activity such as playschools, preparatory schools, elementary schools, high schools, colleges and universities, youth hostels and recreational facilities for

minors;

b. Elevators and stairwells;

c. Locations in which fire hazards are present, including gas stations and storage areas for flammable liquids, gas, explosives or combustible materials;

d. Within the buildings and premises of public and private hospitals, medical, dental, and optical clinics, health centers, nursing homes, dispensaries and laboratories; and

e. Public conveyances and public facilities including airport and ship terminals, train and bus stations, restaurants and conference halls.

SECTION 16. ***Prohibition of sale to minors.*** — The following acts shall be prohibited:

a. The sale, offer for sale, distribution or transfer of vapor products or samples of vapor products by any Person to Minors;

b. purchasing, or otherwise receiving vapor products from a Minor; and

c. The purchase, distribution or transfer of vapor products by Minors, or on behalf of a Minor.

It shall not be a defense for the Person selling, offering for sale, distributing or transferring Vapor products that he/she did not know or was not aware of the real age of the Minor. Neither shall it be a defense that he/she did not know nor had any reason to believe that the Vapor product was for the consumption of the Minor to whom it was sold, distributed or transferred.

SECTION 17. ***Age verification.*** — Retailers shall:

a. ascertain that no individual purchasing vapor products is a minor; and

b. verify the age of a potential customer prior to sale by requiring the presentation of a valid government issued identification card exhibiting the customer's photograph, as well as his/her age and/or date of birth.

SECTION 18. ***Location of sale.*** — The sale, offer for sale, distribution or transfer of Vapor products is prohibited within one hundred (100) meters from any point of the perimeter of a school, public playground or other facility frequented particularly by Minors.

SECTION 19. ***Online sales.*** — No Person shall sell, offer for sale, distribute or transfer any Vapor products online unless the following requirements are met:

a. compliance with all requirements specified in Republic Act No. 8792, also known as the "E-Commerce Act", and the Rules and Regulations for Consumer Protection in a Transaction Covered by the Consumer Act of the Philippines through Electronic Means under the E-Commerce Act;

b. compliance with all requirements specified under Republic Act No. 10173, also known as the "Data Privacy Act of 2012", and its implementing rules and regulations;

c. access is restricted to persons eighteen (18) years of age or older. Access shall be deemed to be age-restricted if a person cannot complete a purchase unless the Person provides a copy of his/her valid government-issued photo identification for verification and provides a contemporaneous selfie for face-based biometrics verification;

d. an independent audit firm has certified compliance with the two-step age

verification requirements set out in this sub-Section; and

e. such person has submitted the certification prescribed under Section 19(d) to the IAC-V prior to carrying out online sales.

SECTION 20. ***Post-market requirements.*** **—**

a. Manufacturers in the Philippines and importers of foreign products shall be required to establish and maintain post-market records on adverse health events, including putting in place suitable mechanisms for consumers to report any adverse health events. The IAC-V may from time to time require Manufacturers and importers to submit the list of adverse health events, whether serious or non- serious, arising in the Philippines from the use of vapor products; and

b. In the event that a vapor product has been withdrawn from a market outside of the Philippines as a result of the occurrence of an adverse health event, the manufacturer or importer shall immediately notify the IAC-V.

SECTION 21. ***Corporate social responsibility programs.*** — All large taxpayers, as defined under Section 245 of Republic Act No. 8424, otherwise known as the Tax Reform Act of 1997, doing business and engaged in manufacturing, distributing, importing, exporting or retail sale of vapor products in the country, whether domestic or foreign, are hereby mandated to allocate funds to:

a. youth usage monitoring and prevention programs, as may be prescribed by the IAC-V in the implementing rules and regulations; and

b. corporate social responsibility projects for the benefit of the community.

All local government units where corporate social responsibility activities are conducted shall extend whatever assistance is necessary for these large taxpayers to implement their corporate social responsibility activities, provided always that the name of the company may only be mentioned in the roster of sponsors but not in any advertisement.

SECTION 22. ***Transparency and disclosure of information.*** — The IAC-V shall publish any notifications, written declarations or reports prescribed in Sections 6, 7, 8 and 10 of this Act on a forum to be decided by the IAC-V, except for any data or information which is considered a trade secret or otherwise confidential information. The IAC-V shall, in principle, consider ingredients and additives used in Flavoring to be trade secret or otherwise confidential information.

Any interested party may inspect any notifications, written declarations or reports published by the IAC-V and may present observations in writing to the IAC-V concerning compliance with all standards and requirements prescribed under this Act. Such observations shall be communicated to the relevant Manufacturer, Distributor, importer or exporter, who may comment on them. The IAC-V shall acknowledge and put such observations and comment in the file of the notification to which it relates, including any decision to impose penal provisions on the relevant Manufacturer, Distributor, importer or exporter.

SECTION 23. ***Penalties for non-compliance.*** — The following penalties shall individually apply to manufacturers, importers, distributors, sellers and buyers found to be in violation of this Act, as well as to their agents/representatives, as may be applicable:

a. On the first offense, a fine of not more than One Hundred Thousand Pesos (P100,000.00);

b. On the second offense, a fine of not less than One Hundred Thousand Pesos (P100,000.00) but not more than Two Hundred Thousand Pesos (P200,000.00); and

c. On the third offense, a fine of not less than Two Hundred Thousand Pesos (P200,000.00) but not more than Five Hundred Thousand Pesos (P500,000.00), imprisonment of not more than five (5) years, or both, at the discretion of the court: Provided, that the business permits and licenses, in the case of a business entity or establishment, may be revoked or cancelled.

If the offender is a corporation, partnership or any juridical person, the penalty shall be imposed upon the responsible officers, as the case may be, who participated in, or by their gross negligence, allowed the violation of this Act.

SECTION 24. ***Violations by minors.*** — If a minor is caught selling, buying or using a Vapor product, the provisions of Republic Act No. 9344, otherwise known as An Act Establishing A Comprehensive Juvenile Justice And Welfare System, Creating The Juvenile Justice And Welfare Council Under The Department Of Justice, Appropriating Funds Therefor And For Other Purposes, shall apply.

SECTION 25. ***Confiscation.*** — Vapor products found in the market for sale or distribution but are in violation of the provisions of this Act shall be subject to confiscation by the Philippine National Police.

SECTION 26. ***Foreign nationals.*** — If the guilty offender is a foreign national, he shall be deported after service of sentence and/or payment of applicable fines without need of further deportation proceedings and shall be permanently barred from re-entering the Philippines.

SECTION 27. ***Inter-agency committee.*** — There is hereby established an Inter-Agency Council on Vapor Products (IAC-V), which shall, except as otherwise provided in this Act, have the exclusive power, jurisdiction and function to regulate vapor products and to administer and implement the provisions of this Act, is hereby created.

SECTION 28. ***Functions of the council***. - The Council shall have the following powers and functions:

(a) Formulate a comprehensive and integrated program on the manufacture, use, sale, distribution and disposition of all vapour products;

(b) Promulgate rules and regulations as may be necessary for the effective implementation of this Act;

(c) Monitor and oversee the strict implementation of this Act;

(d) Coordinate the programs and projects of the various member agencies to effectively address the issues and problems attendant to the use of vapour products;

(e) Coordinate the conduct of massive information dissemination and campaign on the existence of the law and the various issues and problems attendant to the use of vapour products through the LGUs, concerned agencies, and NGOs;

(f) Direct other agencies to immediately respond to the problems brought to their attention and report to the Council on action taken;

(g) Assist in filing of cases against individuals, agencies, institutions or establishments that violate the provisions of this Act;

(h) Secure from any department, bureau, office, agency, or instrumentality of the government or from NGOs and other civic organizations such assistance as may be needed to effectively implement this Act;

(i) Coordinate with the Department of Information and Communications Technology (DICT), Department of Trade and Industry (DTI), and other NGOs in monitoring the promotion of advertisement of vapour products in the internet;

(j) Exercise all the powers and perform such other functions necessary to attain the purposes and objectives of this Act.

SECTION 29. ***Secretariat to the council.*** - The Department of Trade and Industry in cooperation with the Department of Health shall establish the necessary secretariat for the council. It shall be headed by an executive director who have distinguished himself both in the field of commerce and pulmonary medicine. All complaints related to the manufacture, use, sale, distribution and disposition of all vapour products shall be lodged to and disposed of by IAC-V through the secretariat except those which may be covered by other laws, rules, regulations, orders and issuances.

SECTION 30. ***Members of the IAC-V.*** — The IAC-V shall have the following members:

a. Secretary of the DTI, who shall also be the chair of the IAC-V;
b. Secretary of the Department of Health (DOH);
c. Secretary of the Department of Agriculture (DA);
d. Secretary of the Department of Justice (DOJ);
e. Secretary of the Department of Finance (DOF);
f. Secretary of the Department of Science and Technology (DOST);
g. Secretary of the Department of Information and Communications Technology (DICT);
h. The Administrator of the National Tobacco Administration (NTA);
i. The Commissioner of the Bureau of Customs (BOC);
j. A representative from the Office of the Presidential Legal Counsel;
k. A representative from the vapor products industry to be nominated by legitimate and recognized associations of the industry; and
l. A representative from a non-government organization (NGO) involved in public health promotion nominated by DOH in consultation with the concerned NGO's;

The department secretaries may designate their undersecretaries as their authorized representatives to the IAC-V.

SECTION 31. ***Creation of a congressional oversight committee.*** — A Congressional Oversight Committee on Vapor products (COC-V) chaired by the Chairman of the Senate Committee on Trade and Industry and shall be constituted to monitor and review the implementation of this Act for a period not exceeding three (3) years. The Chairman of the House Committee on Trade and Industry shall be co-chairman of the COC-V. The COC-V shall be comprised of one representative from each of the following bodies:

a. Senate

(i) Committee on Health and Demography
(ii) Committee on Economic Affairs
(iii) Committee on Science and Technology
(iv) Committee on Ways and Means
(v) Committee on Agriculture
(vi) Committee in Information and Communications Technology

b. House of Representatives

(i) Committee on Health
(ii) Committee on Economic Affairs
(iii) Committee on Science and Technology

(iv) Committee on Ways and Means
(v) Committee on Agriculture
(vi) Committee on Information and Communications Technology

SECTION 32. ***Compliance Monitoring.*** — Not later than one (1) year after the date of the effectivity of this Act, and annually thereafter, the IAC-V shall submit to the President of the Philippines and to both Houses of Congress a Compliance Monitoring Report on the compliance of the manufacturers, importers, distributors and retailers on all applicable laws and ordinances with respect to the manufacture, import, export, sale, offer for sale and distribution of Vapor products. The report shall contain pertinent information on the methods, goals and implementation program of said Persons with respect to the requirements of this Act.

SECTION 33. ***Transitory Period.*** — A transitory period of three (3) months from the date of effectivity of this Act shall be provided to allow all Manufacturers, Distributors, importers, exporters, sellers and retailers of Vapor products to comply.

SECTION 34. Implementing Rules and Regulations. — Within ninety (90) days from the date of effectivity of this Act, the IAC-V shall submit implementing rules and regulations to the COC-V for its review. The COC-V shall approve the implementing rules and regulations within ninety (90) working days of receipt thereof, provided that the non-issuance of implementing rules and regulations shall not suspend the effectivity of this Act nor the introduction of vapor products in the Philippines.

SECTION 35. ***Appropriations*** - The amount necessary to implement the provisions of this Act shall be charged against the current year's appropriations of the concerned national government agencies. Thereafter, such funds as may be necessary for the continued implementation of this Act shall be included in the budgets of the concerned national government agencies under the annual General Appropriations Act.

SECTION 36. ***Separability Clause.*** — If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 37. ***Repealing Clause.*** — All existing laws, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SECTION 38. ***Effectivity Clause.*** — This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,