

EIGHTEENTH CONGRESS )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



## HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez*

House Bill No. 2779

### EXPLANATORY NOTE

This bill was originally introduced as House Bill No. 3833 during the 15th Congress where it was approved by the Committee on Trade and Industry and substituted by House Bill No. 6930. It was re-filed during the 16<sup>th</sup> Congress and again in the 17<sup>th</sup> Congress.

Republic Act 7394, otherwise known as the Consumer Act of the Philippines was enacted almost 20 years ago, on April 13, 1992. As such, the penalties provided for in the law are not in tune with the prevailing situation at present.

Due to the relatively low penalties provided, violators would rather pay the penalties instead of complying with the law making the penal provisions of the law somewhat ineffective. Is it therefore time to increase the penalties provided in the law to give it more teeth and to ensure that future violators would think twice and would comply with the law.

Further, in line with the policy of the State to protect and promote the right to health of the people and instill health consciousness among them and to adopt an integrated and comprehensive approach to health development, it is imperative that all food, medicine and food supplement products and goods being sold in the country be required to put the English translation of the name, ingredients, place of manufacture and nutrient contents of the products prior to putting them in the local market.

This proposed measure will also afford greater protection to consumers and to harmonize the Consumer Act with current developments particularly brought about by technological advancement and the globalized economy directly affecting consumer transactions.

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

RUFUS B. RODRIGUEZ

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House Bill No. 2779

AN ACT

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

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

**SECTION 1.** Article 2 of Republic Act No. 7394 is hereby amended to read as follows:

"**Art. 2. Declaration of Basic Policy.** – It is the policy of the State to [protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry. Towards this end, the State shall implement measures to achieve] **DEVELOP AND IMPLEMENT A STRONG CONSUMER PROTECTION POLICY, PROMOTE THE GENERAL WELFARE OF CONSUMERS, AND ESTABLISH STANDARDS OF ETHICAL CONDUCT FOR BUSINESS AND INDUSTRY.** THE STATE RECOGNIZES THAT CONSUMERS OFTEN FACE IMBALANCES IN ECONOMIC TERMS, EDUCATIONAL LEVELS, AND BARGAINING POWER. FURTHER, IT SHALL ENSURE THE ACCESS OF CONSUMERS TO SAFE AND NON-HAZARDOUS PRODUCTS AND TO JUST, EQUITABLE AND SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT AND ENVIRONMENTAL PROTECTION. IN THIS REGARD, THE STATE SHALL IMPLEMENT MEASURES TO ATTAIN the following objectives:

- [(a) protection against hazards to health and safety;  
(b) protection against deceptive, unfair and unconscionable sales acts and practices;  
(c) provision of information and education to facilitate sound choice and the proper exercise of rights by the consumer;  
(d) provision of adequate rights and means of redress; and  
(e) involvement of consumer representatives in the formulation of social and economic policies].
- a) TO ACHIEVE AND MAINTAIN ADEQUATE PROTECTION FOR THE POPULATION AS CONSUMERS;
  - b) TO FACILITATE PRODUCTION AND DISTRIBUTION PATTERNS RESPONSIVE TO THE NEEDS OF CONSUMERS;
  - c) TO ENCOURAGE HIGH STANDARDS OF ETHICAL CONDUCT FOR THOSE ENGAGED IN THE PRODUCTION AND DISTRIBUTION OF GOODS AND SERVICES TO CONSUMERS;
  - d) TO CURB ABUSIVE BUSINESS PRACTICES BY ALL ENTERPRISES WHICH ADVERSELY AFFECT CONSUMERS;
  - e) TO FACILITATE THE DEVELOPMENT OF INDEPENDENT CONSUMER GROUPS;
  - f) TO FOSTER INTERNATIONAL COOPERATION IN THE FIELD OF CONSUMER PROTECTION;
  - g) TO ENCOURAGE THE DEVELOPMENT OF MARKET CONDITIONS WHICH PROVIDE CONSUMERS WITH GREATER CHOICE AT REASONABLE

PRICES; AND

- h) TO PROMOTE SUSTAINABLE CONSUMPTION TAKING INTO ACCOUNT THE GOALS OF ERADICATING POVERTY, SATISFYING BASIC HUMAN NEEDS OF ALL MEMBERS OF THE SOCIETY AND REDUCING INCOME INEQUALITY AMONG THE POPULATION."

**Sec. 2.** A new Article 2-A is hereby inserted after Article 2 of Republic Act No. 7394, to read as follows:

**"ART. 2-A. CONSUMER RIGHTS. – THE CONSUMER SHALL HAVE THE FOLLOWING BASIC RIGHTS:**

- a) RIGHT TO BASIC NEEDS – THE CONSUMER SHALL HAVE ACCESS TO FOOD, CLOTHING, SHELTER, HEALTH CARE, EDUCATION AND SANITATION IN ACCORDANCE WITH THE CONSUMER'S ECONOMIC STATUS;
- b) RIGHT TO CHOOSE – THE CONSUMER SHALL HAVE ACCESS TO A VARIETY OF OPTIONS, INCLUDING PRODUCTS AND SERVICES AT COMPETITIVE PRICES WITH AN ASSURANCE OF SATISFACTORY QUALITY;
- c) RIGHT TO REPRESENTATION – THE CONSUMER SHALL BE ENTITLED TO EXPRESS CONSUMER INTERESTS AND BE INVOLVED IN THE MAKING AND EXECUTION OF GOVERNMENT POLICIES;
- d) RIGHT TO REDRESS – THE CONSUMER SHALL HAVE ACCESS TO APPROPRIATE REMEDIES FOR MISREPRESENTATION, SUBSTANDARD OR DEFECTIVE PRODUCTS OR UNSATISFACTORY SERVICES;
- e) RIGHT TO CONSUMER EDUCATION - THE CONSUMER SHALL HAVE ACCESS TO KNOWLEDGE AND INFORMATION NECESSARY TO MAKE AN INFORMED CHOICE;
- f) RIGHT TO SAFETY - THE CONSUMER SHALL BE ENTITLED TO PROTECTION AGAINST THE MARKETING OF GOODS OR PROVISION OF SERVICES THAT ARE HAZARDOUS TO HEALTH AND LIFE;
- g) RIGHT TO A HEALTHY ENVIRONMENT- THE CONSUMER SHALL HAVE THE RIGHT TO LIVE AND WORK IN AN ENVIRONMENT WHICH IS NEITHER THREATENING NOR DANGEROUS, WHICH PROMOTES WELL-BEING, AND WHICH PERMITS A LIFE OF DIGNITY; AND
- h) RIGHT TO INFORMATION - THE CONSUMER SHALL BE PROVIDED WITH THE FACTS AND INFORMATION NEEDED TO MAKE AN INFORMED CHOICE, AND TO PROTECTION AGAINST DISHONEST OR MISLEADING ADVERTISING OR LABELING AND SHALL."

**Sec. 3.** A new Article 2-B is hereby inserted after Article 2 of Republic Act No. 7394, to read as follows:

**"ART. 2-B. CONSUMER RESPONSIBILITIES. THE CONSUMER SHALL EXERCISE THE FOLLOWING BASIC RESPONSIBILITIES:**

- a) CRITICAL AWARENESS - THE CONSUMER SHALL BE ALERT AND INQUISITIVE ABOUT THE USE, PRICE, AND QUALITY OF PRODUCTS AND SERVICES;
- b) ACTION – THE CONSUMER SHALL REFRAIN FROM BEING PASSIVE AND SHALL ASSERT THE RIGHT TO TAKE ACTION TO ENSURE THAT ONE'S RIGHTS AS A CONSUMER ARE AMPLY PROTECTED;
- c) SOCIAL CONCERN – THE CONSUMER SHALL BE MORE AWARE OF THE IMPACT OF ONE'S CONSUMPTION ON OTHER CITIZENS ESPECIALLY THE DISADVANTAGED OR POWERLESS GROUPS, WHETHER IN THE LOCAL, NATIONAL, OR INTERNATIONAL COMMUNITY;

- d) ENVIRONMENTAL AWARENESS – THE CONSUMER SHALL BE CONSTANTLY AWARE OF THE IMPACT AND CONSCIOUSNESS OF HUMAN ACTIVITY ON THE ENVIRONMENT. THE CONSUMER SHOULD RECOGNIZE THE OBLIGATION OF INDIVIDUALS, AND OF SOCIETY IN GENERAL, TO UTILIZE NATURAL RESOURCES RESPONSIBLY, AND TO SECURE AND PROTECT THE EARTH FOR FUTURE GENERATIONS; AND
- e) SOLIDARITY – CONSUMERS SHALL ORGANIZE THEMSELVES INTO GROUPS OR ASSOCIATIONS TO FOSTER STRENGTH AND INFLUENCE IN THE FORMULATION OF POLICIES THAT SEEK TO PROMOTE AND PROTECT THEIR INTERESTS.”

**Sec. 4.** Article 4 of Republic Act No. 7394 is hereby amended to read as follows:

**“Art. 4. Definition of Terms.** – For purposes of this Act, the term:

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k) “Chain distribution plan[s]” or [“pyramid sales schemes”] “**PSEUDO-INVESTMENT**” means ANY [sales devices whereby a person, upon condition that he makes an investment, is granted by the manufacturer of his representative a right to recruit for profit one or more additional persons who will also be granted such right to recruit upon condition of making similar investments: *Provided*, That the profits of the person employing such a plan are derived primarily from the recruitment of other persons into the plan rather than from the sale of consumer products, services and credit: *Provided, further*, That the limitation on the number of participants does not change the nature of the plan.] **OF THE FOLLOWING:**

1. PYRAMID SALES SCHEME REFERS TO SALE DEVICES OR PLANS WHEREBY UPON CONDITION THAT AN INVESTMENT IS MADE BY WAY OF PURCHASING GOODS OR PAYING A FEE, A PERSON IS GRANTED BY A MANUFACTURER OR THE MANUFACTURER’S REPRESENTATIVE THE RIGHT TO SELL PRODUCTS AND SERVICES AS WELL AS RECRUIT ONE OR MORE ADDITIONAL PERSONS WHO WILL BE GRANTED SUCH RIGHT TO RECRUIT, UPON CONDITION OF MAKING SIMILAR INVESTMENTS;
2. PONZI SCHEME REFERS TO A BUSINESS STRUCTURE SIMILAR TO THE PYRAMID SCHEME THAT IS OPERATED BY A PERSON OR GROUP, NATURAL OR JURIDICAL, WHERE THERE IS NO TRUE PRODUCT OR SERVICE BEING OFFERED IN EXCHANGE FOR THE INVESTMENT AND WHERE THE MONEY TENDERED BY NEW INVESTORS ARE PAID TO EARLIER INVESTORS;
3. TELEMARKETING FRAUD REFERS TO A SCHEME WHERE HIGH PRESSURE TACTICS ARE MADE OVER THE PHONE WITH THE INTENT TO MAKE THE INVESTOR BUY INTO A FRAUDULENT OR NON-EXISTENT INVESTMENT OFFERING; AND
4. TECHNOLOGY FRAUD REFERS TO A SCHEME WHEREIN INVESTORS ARE LULLED INTO MAKING PURCHASES OF OR INVESTMENTS ON NON-EXISTENT PRODUCTS, THROUGH THE INTERNET OR CYBER SHOPPING.

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m) “Commerce” means the sale, lease, exchange, traffic or distribution of goods, commodities, productions, services or property, tangible or

intangible, **INCLUDING THOSE TRANSACTED BY ELECTRONIC MEANS.**

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

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- q) "Consumer products and services" mean[s] goods, services and credits, debts or obligations, which are primarily for personal, family, household or agricultural purposes, which shall include[, but not limited to,] food, drugs, cosmetics, [and] devices **AND TECHNOLOGY.**

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- w) "Credit card" means any card, plate, coupon book or other **SINGLE** credit device existing for the purpose of [obtaining money, property, labor or services] **BEING USED FROM TIME TO TIME UPON PRESENTATION TO PAY FOR GOODS OR SERVICES, OR TO BORROW MONEY** on credit.

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- at) "Mass media" [refers to] **MEANS** any [means] **OF THE MODES** or methods **OF COMMUNICATION** used to convey advertising messages to the public such as television, radio, **BROADSHEETS, THE INTERNET, MOBILE PHONES AND SIMILAR ELECTRONIC DEVICES,** magazines, cinema, billboards, posters, streamers, hand bills, leaflets, mails and the like.

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- bm) "Sales Promotion" means techniques **INTENDED TO PROMOTE OR INCREASE THE SALES, PATRONAGE OR GOODWILL OF A PRODUCT OR SERVICE AND** intended for broad consumer participation which contain promises of gain such as prizes, in cash or in kind, **OR AN OPPORTUNITY TO WIN ANY PRIZE, GIFT OR FREE SERVICES, OR SIMILAR SCHEME** as reward for transacting for, receiving, or purchasing a product, security, service or winning in contest, game, tournament and other similar competitions or challenges which involve determination of [winner/s] **WINNER OR WINNERS** and which utilize mass media or other widespread media of information **INCLUDING INFORMATION AND COMMUNICATION TECHNOLOGY.** [It also means techniques purely intended to increase the sales, patronage and/or goodwill of a product.]

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

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- br) "Standard" means a set of conditions to be fulfilled to ensure the quality and safety of a product **OR SERVICE PROPERLY ESTABLISHED BY A RECOGNIZED NATIONAL OR INTERNATIONAL AUTHORITY OF RELEVANT EXPERTISE AS ESTABLISHED BY LAW.**"

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**Sec. 5.** Article 8 of Republic Act No. 7394 is hereby amended to read as follows:

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

**Sec. 6.** Article 10 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 10. Injurious, Dangerous and Unsafe Products.** - Whenever the departments find, by their own initiative or by petition of a consumer, that a consumer product is found to be injurious, unsafe or dangerous, it shall, after due notice and hearing, make the appropriate order for its recall, prohibition or seizure from public sale or distribution: *Provided*, That, in the sound discretion of the department, it may declare a consumer product to be imminently injurious, unsafe or dangerous, and order its immediate recall, ban or seizure from public sale or distribution, in which case, the seller, distributor, manufacturer or producer thereof shall be afforded a hearing within forty-eight (48) hours from such order: **PROVIDED FURTHER, THAT THE IMPLEMENTING AGENCIES ARE EMPOWERED TO CLOSE OR SHUT DOWN THE BUSINESS PREMISES OF ANY ESTABLISHMENT CAUGHT SELLING, DISTRIBUTING, MANUFACTURING, PRODUCING, DISPLAYING OR IMPORTING CONSUMER PRODUCT ADJUDGED TO BE INJURIOUS, UNSAFE OR DANGEROUS OR IMMINENTLY INJURIOUS, UNSAFE OR DANGEROUS.**

The ban on the sale and distribution of a consumer product adjudged injurious, unsafe or dangerous, or imminently injurious, unsafe or dangerous **OR THE CLOSURE OR SHUTTING DOWN OF THE CONCERNED ESTABLISHMENT** under the preceding paragraph shall stay in force until such time that its safety can be assured or measures to ensure its safety have been established."

**Sec. 7.** Article 11 of Republic Act No. 7394 is hereby amended to read as follows:

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

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

- a) **ISSUE A PRODUCT RECALL ORDER ACCORDING TO THE PROCEDURE PRESCRIBED BY THE CONCERNED DEPARTMENT AND give notice to the public of the defect or failure to comply with the product safety standards;**
- b) **give notice to each distributor or seller of such product; AND**
- c) **GIVE NOTICE TO EVERY PERSON TO WHOM SUCH CONSUMER PRODUCT WAS DELIVERED OR SOLD:**  
*PROVIDED, THAT WHEN A CONSUMER PRODUCT IS DECLARED TO BE IMMINENTLY INJURIOUS, UNSAFE OR DANGEROUS PURSUANT TO ARTICLE 10 OF THIS ACT, ITS IMMEDIATE RECALL FROM PUBLIC SALE OR DISTRIBUTION SHALL BE ORDERED BEFORE THE SELLER, DISTRIBUTOR, MANUFACTURER OR*

**PRODUCER THEREOF SHALL BE AFFORDED A HEARING WITHIN FORTY-EIGHT (48) HOURS FROM SUCH ORDER.**

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

- a) to bring such product into conformity with the requirements of the applicable consumer product standards or to repair the defect in order to conform with the same;
- b) to replace the product with a like or equivalent product which complies with the applicable consumer product standards which does not contain the defect;
- c) to refund the purchase price of the product less a reasonable allowance for use; and
- d) to pay the consumer reasonable damages as may be determined by the department.

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

**Sec 8.** Article 19 of Republic Act No. 7394 is hereby amended to read as follows:

**Art. 19. Penalties.** – a) Any person who shall violate any provision of Article 18 shall, upon conviction, be subject to a fine of not less than [One thousand pesos (P1,000.00)] **TEN THOUSAND PESOS (PHP 10,000)** but not more than [Ten thousand pesos (P10,000.00)] **ONE HUNDRED THOUSAND PESOS (PHP 100,000)** or imprisonment of not less than [two (2) months] **ONE (1) YEAR** but not more than [one (1) year] **FIVE (5) YEARS**, or both upon the discretion of the court. If the offender is an alien, he shall be deported after service of sentence and payment of fine without further deportation proceedings.

- b) xxx.
- c) xxx."

**Sec. 9.** Article 39 of Republic Act No. 7394 is hereby amended to read as follows:

"Art. 39. Administrative Sanctions.- [In addition to the administrative sanctions provided for under Letter of Instructions No. 1223, the Department is hereby authorized to impose, after notice and hearing, administrative fines of not less than One thousand pesos (P1,000.00) nor more than Five thousand pesos (P5,000.00) for any violation of this Act.] **WHERE AFTER DUE NOTICE AND HEARING, A PERSON HAS BEEN FOUND TO HAVE COMMITTED ANY OF THE PROHIBITED ACTS UNDER THIS LAW, THE DEPARTMENT IS HEREBY AUTHORIZED TO IMPOSE ONE OR MORE OF THE FOLLOWING ADMINISTRATIVE PENALTIES:**

"(1) CANCELLATION OF ANY AUTHORIZATION WHICH MAY HAVE BEEN GRANTED BY THE FOOD AND DRUG ADMINISTRATION (FDA), OR SUSPENSION OF THE VALIDITY THEREOF FOR SUCH PERIOD OF TIME AS THE DIRECTOR-GENERAL OF THE FDA MAY DEEM REASONABLE, WHICH SHALL NOT EXCEED ONE (1) YEAR;

"(2) A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN FIVE HUNDRED THOUSAND PESOS (P500,000.00). AN ADDITIONAL FINE OF NOT MORE THAN ONE THOUSAND PESOS (P1,000.00) SHALL BE IMPOSED FOR EACH DAY OF CONTINUING VIOLATION; AND

"(3) DESTRUCTION AND/OR APPROPRIATE DISPOSITION OF THE SUBJECT HEALTH PRODUCT AND/OR CLOSURE OF THE ESTABLISHMENT FOR ANY VIOLATION OF THIS ACT, AS DETERMINED BY THE DIRECTOR-GENERAL OF THE FDA."

**Sec. 10.** Article 41 of Republic Act 7394 is hereby amended to read as follows:

"Art. 41. Penalties.- a) Any person who violates any of the provisions of Article 40 hereof shall, upon conviction, [be subject to imprisonment of not less than one (1) year but not more than five (5) years, or a fine of not less than Five thousand pesos (P5,000.00) but not more than Ten thousand pesos (P10,000.00), or both such imprisonment and fine, in the discretion of the Court] **SUFFER THE PENALTY OF IMPRISONMENT RANGING FROM ONE (1) YEAR BUT NOT MORE THAN TEN (10) YEARS, OR A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN FIVE HUNDRED THOUSAND PESOS (P500,000.00), OR BOTH AT THE DISCRETION OF THE COURT: PROVIDED, THAT IF THE OFFENDER IS A MANUFACTURER, IMPORTER OR DISTRIBUTOR OF ANY HEALTH PRODUCT, THE PENALTY OF AT LEAST FIVE (5) YEARS IMPRISONMENT BUT NOT MORE THAN TEN (10) YEARS AND A FINE OF AT LEAST FIVE HUNDRED THOUSAND PESOS (P500,000.00) BUT NOT MORE THAN FIVE MILLION PESOS (P5,000,000.00) SHALL BE IMPOSED: PROVIDED FURTHER, THAT AN ADDITIONAL FINE OF ONE PERCENT (1%) OF THE ECONOMIC VALUE/COST OF THE VIOLATIVE PRODUCT OR VIOLATION, OR ONE THOUSAND PESOS (P1,000.00), WHICHEVER IS HIGHER, SHALL BE IMPOSED FOR EACH DAY OF CONTINUING VIOLATION: PROVIDED, FINALLY, THAT HEALTH PRODUCTS FOUND IN VIOLATION OF THE PROVISIONS OF THIS ACT AND OTHER RELEVANT LAWS, RULES AND REGULATIONS MAY BE SEIZED AND HELD IN CUSTODY PENDING PROCEEDINGS, WITHOUT HEARING OR COURT ORDER, WHEN THE DIRECTOR-GENERAL OF THE FDA HAS REASONABLE CAUSE TO BELIEVE FROM FACTS FOUND BY AN AUTHORIZED OFFICER OR EMPLOYEE OF THE FDA THAT SUCH HEALTH PRODUCTS MAY CAUSE INJURY OR PREJUDICE TO THE CONSUMING PUBLIC.**

Should the offense be committed by a juridical person, the Chairman of the Board of Directors, the President, General Manager, or the partners and/or the persons directly responsible therefor shall be penalized.

**A FOREIGN NATIONAL, WHO VIOLATES ANY PROVISION OF THIS ACT SHALL, IN ADDITION TO THE PENALTIES PRESCRIBED, BE DEPORTED WITHOUT FURTHER PROCEEDINGS AFTER SERVICE OF SENTENCE.**

(b) xxx."

**Sec. 11.** Article 47 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art 47. Penalties, Exception.** a) Any person who violates any of the provisions of Article 46 shall, upon conviction, [be subject to a fine of not less than One thousand pesos (P1,000.00)) or an imprisonment of not less than six (6) months but not more than five (5) years or both upon the discretion of the court.] **SUFFER THE PENALTY OF IMPRISONMENT RANGING FROM ONE (1) YEAR BUT NOT MORE THAN TEN (10) YEARS OR A FINE OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN FIVE HUNDRED THOUSAND PESOS (P500,000.00), OR BOTH AT THE DISCRETION OF THE COURT: PROVIDED, THAT IF THE OFFENDER IS A MANUFACTURER, IMPORTER OR DISTRIBUTOR OF ANY HEALTH PRODUCT, THE PENALTY OF AT LEAST FIVE (5) YEARS IMPRISONMENT BUT NOT MORE THAN TEN (10) YEARS AND A FINE OF AT LEAST FIVE HUNDRED THOUSAND PESOS (P500,000.00) BUT NOT MORE THAN FIVE MILLION PESOS (P5,000,000.00) SHALL BE IMPOSED: PROVIDED FURTHER, THAT AN ADDITIONAL FINE OF ONE PERCENT (1%) OF THE ECONOMIC VALUE OR COST OF THE VIOLATIVE PRODUCT OR VIOLATION, OR ONE THOUSAND PESOS (P1,000.00), WHICHEVER IS HIGHER, SHALL BE IMPOSED FOR EACH DAY OF CONTINUING VIOLATION: PROVIDED, FINALLY, THAT HEALTH PRODUCTS FOUND IN VIOLATION OF THE PROVISIONS OF THIS ACT AND OTHER RELEVANT LAWS, RULES AND REGULATIONS MAY BE SEIZED AND HELD IN CUSTODY PENDING PROCEEDINGS, WITHOUT HEARING OR COURT ORDER, WHEN THE DIRECTOR-GENERAL OF THE FDA HAS REASONABLE CAUSE TO BELIEVE FROM FACTS FOUND BY AN AUTHORIZED OFFICER OR EMPLOYEE OF THE FDA THAT SUCH**

HEALTH PRODUCTS MAY CAUSE INJURY OR PREJUDICE TO THE CONSUMING PUBLIC.

SHOULD THE OFFENSE BE COMMITTED BY A JURIDICAL PERSON, THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE PRESIDENT, GENERAL MANAGER, OR THE PARTNERS AND/OR THE PERSONS DIRECTLY RESPONSIBLE THEREFOR SHALL BE PENALIZED.

A FOREIGN NATIONAL, WHO VIOLATES ANY PROVISION OF THIS ACT SHALL, IN ADDITION TO THE PENALTIES PRESCRIBED, BE DEPORTED WITHOUT FURTHER PROCEEDINGS AFTER SERVICE OF SENTENCE.

(b) xxx."

**Sec. 12.** Article 50 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 50. Prohibition Against Deceptive Sales Acts or Practices.** – A deceptive act or practice by a seller or supplier in connection with a consumer transaction violates this Act whether it occurs before, during or after the transaction. An act or practice shall be deemed deceptive whenever the producer, manufacturer, supplier or seller, through concealment, false representation or fraudulent manipulation, induces a consumer to enter into a sales or lease transaction of any consumer product or service. Without limiting the scope of the above paragraph, the act or practice of a seller or supplier is deceptive when it represents that:

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K) GIFT CHECKS, CERTIFICATES OR CARDS BEING SOLD OR SUPPLIED SHALL EXPIRE WITHIN A CERTAIN PERIOD: PROVIDED THAT THE GIFT CHECKS, CERTIFICATES OR CARDS THAT ARE ISSUED BY THE SUPPLIER TO CONSUMERS UNDER AN AWARD, LOYALTY OR PROMOTIONAL PROGRAM ARE NOT COVERED BY THIS PROVISION."

**Sec. 13.** Article 52 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 52. Unfair or Unconscionable Sales Act or Practice.** – An unfair or unconscionable sales act or practice by a seller or supplier in connection with a consumer transaction violates this Chapter whether it occurs before, during, or after the consumer transaction. An act or practice shall be deemed unfair or unconscionable whenever the producer, manufacturer, distributor, supplier or seller, by taking advantage of the consumer's physical or mental infirmity, ignorance, illiteracy, lack of time or the general conditions of the environment or surroundings, induces the consumer to enter into a sales or lease transaction inimical to the interests of the consumer or grossly one-sided in favor of the producer, manufacturer, distributor, supplier or seller.

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

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e) that the transaction that the seller or supplier induced the consumer to enter into was excessively one-sided in favor of the seller or supplier **SUCH AS THE FOLLOWING:**

- 1) AT THE TIME THE CONSUMER TRANSACTION WAS ENTERED INTO, THE SELLER OR SUPPLIER IMPOSED UPON THE CONSUMER TERMS AND CONDITIONS GROSSLY DISADVANTAGEOUS TO THE CONSUMER, WHO IS INDUCED TO TAKE THE ALTERNATIVE OF ACCEPTING THE CONTRACT OR GIVING IT UP, COMPLETELY DEPRIVED OF THE OPPORTUNITY TO BARGAIN ON EQUAL FOOTING; OR
- 2) THE SELLER OR SUPPLIER EMPLOYS AN AGGRESSIVE MARKETING PRACTICE THAT SIGNIFICANTLY CONSTRAINS OR IMPAIRS, OR IS LIKELY TO SIGNIFICANTLY CONSTRAIN OR IMPAIR THE AVERAGE CONSUMER'S FREEDOM OF CHOICE OR CONDUCT

WITH REGARD TO THE PURCHASE OF A PRODUCT OR SERVICE OR WHICH CAUSES, OR IS LIKELY TO CAUSE THE CONSUMER TO ENTER INTO A CONSUMER TRANSACTION DIFFERENT FROM THE ONE THE CONSUMER WOULD HAVE INTENDED, OR ONE WHICH THE CONSUMER WOULD NOT HAVE ENTERED INTO OTHERWISE."

**Sec. 14.** Article 53 of Republic Act No. 7394 is hereby amended to read as follows:  
**"Art. 53 Chain Distribution Plan[s] or [Pyramid Sales Schemes] PSEUDO-INVESTMENT.** - Chain distribution plan[s] or [pyramid sales schemes] PSEUDO-INVESTMENT shall not be employed in the sale of consumer products **OR SERVICES.** "

**Sec. 15.** Article 60 of Republic Act No. 7394 is hereby amended to read as follows:  
**"Art 60. Penalties.** a) Any person who shall violate the provisions of Title III, Chapter I, shall upon conviction, be subject to a fine of not less than [Five Hundred Pesos] **FIFTY THOUSAND PESOS (PHP 50,000)** but not more than [Ten Thousand Pesos] **ONE MILLION PESOS (PHP 1,000,000)** or imprisonment of not less than [five (5) months] **ONE (1) YEAR** but more than [one (1) year] **FIVE (5) YEARS**, or both upon the discretion of the court."  
b) xxx.

**Sec. 16** A new Article 62-A is hereby inserted after Article 62 of Republic Act No. 7394 to read as follows:

**"ART. 62-A. ESTABLISHMENT OF TIMBANGAN NG BAYAN CENTERS.** ALL LOCAL GOVERNMENT UNITS, THROUGH THEIR CONCERNED PROVINCIAL, CITY OR MUNICIPAL TREASURERS, SHALL ESTABLISH A **TIMBANGAN NG BAYAN CENTER** IN ALL MARKETS NATIONWIDE WHERE INSTRUMENTS FOR DETERMINING WEIGHTS AND MEASURES SHALL BE OPEN FOR AND ACCESSIBLE TO ANYONE WHO WANTS TO VERIFY THE ACCURACY OF THE QUANTITY AND MEASUREMENT OF THE PRODUCTS THAT THEY PURCHASED.

THE SAFEKEEPING AND MAINTENANCE OF THE INSTRUMENTS SHALL BE UNDER THE CONTROL AND SUPERVISION OF THE CONCERNED PROVINCIAL, OR CITY OR MUNICIPAL TREASURER, OR THE RESPECTIVE AUTHORIZED REPRESENTATIVE WHO SHALL LIKEWISE BE IN CHARGE OF KEEPING A RECORD OF EVERY PRODUCT FOUND TO BE WANTING IN QUANTITY OR SUBSTANDARD IN DIMENSION AS WELL AS THE CIRCUMSTANCES SURROUNDING THE SALE THEREOF, INCLUDING THE NAME OF THE BUYER, THE PRICE PAID, THE NAME OF THE ESTABLISHMENT WHERE THE PRODUCT WAS BOUGHT, AND THE NAME OF THE PROPRIETOR OR MANAGER THEREOF. A CERTIFICATION DULY ISSUED BY THE PROVINCIAL, OR CITY, OR MUNICIPAL TREASURER OR THE RESPECTIVE AUTHORIZED REPRESENTATIVE REFLECTING THE CONTENTS OF SUCH RECORD OF SUBSTANDARD OR MISREPERESENTED PRODUCTS SHALL BE PRIMA FACIE EVIDENCE OF A VIOLATION OF THIS ACT."

**Sec 17.** Article 65 of Republic Act No. 7394 is hereby amended to read as follows:  
**"Art 65. Penalties.** a) Any person who shall violate the provisions of paragraphs (a) to (f) and paragraph (l) of Article 64 or its implementing rules and regulations shall, upon conviction, be subject to a fine of not less than [Two hundred (P200.00)] **FIFTY THOUSAND PESOS (PHP 50,000)** but not more than [One thousand pesos (P1,000.00)] **ONE MILLION PESOS (PHP 1,000,000)** or by imprisonment of not [more] **LESS** than one (1) year **BUT NOT MORE THAN FIVE (5) YEARS**, or both upon the discretion of the court.

b) Any person who shall violate the provisions of paragraph (g) of Article 64 for the first time shall be subject to a fine of not less than [Five hundred pesos (P500.00)] **FIFTY THOUSAND PESOS (PHP 50,000) BUT NOT MORE THAN ONE MILLION PESOS (PHP 1,000,000)** or by imprisonment of not less than [one (1 month)] **ONE (1) YEAR** but not more than five (5) years, or both upon the discretion of the court.

c) The owner-possessor or user of instrument of weights and measure enumerated in paragraphs (h) to (k) of Article 64 shall, upon conviction, be subject to a fine of not less [Three hundred pesos (P300.00)] **FIFTY THOUSAND PESOS (PHP 50,000) BUT NOT MORE THAN ONE MILLION PESOS (PHP 1,000,000)** or imprisonment not exceeding one (1) year **BUT NOT MORE THAN FIVE (5) YEARS**, or both upon the discretion of the court."

**Sec. 18.** Article 68 of Republic Act No. 7394 is hereby amended to read as follows:

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

xxx

(f) Breach of warranties. –

(1) xxx

(2) xxx

(3) MANUFACTURERS, DISTRIBUTORS, SUPPLIERS, OR RETAILERS MUST MAINTAIN CONSUMER HOTLINES OR CALL CENTERS OR SERVICE CENTERS WHICH CONSUMERS CAN EASILY REACH FOR COMPLAINTS AND INQUIRIES. CONSUMERS MUST NOT BE MADE TO SUFFER GREAT INCONVENIENCES IN CONTACTING MANUFACTURERS, DISTRIBUTORS, SUPPLIERS, OR RETAILERS TO CLAIM WARRANTIES AND OTHER NEEDED SERVICES."

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**Sec. 19.** Article 73 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 73. Penalties.** a) Any person who shall violate the provisions of Article 67 shall be subject to fine of not less than [Five hundred pesos (P500.00)] **FIFTY THOUSAND PESOS (PHP 50,000)** but not more than [Five thousand pesos (P5,000.00)] **ONE MILLION PESOS (PHP 1,000,000)** or an imprisonment of not less than [three (3) months] **ONE (1) YEAR** but not more than [two (2) years **FIVE (5) YEARS**], or both upon the discretion of the court. A second conviction under this paragraph shall also carry with it the penalty or revocation of his business permit and license.

b) Any person, natural or juridical, committing any of the illegal acts provided for in Chapter III, except with respect to Article 67, shall be liable for a fine of not less than [One thousand pesos (P1,000.00)] **FIFTY THOUSAND PESOS (PHP 50,000)** but not more than [Fifty thousand pesos (P50,000.00)] **ONE MILLION PESOS (PHP 1,000,000)** or imprisonment [for a period of at least ] **OF NOT LESS THAN** one (1) year but not more than five (5) years, or both upon the discretion of the court."

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

**Sec. 20.** A new Article 77-A is hereby inserted after Article 77 of Republic Act No. 7394 to read as follows:

**"ART. 77-A. ENGLISH OR FILIPINO TRANSLATION OF PRODUCT LABELS WRITTEN IN FOREIGN LANGUAGES OR CHARACTERS. – CONSUMER PRODUCTS WITH PRODUCT LABELS WRITTEN IN FOREIGN LANGUAGE OR CHARACTER SHALL BE ALLOWED ENTRY INTO THE COUNTRY AND**

INTRODUCED INTO COMMERCE: PROVIDED THAT THEY CARRY A CORRESPONDING ENGLISH OR FILIPINO TRANSLATION TO ENABLE THE AUTHORITIES TO DETERMINE WHETHER THE PRODUCT HAS COMPLIED WITH ALL THE OTHER LABELING REQUIREMENTS AND HAS PROVIDED THE CONSUMERS PROPER GUIDANCE ON THE CONTENT, SOURCE OR ORIGIN OF THE PRODUCT."

**Sec. 21.** Article 79 of Republic Act No. 7394 is hereby amended to read as follows:

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

- a) establish and define standards for characterization of the size of a package enclosing any consumer product which may be used to supplement the label statement of net quality, of contents of packages containing such products but this clause shall not be construed as authorizing any limitation on the size, shape, weight, dimensions, or number of packages which may be used to enclose any product;
- b) regulate the placement upon any package containing any product or upon any label affixed to such product of any printed matter stating or representing by implication that such product is offered for retail at a price lower than the ordinary and customary retail price or that a price advantage is accorded to purchases thereof by reason of the size of the package or the quantity of its contents;
- c) prevent the non-functional slack-fill of packages containing consumer products;

**THE CONCERNED DEPARTMENT MAY LIKEWISE ISSUE SUCH OTHER REQUIREMENTS AS MAY BE PRESCRIBED BY THE PERTINENT LAWS TO ENSURE THE SAFETY, EFFICACY AND QUALITY OF CONSUMER PRODUCTS AND SERVICES."**

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**Sec. 22.** Article 81 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 81. Price Tag Requirement.** It shall be unlawful to offer any consumer product **OR SERVICE** for retail sale to the public without an appropriate price tag, label, or marking **OR WITH MORE THAN ONE PRICE, OR DIFFERENT PRICE TAG, LABEL, OR MARKING** publicly displayed to indicate the price of each article, and said products or services shall not be sold at a price higher than that stated therein and without discrimination to all buyers: *Provided*, That lumber sold, displayed or offered for sale to the public shall be tagged or labeled by indicating thereon the price and the corresponding official name of the wood: *Provided, further*, That if consumer products for sale are too small or [the] **IF ITS** nature [of which] makes it impractical to place a price tag thereon, A price list placed at the nearest point where the products are displayed indicating the retail price of the same may suffice: **PROVIDED FINALLY, THAT IF CONSUMER IS PAYING BY CREDIT CARD, AUTOMATED TELLER MACHINE OR DEBIT CARD, AND SIMILAR MEANS, IT SHALL BE UNLAWFUL FOR ANY MERCHANDISING STORE OR SERVICE ESTABLISHMENT TO CHARGE MORE THAN THE ACTUAL CASH RETAIL PRICE OF THE GOODS AND SERVICES PURCHASED UNLESS AUTHORIZED IN WRITING BY THE CREDIT CARD COMPANY AND THE ADDITIONAL RATES ARE REASONABLE AS DETERMINED BY THE IMPLEMENTING AGENCY.**"

**Sec. 23.** Article 95 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 95. Penalties.** a) Any person who shall violate the provisions of Title III, Chapter IV of this Act, or its implementing rules and regulations, except Articles 81 to 83 of the same Chapter, shall be subject to a fine of not less than [Five hundred pesos (P500.00)] **FIVE THOUSAND PESOS (PHP 5,000)** but not more than [Twenty thousand pesos (P20,000.00)] **TWO HUNDRED THOUSAND PESOS (PHP 200,000)** or imprisonment of not less than [three (3) months] **ONE (1) YEAR** but not more than [two (2) years] **FIVE (5) YEARS**, or both at the discretion of the court. [:Provided, That, if the consumer product is one which is not a food, cosmetic, drug, device or hazardous substance, the penalty shall be a fine of not less than Two hundred pesos (P200.00) but not more than Five thousand pesos (P5,000.00) or imprisonment of not less than one (1) month but not more than one (1) year or both, at the discretion of the court.]  
b) Any person who violates the provisions of Article 81 to 83 for the first time shall be subject to a fine of not less than [Two hundred pesos (P200.00)] **FIFTY THOUSAND PESOS (PHP 50,000)** but not more than [Five thousand pesos (P5,000.00) ] **ONE MILLION PESOS (PHP 1,000,000)** or by imprisonment of not less than one [one (1) month] **(1) YEAR** but not more than [six (6) months] **FIVE (5) YEARS**, or both at the discretion of the court. A second conviction under this paragraph shall also carry with it the penalty of revocation of business permit and license."

**Sec. 24.** Article 103 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 103. Repair Service Obligation.** When services are provided for the repair of any product, the supplier shall be considered implicitly bound to use adequate, new, original replacement parts, or those that maintain the manufacturer's technical specifications, unless[,] otherwise authorized, as regards [to] the latter, by the consumer.

**IN PROVIDING SERVICE OR REPAIR AS REQUIRED UNDER THIS ARTICLE, THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER MUST INFORM THE CONSUMER ABOUT WHICH PARTICULAR PART OR PARTS OF THE GOODS ARE DAMAGED AND HAVE TO BE REPAIRED. THE CONSUMER SHALL BE GIVEN THE OPTION TO REPLACE ONLY THE DAMAGED PART OR PARTS. THE CONSUMER SHOULD NOT BE FORCED TO REPLACE OTHER PARTS THAT ARE STILL IN GOOD CONDITION ON THE GROUNDS THAT ALL REPLACEMENT PARTS COME IN ONE SET."**

**Sec. 25.** Article 107 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 107. Penalties.** – Any person who shall violate any provision of this Chapter or its implementing rules and regulations with respect to any consumer product which is not food, cosmetic, or hazardous substance shall upon conviction, be subject to a fine of not less than [Five thousand pesos (P5,000.00)] **FIFTY THOUSAND PESOS (PHP 50,000) BUT NOT MORE THAN ONE MILLION PESOS (PHP 1,000,000)** and by imprisonment of not [more] **LESS** than one (1) year **BUT MORE THAN FIVE (5) YEARS**, or both upon the discretion of the court."

**Sec. 26.** Article 110 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 110. False, Deceptive or Misleading Advertisement.** – It shall be unlawful for any person to disseminate or to cause the dissemination of any false, deceptive or misleading advertisement by Philippine mail or in commerce by print, radio, television, **INCLUDING HOME TELEVISION SHOPPING**, outdoor advertisement, **THE INTERNET, CYBER SHOPS, SOCIAL NETWORKING SITE, LANDLINE OR MOBILE PHONE**, or other medium for the purpose of inducing or which is likely to induce directly or indirectly the purchase of consumer products or services."

**Sec. 27.** Article 116 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 116. Permit to Conduct SALES Promotion.** — No person shall conduct any sales [campaign] PROMOTION, including beauty contest, national in character, sponsored and promoted by PRODUCERS, RETAILERS, SELLERS, DISTRIBUTORS, SUPPLIERS, IMPORTERS OR manufacturing enterprises without first securing a permit from the concerned department [at least thirty (30) calendar days prior to the commencement thereof. Unless an objection or denial is received within fifteen (15) days from filing of the application, the same shall be deemed approved and the promotion campaign or activity may be conducted].

**THE CONCERNED DEPARTMENT SHALL PRESCRIBE THE REQUIREMENTS FOR THE ISSUANCE OF THE PERMIT, INCLUDING THE NUMBER OF WORKING DAYS WITHIN WHICH THE DEPARTMENT MUST APPROVE OR DENY THE APPLICATION. THE SAME APPLICATION FOR PERMIT SHALL BE DEEMED APPROVED IF THE CONCERNED DEPARTMENT EXCEEDS THE PRESCRIBED NUMBER OF WORKING DAYS WITHIN WHICH IT MUST ACT ON THE APPLICATION, AND THE SALES PROMOTION CAMPAIGN OR ACTIVITY MAY COMMENCE, UNLESS AN OBJECTION OR DENIAL IS RECEIVED BY THE APPLICANT: Provided, That any sales promotion campaign using medical prescriptions or any part thereof or attachment thereto for A raffle[s] or a promise of reward shall not be allowed, nor a permit be issued thereof: PROVIDED FINALLY, THAT THE CONCERNED DEPARTMENT MAY ISSUE RULES TO REGULATE SALES PROMOTION.**

**ALL HOLDERS OF SALES PROMOTION PERMITS SHALL PROVIDE TO THE CONCERNED DEPARTMENT A COPY OF ITS PROMOTIONAL MATERIALS NOT LATER THAN THE DATE OF PUBLICATION OR RELEASE OF SUCH PROMOTIONAL MATERIALS, OR LAUNCH DATE OF THE SALES PROMOTION, WHICHEVER IS EARLIER."**

**Sec. 28.** Article 123 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 123. Penalties.** a) Any person, association, partnership or corporation who shall violate any of the provisions of Articles 110 to 115 shall, upon conviction, be subject to a fine of not less than [Five hundred pesos (P500.00)] **FIFTY THOUSAND PESOS (PHP 50,000)** but not more than [Five thousand pesos (P5,000.00)] **ONE MILLION PESOS (PHP 1,000,000)** or an imprisonment of not less than [one (1) month] **ONE (1) YEAR** but more than six (6) months] **FIVE (5) YEARS**, or both upon the discretion of the court.

b) Any violation of the provisions of Articles 116 to 121 shall, upon conviction, subject the offenders to a fine of not less than [Two hundred pesos (P2900.00)] **FIFTY THOUSAND PESOS (PHP 50,000)** but not more than [Six hundred pesos (P600.00)] **ONE MILLION PESOS (PHP 1,000,000)** or an imprisonment of not less than [one (1) month] **ONE (1) YEAR** but not more than [six (6) months] **FIVE (5) YEARS**, or both upon the discretion of the court. If the violation was committed by a juridical person, the manager, representative, director, agent or employee of said juridical person responsible for the act shall be deported after service of sentence and payment of the fine without need for further deportation proceedings."

**Sec. 29.** A new Article 131-A is hereby inserted after Article 131 of Republic Act No. 7394 to read as follows:

**"ART. 131-A. IMPLEMENTING AGENCY – THE BANGKO SENTRAL NG PILIPINAS (BSP) SHALL IMPLEMENT AND ENFORCE THE PROVISIONS OF TITLE IV OF THIS ACT."**

**Sec. 30.** Article 149 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art 149. Composition.** The Council shall be composed of representatives from the following government agencies and non-government agencies:

- a) Department of Trade and Industry;
- b) Department of Education;
- c) Department of Health;
- d) Department of Agriculture;
- E) **DEPARTMENT OF ENERGY;**
- F) **BANGKO SENTRAL NG PILIPINAS;**
- G) **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES;**
- [e] H) four (4) representatives from consumer organizations of nationwide base to be chosen by the President from among the nominees submitted by the various consumer groups in the Philippines; and
- [f] I) two (2) representatives from the business industry/sector to be chosen by the President from among the nominees submitted by the various business organizations."

**Sec. 31.** Article 151 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 151. Per Diems of Members.** The members of the Council shall be entitled to [an allowance of Five hundred pesos (Php 500.00) per meeting actually attended but not more than Two thousand pesos (Php 2,000.00) a month] **PER DIEMS IN AN AMOUNT APPROVED BY THE COUNCIL AND SUBJECT TO EXISTING LAWS, RULES AND REGULATIONS.**"

**Sec. 32.** Title of Chapter III under Title V of Republic Act No. 7394 is hereby amended to read as follows:

### **"CHAPTER III CONSUMER COMPLAINTS; SANCTIONS AND PENALTIES"**

**Sec. 33.** Article 164 of Republic Act No. 7394 is hereby amended to read as follows:

**"Art. 164. Sanctions –** After investigation, any of the following administrative penalties may be imposed even if not prayed for in the complaint:

x x x

e) the imposition of administrative fines in such amount as deemed reasonable by the Secretary **OF THE CONCERNED DEPARTMENT**, which shall in no case be less than [Five hundred pesos (Php 500.00) nor more than Three thousand pesos (Php 3,000.00) depending on the gravity of the offense] **FIFTY THOUSAND PESOS (PHP 50,000.00) BUT NOT MORE THAN ONE MILLION PESOS (PHP 1,000,000.00)**, and an additional fine of not more than One thousand pesos (Php 1,000.00) for each day of continuing violation."

**Sec. 34.** A new Article 168-A is hereby inserted after Article 168 of Republic Act 7394 to read as follows:

**Article 168-A. CONGRESSIONAL OVERSIGHT COMMITTEE. - TO OVERSEE THE IMPLEMENTATION OF REPUBLIC ACT NO. 7394 AND THIS ACT, THERE SHALL BE CREATED A CONGRESSIONAL OVERSIGHT COMMITTEE ON CONSUMER PROTECTION AND WELFARE (COCCPW), TO BE COMPOSED OF THE CHAIRPERSONS OF THE SENATE COMMITTEES ON TRADE AND COMMERCE, HEALTH AND DEMOGRAPHY, AGRICULTURE, AND FINANCE; THE CHAIRPERSONS OF THE HOUSE OF REPRESENTATIVES COMMITTEES ON TRADE AND INDUSTRY, HEALTH, AGRICULTURE AND FOOD, AND APPROPRIATIONS; AND TWO MEMBERS EACH FROM THE SENATE AND THE HOUSE OF REPRESENTATIVES WHO SHALL BE DESIGNATED BY THE SENATE PRESIDENT AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES: PROVIDED, THAT ONE OF THE TWO SENATORS AND ONE OF THE TWO HOUSE MEMBERS SHALL BE NOMINATED BY THE RESPECTIVE MINORITY LEADERS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES. THE CONGRESSIONAL OVERSIGHT COMMITTEE SHALL BE JOINTLY CHAIRED BY THE CHAIRPERSONS OF THE**

SENATE COMMITTEE ON TRADE AND COMMERCE AND THE HOUSE OF REPRESENTATIVES COMMITTEE ON TRADE AND INDUSTRY. THE POSITION OF VICE-CHAIRPERSON OF THE CONGRESSIONAL OVERSIGHT COMMITTEE SHALL BE JOINTLY HELD BY THE CHAIRPERSONS OF THE SENATE COMMITTEE ON HEALTH AND DEMOGRAPHY AND THE HOUSE OF REPRESENTATIVES COMMITTEE ON HEALTH. THE SECRETARIAT OF THE CONGRESSIONAL OVERSIGHT COMMITTEE ON CONSUMER PROTECTION AND WELFARE SHALL BE DRAWN FROM THE EXISTING PERSONNEL OF THE SENATE AND HOUSE OF REPRESENTATIVES COMMITTEES COMPRISING THE CONGRESSIONAL OVERSIGHT COMMITTEE.

**Sec. 35. Separability Clause.**- If any part or parts of this Act should, for any reason, be declared invalid or unconstitutional, the part or parts thereof unaffected shall thereby continue to remain in full force and effect.

**Sec. 36. Repealing Clause.** - All laws, decrees, executive order, rules and regulations and other issuances consistent with this Act is hereby repealed or amended accordingly

**Sec. 37. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,