

1 EIGHTEENTH CONGRESS OF THE)
2 REPUBLIC OF THE PHILIPPINES)
3 *First Regular Session*)
4

HOUSE OF REPRESENTATIVES

H. B. No. 4536



5
6 Introduced by Rep. Vilma Santos-Recto
6th District of Batangas
7
8

9 **AN ACT**
10 **GRANTING BROADER PROTECTION TO CONSUMERS AMENDING FOR THE**
11 **PURPOSE REPUBLIC ACT NO. 7394, OTHERWISE KNOWN AS "THE**
12 **CONSUMER ACT OF THE PHILIPPINES"**
13

14 **EXPLANATORY NOTE**
15

16 This bill seeks to amend Republic Act (R.A.) No. 7394 otherwise known as the
17 "Consumer Act of the Philippines."
18

19 Among the new provisions is the eight (8) Consumer Bill of Rights namely, the right
20 to: basic needs, choose products, representation, redress, consumer education, safety, healthy
21 environment, and sanitation. These rights have been endorsed by the United Nations through
22 the United Nations Guidelines for Consumer Protection. Corollary to the consumer rights is
23 the provision of five (5) consumer responsibilities to wit: critical awareness, action, social
24 concern, environmental awareness, and solidarity.
25

26 The bill also provides a new Article mandating the English or Filipino translation of
27 product labels written in foreign characters or languages. This will allow better
28 understanding of the contents, features and uses of imported products for consumer
29 protection against unsafe products. A new provision permanently banning suppliers who
30 engaged in the importation of defective goods has also been included.
31

32 The coverage of the provisions on advertising and promotion has been expanded to
33 include those for consumer products, services and credit facilities which include sponsorships
34 of programs, concerts, games, shows and similar activities.

1
2 A new Article also protects consumers from aggressive marketing promotions that
3 significantly impair the average consumer's freedom of choice with regard to the purchase of
4 a product or service.
5

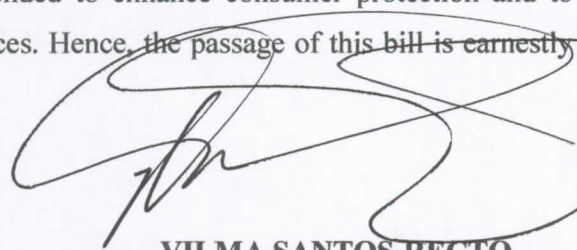
6 The chapter on Advertising and Sales Promotion is further strengthened with the
7 addition of advertising general principles and a specific guideline in the presentation of
8 advertisements. Hence, among others, the bill provides instructions on how advertisements
9 should treat specific claims on ingredients, results of researches and surveys, scientific
10 claims, testimonials and endorsements, and leadership claims.
11

12 The bill increases the penalties for violations of any provision of the Consumer Act of
13 the Philippines. It sets a uniform penalty to be imposed on any violations and lengthen the
14 period of prescription for claims relative to deceptive or unfair and unconscionable practice
15 from two (2) to three (3) years.
16

17 Further amendments to R.A. No. 7394 include the definition of terms in accordance
18 with new technologies and trade practices. Notable of these new definitions is the one for
19 "Mass Media" which now includes the internet, mobile phones, and similar electronic
20 devices.
21

22 The chapter on Consumer Product Quality and Safety has also been amended by
23 adding the grant of authority for the automatic closing down of any establishments caught in
24 *flagrante delicto* selling, distributing, manufacturing, producing, or importing substandard
25 and hazardous products.
26

27 The above cited amendments are intended to enhance consumer protection and to
28 promote high ethical standards in trade practices. Hence, the passage of this bill is earnestly
29 sought.
30

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32 
33 VILMA SANTOS-RECTO

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6th District of Batangas

AN ACT
GRANTING BROADER 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 House of Representatives of the Philippines in Congress assembled:

1 Section 1. *Short Title.* – This Act shall be known as "The Enhanced Consumer Act".
2 Sec. 2. Republic Act (R.A.) No. 7394, otherwise known as the "Consumer Act of the
3 Philippines" is hereby amended by inserting a new Article 3 under Title I General Provisions
4 to read as follows:

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

14 **A) RIGHT TO BASIC NEEDS – THE GUARANTEED**
15 **SURVIVAL AND, THUS, BE PROVIDED WITH ADEQUATE**
16 **FOOD, CLOTHING, SHELTER, HEALTH CARE, EDUCATION**
17 **AND SANITATION;**

18 **B) RIGHT TO CHOOSE – THE CHOICE OF PRODUCTS**
19 **AT COMPETITIVE PRICES WITH ASSURED**

1 SATISFACTORY QUALITY IN ACCORDANCE WITH
2 GOVERNMENT STANDARDS;

3 C) RIGHT TO REPRESENTATION – THE
4 CONSIDERATION OF CONSUMER INTERESTS IN THE
5 FORMULATION AND EXECUTION OF GOVERNMENT
6 POLICIES;

7 D) RIGHT TO REDRESS – CLAIM COMMENSURATE
8 COMPENSATION FOR MISREPRESENTATION,
9 SUBSTANDARD, DEFECTIVE GOODS OR
10 UNSATISFACTORY SERVICES;

11 E) RIGHT TO CONSUMER EDUCATION – ACQUISITION
12 OF KNOWLEDGE AND SKILLS NECESSARY TO MAKE AN
13 INFORMED CHOICE;

14 F) RIGHT TO SAFETY – THE PROTECTION AGAINST
15 THE MARKETING OF GOODS OR PROVISION OF
16 SERVICES THAT ARE HAZARDOUS TO HEALTH AND
17 LIFE;

18 G) RIGHT TO A HEALTHY ENVIRONMENT – LIVE AND
19 WORK IN AN ENVIRONMENT WHICH PERMITS A LIFE OF
20 DIGNITY AND WELL-BEING AND WHICH IS NEITHER
21 THREATENING NOR DANGEROUS; AND

22 H) RIGHT TO INFORMATION – PROTECTION AGAINST
23 DISHONEST OR MISLEADING ADVERTISING OR
24 LABELING AND BE GIVEN THE PRODUCT FACTS AND
25 INFORMATION NEEDED TO MAKE AN INFORMED
26 CHOICE.”

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

29 “ART. 4. *THE FIVE (5) CONSUMER RESPONSIBILITIES.* – IN
30 CONNECTION WITH THE ENTITLEMENT OF THE BASIC RIGHTS
31 STATED IN THE PRECEDING SECTION, THE CONSUMER SHALL
32 EXERCISE THE FOLLOWING RESPONSIBILITIES:

1 **A) CRITICAL AWARENESS – BE MORE ALERT AND**
2 **QUESTIONING ABOUT THE USES, THE PRICE AND**
3 **QUALITY OF GOODS AND SERVICES PURCHASED;**

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

7 **C) SOCIAL CONCERN – BE MORE AWARE OF THE**
8 **IMPACT OF HIS CONSUMPTION ON OTHER CITIZENS,**
9 **ESPECIALLY THE DISADVANTAGED OR POWERLESS**
10 **GROUPS, WHETHER IN THE LOCAL, NATIONAL, OR**
11 **INTERNATIONAL COMMUNITY;**

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

18 **E) SOLIDARITY – ORGANIZE CONSUMER GROUPS TO**
19 **DEVELOP THEIR STRENGTH AND INFLUENCE TO**
20 **PROMOTE AND PROTECT CONSUMER INTERESTS.”**

21 Sec. 4. Article 4, Title I – General Provisions of R. A. No. 7394, is hereby amended
22 and renumbered to read as follows:

23 “Art. ~~[4]~~6. *Definition of Terms.* – For purposes of this Act, the term:

24 “a) x x x

25 “x x x

26 “n) *Consumer* - shall refer to a natural person who is a purchaser,
27 lessee, recipient or prospective purchaser, lessor or recipient of
28 consumer products, services, credit, **TECHNOLOGY,**
29 **ADVERTISING OR PROMOTION, AND OTHER ITEMS [IN]**
30 **OF COMMERCE.**

31 “x x x

32 “q) *Consumer products and services* - shall refer to goods, services
33 and credits, debts or obligations, **SERVICES** which are primarily for

personal, family, household or agricultural purposes, which shall include but not limited to food, drugs, cosmetics, and devices, **PRODUCT, MERCHANDISE, GOODS, CREDIT, TECHNOLOGY AND OTHER TRANSACTIONS OR MATTERS INTENDED TO BE COVERED BY THIS ACT.**

“X X X

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

“X X X

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

“X X X

“aj) *Guarantee* - shall refer to an expressed or implied assurance of the **REAL** quality, **PRICE, PROMOTION** of the consumer products and services offered for sale or length of satisfactory use, **COSTS OR OTHER SIMILAR CLAIMS** to be expected from **SUCH CONSUMER** productS or **SERVICES BASED ON APPLICABLE AND ACTUAL DOCUMENTS IN ACCORDANCE WITH THE LAW, MORALS, GOOD FAITH AND PUBLIC POLICY.”**

“X X X

1 “at) *Mass media* - shall refer to any means or methods used to
2 convey advertising messages to the public such as television, radio,
3 **THE INTERNET, MOBILE PHONES AND SIMILAR**
4 **ELECTRONIC DEVICES**, magazines, cinema, billboards, posters,
5 streamers, hand bills, leaflets, mails and the like.

6 “x x x

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

21 “x x x

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

30 “x x x

31 “br) *Standard* - shall refer to a set of conditions to be fulfilled to
32 ensure the quality and safety of a product **AND SERVICE**;

33 “x x x.”

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

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

- 5 a) the Department of Health with respect to **PROCESSED** food,
6 drugs, cosmetics, devices and **HAZARDOUS** substances;
- 7 b) the Department of Agriculture with respect to products related
8 to agriculture **AND FISHERIES**; and
- 9 c) the Department of Trade and Industry with respect to other
10 consumer products not specified above.”

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

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

21 Sec. 7. Article 10, Chapter I – Consumer Product Quality and Safety of R. A. No.
22 7394 is hereby amended to read as follows:

23 “Art. [10]12. *Injurious, Dangerous and Unsafe Products.* - Whenever the
24 departments find, by their own initiative or by petition of a consumer, that a
25 consumer product is found to be injurious, unsafe or dangerous, it shall, after
26 due notice and hearing, make the appropriate order for its recall, prohibition or
27 seizure from public sale or distribution: *Provided*, That, in the sound
28 discretion of the department it may declare a consumer product to be
29 imminently injurious, unsafe or dangerous, and order its immediate recall, ban
30 or seizure from public sale or distribution, in which case, the seller, distributor,
31 manufacturer or producer thereof shall be afforded a hearing within forty-eight
32 (48) hours from such order: **PROVIDED, FURTHER, THAT ANY**
33 **ESTABLISHMENT CAUGHT IN FLAGRANTE DELICTO SELLING,**
34 **DISTRIBUTING, MANUFACTURING, PRODUCING, OR**

1 **IMPORTING PREVIOUSLY DECLARED SUBSTANDARD AND**
2 **HAZARDOUS PRODUCTS SHALL BE AUTOMATICALLY CLOSED**
3 **AND SHUT DOWN.”**

4 “X X X.”

5 SEC. 8. Article 11, Chapter I – Consumer Product Quality and Safety of R. A. No.
6 7394 is hereby amended to read as follows:

7 “Art. [44]13. *Amendment and Revocation of Declaration of the Injurious,*
8 *Unsafe or Dangerous Character of a Consumer Product.* – Any interested
9 person may petition the appropriate department to commence a proceeding for
10 the issuance of an amendment or revocation of a consumer product safety rule
11 or an order declaring a consumer product injurious, dangerous and unsafe.

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

- 17 a) give notice to the public of the defect or failure to comply with
18 the product safety standards;
19 b) give notice to each distributor or seller of such product; and
20 c) **WHEN POSSIBLE, GIVE NOTICE TO EVERY PERSON**
21 **TO WHOM SUCH CONSUMER PRODUCT WAS DELIVERED**
22 **OR SOLD.**

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

26 “X X X.”

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

29 **“ART. 14. PHYSICAL SAFETY. –MANUFACTURERS OR**
30 **DISTRIBUTORS SHOULD ENSURE THAT AS SOON AS THEY**
31 **BECOME AWARE OF UNFORESEEN HAZARDS AFTER**
32 **PRODUCTS ARE PLACED ON THE MARKET, THEY SHOULD**
33 **NOTIFY THE GOVERNMENT AUTHORITIES CONCERNED AND,**
34 **AS APPROPRIATE, INFORM THE PUBLIC WITHOUT DELAY. THE**

1 **GOVERNMENT SHOULD ALSO ESTABLISH MECHANISMS FOR**
2 **ENSURING THAT CONSUMERS ARE PROPERLY INFORMED OF**
3 **SUCH HAZARDS.”**

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

6 “Art. [52] **55. Unfair or Unconscionable Sales Act or Practice.** “x x x

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

9 “a) x x x

10 “x x x

11 “d) that the transaction that the seller or supplier induced the consumer
12 to enter into was excessively one-sided in favor of the seller or supplier
13 **SUCH AS BUT NOT LIMITED TO:**

14 I. **THAT WHEN THE CONSUMER TRANSACTION**
15 **WAS ENTERED INTO, THE SELLER OR**
16 **SUPPLIER IMPOSED UPON THE CONSUMER**
17 **TERMS AND CONDITIONS GROSSLY**
18 **DISADVANTAGEOUS TO THE LATTER WHO IS**
19 **REDUCED TO THE ALTERNATIVE OF**
20 **ACCEPTING THE CONTRACT OR LEAVING IT,**
21 **COMPLETELY DEPRIVED OF THE**
22 **OPPORTUNITY TO BARGAIN ON EQUAL**
23 **FOOTING; AND**

24 II. **THE SELLER OR SUPPLIER EMPLOYS AN**
25 **AGGRESSIVE MARKETING PRACTICE THAT**
26 **SIGNIFICANTLY CONSTRAINS OR IMPAIRS**
27 **OR IS LIKELY TO SIGNIFICANTLY**
28 **CONSTRAIN OR IMPAIR THE AVERAGE**
29 **CONSUMER’S FREEDOM OF CHOICE OR**
30 **CONDUCT WITH REGARD TO THE PURCHASE**
31 **OF A PRODUCT OR SERVICE THAT CAUSES**
32 **THE CONSUMER OR IS LIKELY TO CAUSE**
33 **THE CONSUMER TO ENTER INTO A**
34 **TRANSACTION DIFFERENT FROM THE ONE**

1 THE CONSUMER WOULD HAVE INTENDED,
2 OR THE CONSUMER WOULD NOT HAVE
3 DONE WITHOUT THE MARKETING
4 PRACTICE.”

5 Sec. 11. Article 81, Chapter IV - Labeling and Fair Packaging, Title III of R. A. No.
6 7394 is hereby amended to read as follows:

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

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

27 “**ART. 87. ENGLISH OR FILIPINO TRANSLATIONS OF PRODUCT**
28 **LABELS WRITTEN IN FOREIGN CHARACTERS OR LANGUAGES. –**
29 **CONSUMER PRODUCTS WITH PRODUCT LABELS WRITTEN IN**
30 **FOREIGN CHARACTERS OR LANGUAGE SHALL BE ALLOWED**
31 **ENTRY INTO THE COUNTRY AND INTRODUCED INTO**
32 **COMMERCE ONLY IF THEY HAVE A CORRESPONDING**
33 **ENGLISH OR FILIPINO TRANSLATION TO ENABLE THE**
34 **AUTHORITIES TO DETERMINE WHETHER THE PRODUCT HAS**

1 COMPLIED WITH ALL THE OTHER LABELING REQUIREMENTS
2 AS WELL AS PROVIDE THE CONSUMERS PROPER GUIDANCE
3 ON THE CONTENTS AND ORIGIN OF THE PRODUCT.”

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

6 “ART. 88. *OFFICIAL SOURCES OF INFORMATION FOR IMPORTED*
7 *CONSUMER PRODUCTS.* – IMPORT DATA FROM THE BUREAU OF
8 CUSTOMS AND BUREAU OF IMPORT SERVICES SHALL BE
9 RECOGNIZED AS OFFICIAL SOURCES OF INFORMATION TO
10 VALIDATE THE FOLLOWING INFORMATION RELATIVE TO A
11 PARTICULAR IMPORTED CONSUMER PRODUCT:

- 12 1. COUNTRY OF MANUFACTURE;
- 13 2. NAME AND ADDRESS OF MANUFACTURER/
14 EXPORTER;
- 15 3. NAME AND ADDRESS OF IMPORTER/CONSIGNEE;
- 16 4. VALUE AND VOLUME OF SHIPMENT;
- 17 5. DATE OF ARRIVAL; AND
- 18 6. OTHER INFORMATION RELEVANT TO THE
19 SHIPMENT IN QUESTION.”

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

22 “ART. 115. *COVERAGE OF ADVERTISING AND SALES PROMOTION.*
23 – THE PROVISIONS ON ADVERTISING AND SALES PROMOTION
24 SHALL APPLY TO ADVERTISING AND PROMOTION OF
25 CONSUMER PRODUCTS, SERVICES AND CREDIT FACILITIES,
26 WHICH INCLUDE SPONSORSHIPS OF PROGRAMS, CONCERTS,
27 GAMES, SHOWS AND SIMILAR ACTIVITIES: *PROVIDED*, THAT
28 WITH RESPECT TO FOOD, DRUGS, DEVICES, COSMETICS AND
29 HAZARDOUS SUBSTANCES AND AGRICULTURAL PRODUCTS,
30 THE SAME SHALL BE UNDER THE JURISDICTION OF THE
31 DEPARTMENTS CONCERNED.”

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

1 **“ART. 116. *COVERAGE.* – THESE PROVISIONS SHALL APPLY TO**
2 **THE PHILIPPINE ADVERTISING COMMUNITY WHICH**
3 **INCLUDES ADVERTISERS, ADVERTISING AGENCIES, MEDIA**
4 **AND ADVERTISING SUPPORT GROUPS BUT SHALL NOT APPLY**
5 **TO THE FOLLOWING:**

- 6 **1. PUBLIC SERVICE AND EMERGENCY ANNOUNCEMENTS OF**
7 **UTILITY COMPANIES;**
8 **2. RELIGIOUS, POLITICAL AND PUBLIC ISSUE**
9 **ADVERTISEMENTS AND ANNOUNCEMENTS, EXCEPT**
10 **WHERE THESE INVOLVE OR SEEK TO PROMOTE**
11 **COMMERCIAL TRANSACTIONS; AND**
12 **3. STANDARD TRANSPORT ANNOUNCEMENTS, CLASSIFIED**
13 **ADVERTISEMENTS AND OBITUARIES.”**

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

16 **“ART. 117. *ADVERTISING GENERAL PRINCIPLES.* –**
17 **ADVERTISEMENTS SHALL BE GUIDED BY THE FOLLOWING**
18 **PRINCIPLES:**

- 19 **(1) ADVERTISING MUST PROVIDE THE GENERAL PUBLIC**
20 **WITH RELEVANT AND TRUTHFUL INFORMATION ON**
21 **PRODUCTS AND SERVICES, THEREBY HELPING**
22 **CONSUMERS MAKE INFORMED CHOICES; AND**
23 **(2) THE ADVERTISING INDUSTRY SHOULD CONTINUE TO**
24 **IMPROVE THE LEVELS AND STANDARDS OF**
25 **ADVERTISING.”**

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

28 **“ART. 118. *PRESENTATION OF ADVERTISEMENTS.* – (1) CLAIMS**
29 **OF PRODUCTS AND SERVICE FEATURES OR THEIR INTENDED**
30 **USAGE SHOULD BE CLEARLY PRESENTED AND SHOULD NOT**
31 **MISLEAD OR BE LIKELY TO MISLEAD THE PERSONS TO WHOM**
32 **THEY ARE ADDRESSED BY INACCURACY, AMBIGUITY,**
33 **EXAGGERATION OR OMISSION;**

1 (2) ANY TEST OR DEMONSTRATION MAY BE USED ONLY IF IT
2 DIRECTLY PROVES THE CLAIMED PRODUCT OR SERVICE
3 FEATURE OR CHARACTERISTICS AND SHOULD BE PRESENTED
4 CLEARLY AND ACCURATELY.

5 (3) CORPORATE ADVERTISING MUST BE FAIR, TRUTHFUL AND
6 ACCURATE; IT SHOULD NOT CONTAIN ANY EXAGGERATIONS
7 OR SWEEPING GENERALIZATIONS THAT MAY MISLEAD THE
8 PUBLIC REGARDING THE ADVERTISER OR THE ATTRIBUTES
9 OF ITS PRODUCTS OR SERVICES: *PROVIDED*, THAT WHERE THE
10 ADVERTISEMENTS CONTAIN SPECIFIC CLAIMS REGARDING
11 THE COMPANY OR ITS PRODUCTS OR SERVICES, SUCH CLAIMS
12 MUST BE VERIFIABLE AND SUBJECT TO SUBSTANTIATION IN
13 THE SAME MANNER AS REGULAR PRODUCT OR SERVICE
14 ADVERTISEMENTS.”

15 Sec. 18. Article 110, Chapter VI –Advertising and Sales Promotion, Title III of R. A.
16 No. 7394 is hereby amended to read as follows:

17 “Art. [440] 119. *False, Deceptive or Misleading Advertisement.* – It shall be
18 unlawful for any person to disseminate or to cause the dissemination of any
19 false, deceptive or misleading advertisement by Philippine mail or in
20 commerce by print, radio, television, outdoor advertisement, **INTERNET**,
21 **MOBILE PHONE**, or other medium for the purpose of inducing or which is
22 likely to induce directly or indirectly the purchase of consumer products or
23 services.”

24 “x x x.”

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

27 “ART. 120. *SPECIFIC CLAIMS.* – (1) *INGREDIENT ADVERTISING* –
28 (A) ADVERTISEMENTS SHOULD NOT CONTAIN ANY
29 REFERENCE WHICH COULD LEAD THE PUBLIC TO ASSUME
30 THAT A PRODUCT CONTAINS A SPECIFIC INGREDIENT UNLESS
31 THE INGREDIENT’S QUANTITIES AND PROPERTIES AS WELL AS
32 THE MATERIAL BENEFIT THAT RESULTS FROM ITS INCLUSION
33 IN THE PRODUCT FORMULATION HAVE BEEN TECHNICALLY
34 SUBSTANTIATED; AND (B) ADVERTISEMENTS SHOULD NOT

1 IMPLY THAT A CERTAIN BENEFIT IS DUE TO A SPECIFIC
2 INGREDIENT UNLESS A VERIFIABLE CAUSE AND EFFECT
3 RELATIONSHIP EXISTS.

4 (2) *PROFESSIONAL DATE REFERENCES* – ADVERTISEMENTS
5 USING THE RESULTS OF A BONA FIDE RESEARCH, SURVEYS,
6 OR TEST RELATING TO A PRODUCT SHOULD NOT BE
7 PRESENTED INACCURATELY OR IN A MISLEADING MANNER,
8 NOR SHOULD IT CLAIM ANY IMPLICATIONS BEYOND WHAT IS
9 CLEARLY ESTABLISHED BY RESEARCH, SURVEY OR TEST.

10 (3) *SCIENTIFIC CLAIMS* – (A) VISUAL REPRESENTATIONS OF
11 LABORATORY SETTINGS MAY ONLY BE EMPLOYED PROVIDED
12 THE RESEARCH WAS CONDUCTED IN THE LABORATORY; AND
13 (B) IN CASE OF REFERENCES TO TESTS BY PROFESSIONALS OR
14 INSTITUTIONS INCLUDING BUT NOT LIMITED TO DOCTORS,
15 ENGINEERS, AND RESEARCH FOUNDATIONS, THE
16 DOCUMENTED AND AUTHORITATIVE EVIDENCE SHOULD BE
17 SUBMITTED TO SUBSTANTIATE SUCH TESTS AND CLAIMS
18 BASED THEREON.

19 (4) NUMBER ONE OR LEADERSHIP CLAIM – (A) NO “NUMBER 1”
20 CLAIM WITH RESPECT TO ANY PRODUCT OR SERVICE SHALL
21 BE ALLOWED UNLESS IT IS CLEARLY DELINEATED AND
22 QUALIFIED AS TO RENDER THE CLAIM OBJECTIVELY
23 VERIFIABLE. THE CLAIM SHOULD, IN ANY CASE, BE
24 SUBSTANTIATED.

25 (5) TESTIMONIALS – (A) TESTIMONIAL CLAIMS RELATING TO
26 THE PRODUCT BEING ADVERTISED SHOULD BE GENUINE AND
27 TRUTHFUL;

28 (B) INDIVIDUALS ENDORSING A PRODUCT OR SERVICE IN
29 COMMUNICATION MATERIALS AND WHO IS PRESENTED AS AN
30 EXPERT MUST HAVE DEMONSTRABLE CREDENTIALS TO
31 SUBSTANTIATE THE CLAIMED EXPERTISE. THE
32 ENDORSEMENT MUST BE SUPPORTED BY AN ACTUAL
33 EXERCISE OF EXPERTISE IN EVALUATING THE PRODUCT OR
34 SERVICE CHARACTERISTICS. SUCH EVALUATION MUST BE

1 RELEVANT AND AVAILABLE TO AN ORDINARY CONSUMER'S
2 USE OF THE PRODUCT; AND

3 (C) ENDORSEMENTS BY AN ORGANIZATION ARE CONSIDERED
4 AS JUDGMENT BY A GROUP WHOSE COLLECTIVE EXPERIENCE
5 OUTWEIGHS THAT OF AN INDIVIDUAL MEMBER. ADVERTISER
6 MUST PROVIDE EVIDENCE THAT THE ORGANIZATION'S
7 ENDORSEMENT WAS REACHED BY A PROCESS SUFFICIENT TO
8 ENSURE THAT IT REFLECTS THE COLLECTIVE JUDGMENT OF
9 THE ORGANIZATION. THE ORGANIZATION MAY BE
10 CONSIDERED LEGITIMATE IF IT CAN PRESENT PROOF OF
11 EXISTENCE FOR AT LEAST ONE (1) YEAR."

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

14 "ART. 125. *COVERAGE AND EXEMPTION OF THE SALES*
15 *PROMOTION OF CONSUMER PRODUCTS AND SERVICES. (A)*
16 *COVERAGE OF THE SALES PROMOTION OF CONSUMER*
17 *PRODUCTS AND SERVICES. – THE PROVISIONS ON SALES*
18 *PROMOTION OF THE CONSUMER PRODUCTS AND SERVICES*
19 *SHALL APPLY TO ALL PROMOTIONAL CAMPAIGNS AND*
20 *ANNOUNCEMENTS FOR CONSUMER PRODUCTS, SERVICES,*
21 *CREDIT FACILITIES, AS WELL AS BEAUTY CONTESTS,*
22 *NATIONWIDE IN CHARACTER.*

23 *THE PROVISIONS OF SALES PROMOTION OF CONSUMER*
24 *PRODUCTS AND SERVICES SHALL LIKEWISE APPLY TO*
25 *SIMILAR ACTIVITIES SUCH AS BUT NOT LIMITED TO IN-STORE*
26 *PROMOTIONS OFFERING REDUCED PRICES, SPECIAL OFFERS,*
27 *PRODUCT DEMONSTRATION, PRODUCT SAMPLES, REBATES,*
28 *DISCOUNTS, PREMIUM-IN-PACK, AND EXPERT ADVICE.*

29 *(B) EXEMPTION OF THE SALES PROMOTION OF CONSUMER*
30 *PRODUCTS AND SERVICES – THE PROVISIONS OF SALES*
31 *PROMOTION OF CONSUMER PRODUCTS AND SERVICES SHALL*
32 *NOT APPLY TO THE FOLLOWING PROMOTIONAL CAMPAIGNS*
33 *OR ACTIVITIES:*

1 (1) GOVERNMENT OR ANY OF ITS AGENCIES OR
2 INSTRUMENTALITIES, WHEN THE SAME IS CONDUCTED
3 IN THE EXERCISE OF THEIR GOVERNMENTAL
4 FUNCTIONS;

5 (2) PRIVATE ENTITIES IN JOINT PROJECT/S WITH ANY
6 GOVERNMENT AGENCY UNDER THE PRECEDING
7 PARAGRAPH; AND.

8 (3) SOCIAL, CIVIC, POLITICAL, RELIGIOUS,
9 EDUCATIONAL, PROFESSIONAL AND OTHER SIMILAR
10 ORGANIZATIONS WHICH EXTEND PROMOTIONAL
11 ACTIVITY AMONG THEIR MEMBERS: *PROVIDED*, THAT
12 THE PROMOTIONAL ACTIVITY IS NOT CONSIDERED
13 SALES PROMOTIONAL CAMPAIGN AS DEFINED UNDER
14 THIS ACT.”

15 Sec. 21. Article 116, Chapter VI – Advertising and Sales Promotion, Title III of R. A.
16 No. 7394 is hereby amended to read as follows:

17 “ART. [116] 127. *Permit to Conduct Promotion.* — No person shall conduct
18 any sales campaigns, including beauty contest, national in character,
19 sponsored and promoted by **PRODUCERS, RETAILERS, SELLERS,**
20 **DISTRIBUTORS, SUPPLIERS, IMPORTERS, OR** manufacturing
21 enterprises without first securing a permit from the concerned department [~~at~~
22 ~~least thirty (30) calendar days~~] prior to the commencement thereof. Unless an
23 objection or denial is received **WITHIN 5 (FIVE) DAYS** [~~fifteen (15) days~~]
24 from filing of the **COMPLETE** application, the same shall be deemed
25 approved and the promotion campaign or activity may be conducted:
26 *Provided*, that any sales promotion campaign using medical prescriptions or
27 any part thereof or attachment thereto for raffles or a promise of reward shall
28 not be allowed, nor a permit be issued thereof.”

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

31 “ART. 128. **APPLICATION FOR PERMIT.** - (A) THE APPLICATION
32 FOR PERMIT SHALL BE IN THE FORM PRESCRIBED BY THE
33 DEPARTMENT CONCERNED.

1 (B) *WHO MAY FILE THE APPLICATION FOR PERMIT* – THE
2 PERSON WHOSE CONSUMER PRODUCTS, SERVICES, CREDIT
3 FACILITIES, BEAUTY CONTESTS, COMPETITION, GAMES
4 SHOWS AND THE LIKE ARE BEING PROMOTED MAY FILE THE
5 APPLICATION FOR PERMIT.

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

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

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

26 "ART. 129. *PROHIBITED ACTS IN THE CONDUCT OF SALES*
27 *PROMOTION.* – "THE FOLLOWING ACTS ARE PROHIBITED IN
28 THE CONDUCT OF SALES PROMOTION CAMPAIGN:

29 (A) GAMBLING AND WAGERING SCHEMES;

30 (B) USE OF MEDICAL PRESCRIPTIONS; AND

31 (C) DIRECTLY OR INDIRECTLY TAMPERING WITH THE
32 ENTRIES, PARAPHERNALIA AND/OR ELECTRONIC
33 DEVICE IN A PROMOTIONAL CAMPAIGN/ACTIVITY
34 COVERED BY THIS ACT OR UNDULY INFLUENCING THE

1 **RESULTS THEREOF OR PERFORMING ANY ACT TO THE**
2 **PREJUDICE OF LEGITIMATE PARTICIPANTS OR**
3 **WINNERS.”**

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

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

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

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

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

28 **(C) VOLUNTARY CANCELLATION OF ONGOING PROMOTION –**
29 **VOLUNTARY CANCELLATION OR DISCONTINUANCE OR**
30 **SUSPENSION OF ANY ONGOING PROMOTIONAL**
31 **CAMPAIGNS/ACTIVITIES SHALL NOT BE ALLOWED EXCEPT**
32 **UPON PRIOR WRITTEN APPROVAL BY THE DEPARTMENT**
33 **WHICH SHALL BE BASED ON ANY OF THE FOLLOWING**
34 **GROUND:**

1 (I) A FINAL JUDGMENT OF VOLUNTARY INSOLVENCY OR
2 BANKRUPTCY AGAINST THE PERSON WHO APPLIED;

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

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

13 “ART. 131. *RULES ON MECHANICS.* – ALL COVERED
14 PROMOTIONAL CAMPAIGNS AND ACTIVITIES SHALL ABIDE BY
15 OR COMPLY WITH THE RULES ON THE MECHANICS OF THE
16 PROMOTION SET FORTH IN THE IMPLEMENTING RULES AND
17 REGULATIONS OF THE AGENCY CONCERNED.”

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

20 “ART. 136. *SELECTION OF PARTICIPANTS AND WINNERS.* – THE
21 SELECTION OF PARTICIPANTS AND WINNERS OF A
22 PROMOTIONAL PROGRAM SHALL BE GUIDED BY THE
23 FOLLOWING:

24 (A) MODE OF SELECTION OF PROSPECTIVE
25 PARTICIPANTS/ENTRIES – PROSPECTIVE
26 PARTICIPANTS/ENTRIES ARE SELECTED IN A FAIR,
27 HONEST AND TRANSPARENT MANNER. THERE MUST BE
28 PROOF OF NOTICE OF SELECTION AND SUCH OTHER
29 RELEVANT INFORMATION TO THE SELECTED
30 PARTICIPANTS IN A MANNER EXPRESSLY PROVIDED FOR
31 IN THE MECHANICS.

32 (B) DETERMINATION OF WINNERS – DRAW DATE OR
33 DATES FOR THE SELECTION OF PARTICIPANTS OR
34 WINNERS TO A PROMOTIONAL CAMPAIGN OR ACTIVITY

1 SHALL NOT BE MORE THAN FOURTEEN (14) DAYS AFTER
2 THE DEADLINE OF THE SUBMISSION OF ENTRIES.
3 WINNERS MAY BE DETERMINED THROUGH THE USE OF
4 ANY TECHNIQUE NOT CONTRARY TO LAW, MORALS
5 AND PUBLIC POLICY PROVIDED THE SAME SHALL BE
6 CONDUCTED IN A FAIR, HONEST AND TRANSPARENT
7 MANNER.”

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

10 “ART. 148. *IMPLEMENTING AGENCY.* – THE BANGKO SENTRAL
11 NG PILIPINAS SHALL STRICTLY ENFORCE THE PROVISION OF
12 THIS CHAPTER AND ITS IMPLEMENTING RULES AND
13 REGULATIONS EXCEPT THOSE WHICH FALL WITHIN THE
14 JURISDICTION OF THE SECURITIES AND EXCHANGE
15 COMMISSION.”

16 Sec. 28. Article 149, Chapter I - Establishment and Composition, Title V of R. A. No.
17 7394 is hereby amended to read as follows:

18 “Art. [149] 166. *Composition.* The Council shall be composed of
19 representatives from the following government agencies and non-government
20 agencies:

- 21 a) Department of Trade and Industry;
- 22 b) Department of Education, [~~Culture and Sports,~~]
- 23 c) Department of Health;
- 24 d) Department of Agriculture;
- 25 E) DEPARTMENT OF ENERGY;
- 26 F) BANGKO SENTRAL NG PILIPINAS;
- 27 G) [e] four (4) representatives from the consumer organizations of
28 nationwide base to be chosen by the President among [the] ITS
29 nominees [~~submitted by the various groups in the Philippines~~]; AND
- 30 H) [f] two (2) representatives from the business industry/sector to
31 be chosen by the President from among the nominees submitted by the
32 various business organizations.”

33 Sec. 29. Article 151, Chapter I - Establishment and Composition, Title V of R. A. No.
34 7394 is hereby amended to read as follows:

1 “Art. [~~151~~] **168**. *Per Diems of Members*. — The members of the Council shall
2 be entitled to an allowance of **FIVE THOUSAND PESOS (P5,000.00)** [~~five~~
3 ~~hundred pesos (P500.00)~~] per meeting actually attended but not more than
4 **TWENTY THOUSAND PESOS (P20,000.00)** [~~two thousand pesos~~
5 ~~(P2,000.00)~~] a month.”

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

8 “Art. [~~156~~] **173** *Consumer Participation*. – The Departments shall establish
9 procedures for **RECOGNITION OF THE** meaningful participation by
10 consumers or consumer organizations in the development and review of
11 department rules, policies, and programs. Such procedures shall include
12 provisions for a forum, where consumers can express their concerns and
13 recommendations to decision-makers. The departments shall exert efforts to
14 inform consumers of pending proceedings where their participation is
15 important.”

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

18 “Art. [~~164~~] **181**. *Sanctions*. – After investigation, any of the following
19 administrative penalties may be imposed even if not prayed for in the
20 complaint:

21 “a) x x x

22 “x x x

23 “**E) AUTOMATIC CANCELLATION OF A BUSINESS NAME;**

24 ~~{e} F)~~ the imposition of administrative fines in such amount as deemed
25 reasonable by the Secretary, which shall in no case be less than **FIFTY**
26 **THOUSAND PESOS (P50,000.00)** [~~Five hundred pesos (P500.00)~~]
27 nor more than **ONE MILLION PESOS (P1,000,000.00)** [~~Three~~
28 ~~hundred thousand pesos (P300,000.00)~~] depending on the gravity of
29 the offense, and an additional fine of not [~~more~~] **LESS** than One
30 thousand pesos (P1,000.00) **FOR** [~~or~~] each day of continuing
31 violation.”

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

1 **“ART. 185. CRIMINAL PENALTIES. – ANY PERSON WHO**
2 **VIOLATES ANY PROVISION OF THIS ACT SHALL, UPON**
3 **CONVICTION, BE SUBJECT TO A FINE OF NOT LESS THAN**
4 **FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MOT MORE**
5 **THAN ONE MILLION PESOS (P1,000,000.00) OR IMPRISONMENT**
6 **OF NOT LESS THAN THREE (3) YEARS BUT NOT MORE THAN**
7 **SEVEN (7) YEARS OR BOTH, UPON THE DISCRETION OF THE**
8 **COURT.”**

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

11 **“Art. [169] 187. Prescription.** — All actions or claims accruing under the
12 provisions of this Act and the rules and regulations issued pursuant thereto
13 shall prescribe within [~~two (2)~~] **THREE (3)** years from the time the consumer
14 transaction was consummated or the deceptive or unfair and unconscionable
15 act or practice was committed and in case of hidden defects, from discovery
16 thereof.”

17 Sec. 34. *Renumbering of Articles.* Articles of R. A. No. 7394 are hereby renumbered
18 accordingly.

19 Sec 35. *Implementing Rules and Regulations.* – Within sixty (60) days from the
20 effectivity of this Act, the Council shall formulate the rules and regulations to effectively
21 implement the provisions of this Act.

22 Sec. 36. *Separability Clause.* – If any portion or provision of this Act is declared
23 unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain
24 in force and effect.

25 Sec. 37. *Repealing Clause.* – Any laws, presidential decrees or issuances, executive
26 orders, letters of instruction, rules or regulations inconsistent with the provisions of this Act
27 are hereby repealed or modified accordingly.

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

 Approved,