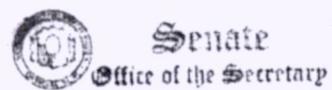


EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S. No. 756

'19 JUL 24 P 4:39

RECEIVED BY [Signature]

Introduced by Senator Ralph G. Recto

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

EXPLANATORY NOTE

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

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

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

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

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

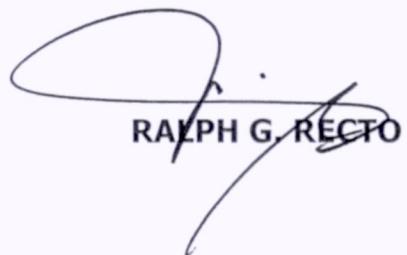
The chapter on Advertising and Sales Promotion is further strengthened with the addition of advertising general principles and a specific guideline in the presentation of advertisements. Hence, among others, the bill provides instructions on how advertisements should treat specific claims on ingredients,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

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

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

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

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



RALPH G. RECTO

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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
2 Act".

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

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

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

- B) RIGHT TO CHOOSE – THE CHOICE OF PRODUCTS AT COMPETITIVE PRICES WITH ASSURED SATISFACTORY QUALITY IN ACCORDANCE WITH GOVERNMENT STANDARDS;
 - C) RIGHT TO REPRESENTATION – THE CONSIDERATION OF CONSUMER INTERESTS IN THE FORMULATION AND EXECUTION OF GOVERNMENT POLICIES;
 - D) RIGHT TO REDRESS – CLAIM COMMENSURATE COMPENSATION FOR MISREPRESENTATION, SUBSTANDARD, DEFECTIVE GOODS OR UNSATISFACTORY SERVICES;
 - E) RIGHT TO CONSUMER EDUCATION – ACQUISITION OF KNOWLEDGE AND SKILLS NECESSARY TO MAKE AN INFORMED CHOICE;
 - F) RIGHT TO SAFETY – THE PROTECTION AGAINST THE MARKETING OF GOODS OR PROVISION OF SERVICES THAT ARE HAZARDOUS TO HEALTH AND LIFE;
 - G) RIGHT TO A HEALTHY ENVIRONMENT – LIVE AND WORK IN AN ENVIRONMENT WHICH PERMITS A LIFE OF DIGNITY AND WELL-BEING AND WHICH IS NEITHER THREATENING NOR DANGEROUS; AND
 - H) RIGHT TO INFORMATION – PROTECTION AGAINST DISHONEST OR MISLEADING ADVERTISING OR LABELING AND BE GIVEN THE PRODUCT FACTS AND INFORMATION NEEDED TO MAKE AN INFORMED CHOICE.”

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

"ART. 4. THE FIVE (5) CONSUMER RESPONSIBILITIES. – IN CONNECTION WITH THE ENTITLEMENT OF THE BASIC RIGHTS

1 **STATED IN THE PRECEDING SECTION, THE CONSUMER SHALL**
2 **EXERCISE THE FOLLOWING RESPONSIBILITIES:**

- 3 A) CRITICAL AWARENESS – BE MORE ALERT AND
4 QUESTIONING ABOUT THE USES, THE PRICE AND
5 QUALITY OF GOODS AND SERVICES PURCHASED;
- 6 B) CONSUMER ACTION - ASSERT AND ACT TO
7 ENSURE THAT HIS RIGHTS ARE PROTECTED AND THAT
8 HE IS NOT EXPLOITED;
- 9 C) SOCIAL CONCERN – BE MORE AWARE OF THE
10 IMPACT OF HIS CONSUMPTION ON OTHER CITIZENS,
11 ESPECIALLY THE DISADVANTAGED OR POWERLESS
12 GROUPS, WHETHER IN THE LOCAL, NATIONAL, OR
13 INTERNATIONAL COMMUNITY;
- 14 D) ENVIRONMENTAL AWARENESS – UNDERSTAND
15 THE ENVIRONMENTAL CONSEQUENCES OF HIS
16 CONSUMPTION. HE SHOULD RECOGNIZE INDIVIDUAL
17 AND SOCIAL RESPONSIBILITY TO CONSERVE NATURAL
18 RESOURCES AND PROTECT THE EARTH FOR FUTURE
19 GENERATIONS; AND
- 20 E) SOLIDARITY – ORGANIZE CONSUMER GROUPS TO
21 DEVELOP THEIR STRENGTH AND INFLUENCE TO
22 PROMOTE AND PROTECT CONSUMER INTERESTS.”

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

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

26 “a) x x x

27 “x x x

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

1 "x x x

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

9 "x x x

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

24 "x x x

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

29 "x x x

30 "aj) *Guarantee* - shall refer to an expressed or implied
31 assurance of the **REAL** quality, **PRICE, PROMOTION** of the
32 consumer products and services offered for sale or length of

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

6 "x x x

7 "at) *Mass media* - shall refer to any means or methods used
8 to convey advertising messages to the public such as television,
9 radio, **THE INTERNET, MOBILE PHONES AND SIMILAR**
10 **ELECTRONIC DEVICES**, magazines, cinema, billboards,
11 posters, streamers, hand bills, leaflets, mails and the like.

12 "x x x

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

27 "x x x

28 "bn) *Seller* - shall refer to a person engaged in the business of
29 selling consumer products **AND SERVICES** directly to
30 consumers. It shall include a supplier or distributor if (1) the
31 seller is a subsidiary or affiliate of the supplier or distributor; (2)
32 the seller interchanges personnel or maintains common or

1 overlapping officers or directors with the supplier or distributor;
2 or (3) the supplier or distributor provides or exercises
3 supervision, direction or control over the selling practices of the
4 seller.

5 "x x x

6 "br) *Standard* - shall refer to a set of conditions to be fulfilled
7 to ensure the quality and safety of a product **AND SERVICE**;
8 "x x x."

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

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

- 13 a) the Department of Health with respect to **PROCESSED**
14 food, drugs, cosmetics, devices and **HAZARDOUS** substances;
15 b) the Department of Agriculture with respect to products
16 related to agriculture **AND FISHERIES**; and
17 c) the Department of Trade and Industry with respect to
18 other consumer products not specified above."

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

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

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

31 "Art. [10] **12. Injurious, Dangerous and Unsafe Products.** - Whenever
32 the departments find, by their own initiative or by petition of a

1 consumer, that a consumer product is found to be injurious, unsafe or
2 dangerous, it shall, after due notice and hearing, make the appropriate
3 order for its recall, prohibition or seizure from public sale or
4 distribution: *Provided*, That, in the sound discretion of the department
5 it may declare a consumer product to be imminently injurious, unsafe
6 or dangerous, and order its immediate recall, ban or seizure from
7 public sale or distribution, in which case, the seller, distributor,
8 manufacturer or producer thereof shall be afforded a hearing within
9 forty-eight (48) hours from such order: ***PROVIDED, FURTHER,***
10 ***THAT ANY ESTABLISHMENT CAUGHT IN FLAGRANTE DELICTO***
11 ***SELLING, DISTRIBUTING, MANUFACTURING, PRODUCING, OR***
12 ***IMPORTING PREVIOUSLY DECLARED SUBSTANDARD AND***
13 ***HAZARDOUS PRODUCTS SHALL BE AUTOMATICALLY CLOSED***
14 ***AND SHUT DOWN."***

15 "x x x."

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

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

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

- 29 a) give notice to the public of the defect or failure to comply
30 with the product safety standards;
31 b) give notice to each distributor or seller of such product;
32 and

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

The 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:

"X X X."

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

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

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

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

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

"a) x x x

"X X X

"d) 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 BUT NOT LIMITED TO:**

I. THAT WHEN THE CONSUMER TRANSACTION WAS ENTERED INTO, THE SELLER OR SUPPLIER IMPOSED UPON THE CONSUMER TERMS AND CONDITIONS GROSSLY

DISADVANTAGEOUS TO THE LATTER WHO IS
REDUCED TO THE ALTERNATIVE OF
ACCEPTING THE CONTRACT OR LEAVING IT,
COMPLETELY DEPRIVED OF THE
OPPORTUNITY TO BARGAIN ON EQUAL
FOOTING; AND

II. 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 THAT CAUSES THE CONSUMER OR IS LIKELY TO CAUSE THE CONSUMER TO ENTER INTO A TRANSACTION DIFFERENT FROM THE ONE THE CONSUMER WOULD HAVE INTENDED, OR THE CONSUMER WOULD NOT HAVE DONE WITHOUT THE MARKETING PRACTICE."

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

"Art. [81]84. 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 TAGS, LABELS, OR MARKINGS** publicly displayed to indicate of each article and said products shall not be sold at a price higher than that stated therein and without discrimination to all buyers: **PROVIDED, THAT IT SHALL BE UNLAWFUL FOR ANY RETAILER TO CHARGE THE CUSTOMERS MORE THAN THE ACTUAL CASH RETAIL PRICE OF**

1 **THE GOODS OR SERVICES PURCHASED WHEN SUCH**
2 **PURCHASE IS DONE WITH THE USE OF CREDIT CARD AND/OR**
3 **TO LIMIT BARGAIN SALE ITEMS AND SERVICES TO CASH**
4 **PURCHASES:** *Provided, further,* That lumber sold, displayed or
5 offered for sale to the public shall be tagged or labeled by indicating
6 thereon the price and the corresponding official name of the wood:
7 *PROVIDED, FINALLY,* That if consumer products for sale are too small
8 or the nature of which makes it impractical to place a price tag thereon
9 price list placed at the nearest point where the products are displayed
10 indicating the retail price of the same may suffice."

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

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

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

26 **"ART. 88. OFFICIAL SOURCES OF INFORMATION FOR**
27 **IMPORTED CONSUMER PRODUCTS. — IMPORT DATA FROM**
28 **THE BUREAU OF CUSTOMS AND BUREAU OF IMPORT**
29 **SERVICES SHALL BE RECOGNIZED AS OFFICIAL SOURCES OF**
30 **INFORMATION TO VALIDATE THE FOLLOWING INFORMATION**
31 **RELATIVE TO A PARTICULAR IMPORTED CONSUMER**
32 **PRODUCT:**

- 1 **1. COUNTRY OF MANUFACTURE;**
- 2 **2. NAME AND ADDRESS OF MANUFACTURER/**
- 3 **EXPORTER;**
- 4 **3. NAME AND ADDRESS OF IMPORTER/CONSIGNEE;**
- 5 **4. VALUE AND VOLUME OF SHIPMENT;**
- 6 **5. DATE OF ARRIVAL; AND**
- 7 **6. OTHER INFORMATION RELEVANT TO THE**
- 8 **SHIPMENT IN QUESTION."**

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

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

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

23 **"ART. 116. COVERAGE. – THESE PROVISIONS SHALL APPLY**
24 **TO THE PHILIPPINE ADVERTISING COMMUNITY WHICH**
25 **INCLUDES ADVERTISERS, ADVERTISING AGENCIES, MEDIA**
26 **AND ADVERTISING SUPPORT GROUPS BUT SHALL NOT APPLY**
27 **TO THE FOLLOWING:**

- 28 **1. PUBLIC SERVICE AND EMERGENCY ANNOUNCEMENTS OF**
29 **UTILITY COMPANIES;**
- 30 **2. RELIGIOUS, POLITICAL AND PUBLIC ISSUE**
31 **ADVERTISEMENTS AND ANNOUNCEMENTS, EXCEPT**

1 **WHERE THESE INVOLVE OR SEEK TO PROMOTE**
2 **COMMERCIAL TRANSACTIONS; AND**

3 **3. STANDARD TRANSPORT ANNOUNCEMENTS, CLASSIFIED**
4 **ADVERTISEMENTS AND OBITUARIES."**

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

7 **"ART. 117. ADVERTISING GENERAL PRINCIPLES. –**
8 **ADVERTISEMENTS SHALL BE GUIDED BY THE FOLLOWING**
9 **PRINCIPLES:**

- 10 **(1) ADVERTISING MUST PROVIDE THE GENERAL PUBLIC**
11 **WITH RELEVANT AND TRUTHFUL INFORMATION ON**
12 **PRODUCTS AND SERVICES, THEREBY HELPING**
13 **CONSUMERS MAKE INFORMED CHOICES; AND**
14 **(2) THE ADVERTISING INDUSTRY SHOULD CONTINUE**
15 **TO IMPROVE THE LEVELS AND STANDARDS OF**
16 **ADVERTISING."**

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

- 19 **"ART. 118. PRESENTATION OF ADVERTISEMENTS. – (1)**
20 **CLAIMS OF PRODUCTS AND SERVICE FEATURES OR THEIR**
21 **INTENDED USAGE SHOULD BE CLEARLY PRESENTED AND**
22 **SHOULD NOT MISLEAD OR BE LIKELY TO MISLEAD THE**
23 **PERSONS TO WHOM THEY ARE ADDRESSED BY INACCURACY,**
24 **AMBIGUITY, EXAGGERATION OR OMISSION;**
25 **(2) ANY TEST OR DEMONSTRATION MAY BE USED ONLY IF IT**
26 **DIRECTLY PROVES THE CLAIMED PRODUCT OR SERVICE**
27 **FEATURE OR CHARACTERISTICS AND SHOULD BE PRESENTED**
28 **CLEARLY AND ACCURATELY.**
29 **(3) CORPORATE ADVERTISING MUST BE FAIR, TRUTHFUL AND**
30 **ACCURATE; IT SHOULD NOT CONTAIN ANY EXAGGERATIONS**
31 **OR SWEEPING GENERALIZATIONS THAT MAY MISLEAD THE**
32 **PUBLIC REGARDING THE ADVERTISER OR THE ATTRIBUTES**

1 **OF ITS PRODUCTS OR SERVICES: PROVIDED, THAT WHERE**
2 **THE ADVERTISEMENTS CONTAIN SPECIFIC CLAIMS**
3 **REGARDING THE COMPANY OR ITS PRODUCTS OR SERVICES,**
4 **SUCH CLAIMS MUST BE VERIFIABLE AND SUBJECT TO**
5 **SUBSTANTIATION IN THE SAME MANNER AS REGULAR**
6 **PRODUCT OR SERVICE ADVERTISEMENTS."**

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

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

16 "x x x."

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

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

31 **(2) *PROFESSIONAL DATE REFERENCES* – ADVERTISEMENTS**
32 **USING THE RESULTS OF A BONA FIDE RESEARCH, SURVEYS,**

1 OR TEST RELATING TO A PRODUCT SHOULD NOT BE
2 PRESENTED INACCURATELY OR IN A MISLEADING MANNER,
3 NOR SHOULD IT CLAIM ANY IMPLICATIONS BEYOND WHAT IS
4 CLEARLY ESTABLISHED BY RESEARCH, SURVEY OR TEST.

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

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

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

1 OF AN INDIVIDUAL MEMBER. ADVERTISER MUST PROVIDE
2 EVIDENCE THAT THE ORGANIZATION'S ENDORSEMENT WAS
3 REACHED BY A PROCESS SUFFICIENT TO ENSURE THAT IT
4 REFLECTS THE COLLECTIVE JUDGMENT OF THE
5 ORGANIZATION. THE ORGANIZATION MAY BE CONSIDERED
6 LEGITIMATE IF IT CAN PRESENT PROOF OF EXISTENCE FOR
7 AT LEAST ONE (1) YEAR."

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

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

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

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

31 (1) GOVERNMENT OR ANY OF ITS AGENCIES OR
32 INSTRUMENTALITIES, WHEN THE SAME IS CONDUCTED

1 **IN THE EXERCISE OF THEIR GOVERNMENTAL
2 FUNCTIONS;**

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

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

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

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

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

30 "**ART. 128. APPLICATION FOR PERMIT.** - (A) THE
31 **APPLICATION FOR PERMIT SHALL BE IN THE FORM**
32 **PREScribed BY THE DEPARTMENT CONCERNED.**

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

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

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

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

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

- (A) GAMBLING AND WAGERING SCHEMES;
 - (B) USE OF MEDICAL PRESCRIPTIONS; AND
 - (C) DIRECTLY OR INDIRECTLY TAMPERING WITH THE ENTRIES, PARAPHERNALIA AND/OR ELECTRONIC DEVICE IN A PROMOTIONAL CAMPAIGN/ACTIVITY

COVERED BY THIS ACT OR UNDULY INFLUENCING THE RESULTS THEREOF OR PERFORMING ANY ACT TO THE PREJUDICE OF LEGITIMATE PARTICIPANTS OR WINNERS."

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

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

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

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

THE SPONSOR SHALL HONOR THE PROMOTIONAL COMMITMENTS SHOULD IT FAIL TO COMPLY WITH THE REQUIRED PERIOD.

(C) VOLUNTARY CANCELLATION OF ONGOING PROMOTION –
VOLUNTARY CANCELLATION OR DISCONTINUANCE OR
SUSPENSION OF ANY ONGOING PROMOTIONAL
CAMPAIGNS/ACTIVITIES SHALL NOT BE ALLOWED EXCEPT

1 **UPON PRIOR WRITTEN APPROVAL BY THE DEPARTMENT**
2 **WHICH SHALL BE BASED ON ANY OF THE FOLLOWING**
3 **GROUNDS:**

4 **(I) A FINAL JUDGMENT OF VOLUNTARY INSOLVENCY OR**
5 **BANKRUPTCY AGAINST THE PERSON WHO APPLIED;**
6 **(II) OCCURRENCE OF ANY FORTUITOUS EVENT OR**
7 ***FORCE MAJEURE* THAT WILL MAKE IT IMPOSSIBLE TO**
8 **CONTINUE THE PROMOTIONAL CAMPAIGN OR**
9 **ACTIVITY: *PROVIDED*, HOWEVER, THAT THOSE WHO**
10 **HAD ALREADY WON IN THE PROMOTION BEFORE THE**
11 **APPROVAL OF THE CANCELLATION OR**
12 **DISCONTINUANCE OR SUSPENSION SHALL BE PAID OR**
13 **GIVEN THEIR PRIZES.”**

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

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

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

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

27 (b) **MODE OF SELECTION OF PROSPECTIVE**
28 **PARTICIPANTS/ENTRIES – PROSPECTIVE**
29 **PARTICIPANTS/ENTRIES ARE SELECTED IN A FAIR,**
30 **HONEST AND TRANSPARENT MANNER. THERE MUST BE**
31 **PROOF OF NOTICE OF SELECTION AND SUCH OTHER**
32 **RELEVANT INFORMATION TO THE SELECTED**

1 **PARTICPANTS IN A MANNER EXPRESSLY PROVIDED**
2 **FOR IN THE MECHANICS.**

3 **(B) DETERMINATION OF WINNERS – DRAW DATE OR**
4 **DATES FOR THE SELECTION OF PARTICIPANTS OR**
5 **WINNERS TO A PROMOTIONAL CAMPAIGN OR ACTIVITY**
6 **SHALL NOT BE MORE THAN FOURTEEN (14) DAYS AFTER**
7 **THE DEADLINE OF THE SUBMISSION OF ENTRIES.**

8 **WINNERS MAY BE DETERMINED THROUGH THE USE OF**
9 **ANY TECHNIQUE NOT CONTRARY TO LAW, MORALS AND**
10 **PUBLIC POLICY PROVIDED THE SAME SHALL BE**
11 **CONDUCTED IN A FAIR, HONEST AND TRANSPARENT**
12 **MANNER.”**

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

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

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

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

- 26 a) Department of Trade and Industry;
- 27 b) Department of Education, [Culture and Sports,]
- 28 c) Department of Health;
- 29 d) Department of Agriculture;
- 30 **E) DEPARTMENT OF ENERGY;**
- 31 **F) BANGKO SENTRAL NG PILIPINAS;**

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

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

8 Sec. 29. Article 151, Chapter I - Establishment and Composition, Title V of R.

9 A. No. 7394 is hereby amended to read as follows:

10 "Art. [151] **168.** *Per Diems of Members.* — The members of the
11 Council shall be entitled to an allowance of **FIVE THOUSAND PESOS**
12 (**P5,000.00**) [five hundred pesos (P500.00)] per meeting actually
13 attended but not more than **TWENTY THOUSAND PESOS**
14 (**P20,000.00**) [two thousand pesos (P2,000.00)] a month."

15 Sec. 30. Article 156, Chapter II - Powers and Functions, Title V, of R. A. No.

16 7394 is hereby amended to read as follows:

17 "Art. [156] **173 Consumer Participation.** – The Departments shall
18 establish procedures for **RECOGNITION OF THE** meaningful
19 participation by consumers or consumer organizations in the
20 development and review of department rules, policies, and programs.
21 Such procedures shall include provisions for a forum, where consumers
22 can express their concerns and recommendations to decision-makers.
23 The departments shall exert efforts to inform consumers of pending
24 proceedings where their participation is important."

25 Sec. 31. Article 164, Chapter III - Consumer Complaints, Title V, of R. A. No.

26 7394 is hereby amended to read as follows:

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

30 "a) x x x

31 "x x x

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

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

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

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

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

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

27 Sec. 34. *Renumbering of Articles.* Articles of R. A. No. 7394 are hereby
28 renumbered accordingly.

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

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

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

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

Approved,