

CONSUMER REDRESS

FAIR TRADE ENFORCEMENT BUREAU

Department of Trade and Industry

CONSUMER REDRESS

DTI – FAIR TRADE ENFORCEMENT BUREAU (FTEB)

was created to consolidate the business regulation, consumer protection, and enforcement functions of the DTI pursuant to the Consumer Act of the Philippines or RA 7394.

CONSUMER REDRESS

R.A. No. 7394 or the Consumer Act of the Philippines advances the protection against deceptive, unfair and unconscionable sales acts and practices as well as promotes the provision of information and education to facilitate sound choice and the proper exercise of rights by the consumer.

CONSUMER REDRESS

R.A. No. 8792 or the “Electronic Commerce Act of 2000”, extends the coverage of R.A. No. 7394 to transactions made with the use of electronic medium.

CONSUMER REDRESS

Through the Joint DTI-DOH-DA Administrative Order No. 01, series of 2008, “ONLINE SHOPPING” is included in the coverage of R.A. 7394, classified as transactions through electronic means under R.A. 8792.

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Section 5 of Joint Administrative Order No. 01 requires retailers, sellers and suppliers engaged in electronic commerce to provide accurate, clear and accessible identification of the following:

- *Department of Trade and Industry (DTI) and/or Securities and Exchange Commission (SEC) registration;*
- *Name of the owner/proprietor of a retail establishment in case of a single proprietorship and names of directors and other officers in case of a corporation.*

- Principal geographical address of the retailer, seller, distributor, supplier or manufacturer, and when applicable, of offices or agents in the Philippines;
- Website, e-mail address or other electronic means of contact, telephone and fax numbers of the retailer, and when applicable, of its offices or agents in the Philippines;

- Any relevant local or foreign government registration/license numbers such as but not limited to the local government unit's permit to operate, Taxpayer's Identification Number (TIN), when applicable.
- Contact details about any business association or organization membership, when applicable; and
- Representative Agent/s in the Philippines for purposes of summons.

TRANSPARENCY ON PAYMENT, CHARGES, AND DUES

Section 5 of Joint Order 01 thus requires online merchants to provide “**sufficient**, clear, accurate, easily **accessible information** about the **terms, conditions and costs** of the consumer transaction. The required information includes applicable costs not part of the price tag itself, such as **delivery**, postage, handling, **insurance**, shipping charges, **taxes**, and specific reference to any other charges, **customs fees** and other fees that may be imposed on or collected from consumers.”

TRANSPARENCY ON PAYMENT, CHARGES, AND DUES

In addition, online sellers are responsible for informing the customer on “available methods of payment, the security of those payments methods in clear, simple language, how to cancel regular payments under those methods, and any costs applicable to those payment methods.”

TRANSPARENCY ON PAYMENT, CHARGES, AND DUES

In many cases, customers are surprised by additional costs such as when the price tag do not include surcharges, or when a “cheap” imported product do not disclose additional payment of customs dues.

Consumer complaint may be filed:



PERSONALLY



MAIL



VIA EMAIL

Relief sought may be 3Rs



Common Violation of Business Establishment and or Liability For Product and Services:

15

- *Deceptive Sales Acts or Practices*
- *Unfair or Unconscionable Sales acts or practices*
- *Liability for the Defective products*
- *Service Imperfection*
- *False, Deceptive and Misleading Advertisement*
- *No price Tag*
- *Conduct of Sales Promotion without the required permit*

Common Violation of Business Establishment and or Liability For Product and Services:

16

Deceptive Sales Acts or Practices



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Deceptive Sales Acts or Practices

- An **act** or **practice** is deemed **deceptive** “whenever the producer, manufacturer, supplier or seller, through **CONCEALMENT, FALSE REPRESENTATION OF FRAUDULENT MANIPULATION**, induces a consumer to enter into a **sales** or lease transaction of any consumer product or service.

Deceptive Sales Acts or Practices

- Generally, when an establishment lies to you or hides a material fact to entice you to buy, the establishment commits a deceptive sales act.
- This occurs **BEFORE, DURING or AFTER** the transaction.

Common Violation of Business Establishment and or Liability For Product and Services:

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Unfair or Unconscionable Sales acts or practices



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Unfair or Unconscionable Sales acts or practices

When the manufacturer or seller takes 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.

Common Violation of Business Establishment and or Liability For Product and Services:

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LIABILITY for DEFECTIVE PRODUCTS



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LIABILITY for DEFECTIVE PRODUCTS

A product is defective when it does not offer the safety rightfully expected of it, not fit for use, there is design defect, faulty because of inadequate instructions or warning

NOTE: A product is not considered defective because another better quality product has been placed in the market

PROCESS OF MEDIATION

RECEIPT OF
COMPLAINT
OR After
Notice of
Failure of the
BAGWIS
AWARDEE
business
establishment
to settle the
complaint

1

Notice of
Mediation shall be
issued within
three (3) working
days.

In case the Notice
cannot be served,
the Mediation
Officer shall
terminate the
mediation
proceedings and
issue a certificate
to file action

2

Mediation Proceedings
shall be completed
within seven (7)
working days from the
service of Notice of
Mediation upon the
business establishment
complained of.

Such period may be
extended for not more
than ten (10) working
days as agreed by both
parties.

3

Mediation is terminated
in the following
instances:

- **Execution of a Mediation Agreement**
- **Submission of Mediation agreement for Decision**
- **Issuance of Certificate to File Action (CFA)**
- **Withdrawal of the Complaint**

4

Section 3-6 of Rule III

Revised Rules of Mediation and Adjudication of the Department of Trade and Industry

ADJUDICATION OF COMPLAINT: PROCESS FLOW

Receipt of the Complaint

Assignment to AO

Issuance of NOA (on the next
working day after the
assignment)

SECTION 5 of RULE IV

Submission of Position Paper
within a non-extendable period
of (10) working days from
receipt of NOA

SECTION 9 of RULE IV

Any subsequent pleadings, if required by the AO for justifiable reason, shall be filed not more than 3 working days from date of the ORDER requiring their filing.

Issuance of Order of Waiver to a party in a case for failure to submit his/her position paper within the prescribed period with a notice of his/her waiver of right to file the same and the case shall be deemed submitted for decision (Section 5, Rule IV)

Case submitted for Decision,
when
SECTIONS 10, 12 of RULE IV

Decision shall be rendered
within 15 working days from
the time it is deemed
submitted for
resolution/decision.
SECTION 13 of RULE IV

- Upon issuance of the ORDER in case of the Petition for Issuance of a Decision based on the Mediation Agreement under Sec 6.2, Rule III)
- After the submission of the Position Papers of the parties (Section 10 of Rule IV)
- After the lapse of the period to file the party's Position Paper (Section 10 of Rule IV)
- Upon termination of the Clarificatory Hearing, which may be set by AO within 5 working days after the lapse of the period to file the PP (Section 12 of Rule IV)
- After filing of the additional/subsequent pleadings (Section 12, Rule IV)
- After lapse of the three-day period for filing thereof, whichever is earlier (Section 12 of Rule IV)

For matters involving the sale of food, drugs, cosmetics, health devices and hazardous substances, consumers may contact the Department of Health Food and Drug Administration Office.

For matters involving the sale of agricultural, primary and secondary processed goods such as fertilizer, feed, and the like consumers may contact the Department of Agriculture Agribusiness and Marketing Assistance Office at (02) 920-2216.

For matters involving “sellers” registered with DTI or SEC, consumers may contact the DTI through its consumercare@dti.gov.ph

For matters involving online fraud, consumers may contact the following: the PNP – Anti-Cybercrime Group, the NBI – Cybercrime Division, or the DOJ – Office of Cybercrime.



FAIR TRADE LAWS

GIFT CHECK LAW

REPUBLIC ACT NO. 10962

DAO 19-03 series of 2019

**IMPLEMENTING RULES AND REGULATIONS OF
REPUBLIC ACT NO. 10962 OTHERWISE KNOWN AS THE
“GIFT CHECK ACT OF 2017”**

WHEREAS, the State, through the Department of Trade and Industry (DTI), recognizes that a check represents value held in trust by the issuer thereof on behalf of its beneficiary or bearer and that consumers must not be unduly deprived of the value of their money.

WHEREAS, Section 12 of the [GIFT CHECK LAW] provides that the DTI shall have the exclusive jurisdiction in the implementation of this Act and shall promulgate the necessary implementing rules and regulations

REPUBLIC ACT 10962

“GIFT CHECK ACT OF 2017”

GIFT CHECK/GIFT CARD

- instrument (paper/card/code/other device)
 - issuer
 - beneficiary
 - monetary consideration
 - valid until cessation of issuer's business
- honored as payment for consumer goods and services upon presentation at a single merchant or an affiliated group of merchants

Coupon or Voucher

- instrument
 - Issuer
 - beneficiary
 - monetary consideration/discount
- may be exchanged for a pre-identified good or service specified on the instrument

Issuer

Is any person, natural or juridical, who provides the instrument that holds value for which consumer goods or services will be exchanged

SECTION 1

SCOPE.

These Rules shall apply to all issuers, single or affiliated group of merchants and holders of gift checks.

SECTION 2

EXCLUSIONS

The following kinds of instruments that are issued to consumers are excluded from the application of the Act and this IRR:

Those issued –

- under **loyalty**;
- as **rewards**;
- under a **promotional program**;
- coupons or vouchers as defined in Sec. 2 (2.[2]) Rule I of this IRR; and
- those that are subsequently determined by the DTI as excluded.

RULE III **USE OF GIFT CHECKS**

IMPLEMENTING RULES AND REGULATIONS OF R.A 10962
"GIFT CHECK ACT OF 2017"

SECTION 2. INSTANCES WHEN GIFT CHECKS MAY NOT BE HONORED.

- failure to present gift check due to loss not attributable to the issuer, and
- mutilated or defaced due to no fault of the issuer to such extent that issuer cannot identify the security and authenticity features of the gift check



RULE III USE OF GIFT CHECKS

IMPLEMENTING RULES AND REGULATIONS OF R.A 10962
“GIFT CHECK ACT OF 2017”

SECTION 3

APPLICABILITY OF LAWS AND RULES PERTAINING TO PROMOTIONAL PROGRAMS, WARRANTIES RETURN POLICIES, AND SENIOR CITIZENS AND PERSONS WITH DISABILITY DISCOUNT.

- likewise to purchases of goods and services that are paid for with gift checks

RULE VI PROHIBITED ACTS

IMPLEMENTING RULES AND REGULATIONS OF R.A 10962
“GIFT CHECK ACT OF 2017”

SECTION 1

1.1 Issuing a gift check that bears an expiry date;

1.2 Imposing an expiry date on the stored value, credit, or balance, of the gift check;

1.3 Refusing to honor the unused value, credit or balance stored in the instrument;

1.4 Compelling holders of gift check to consume the unused value, credit or balance stored therein in a single or pre-determined number of transactions;

1.5 Charging holders of gift checks for the changing, upgrading or updating of gift checks;

1.6 Charging for the revalidation of gift checks in accordance to Section 1, Rule IX of this IRR;

1.7 Refusal to revalidate gift checks in accordance to Section 1, Rule IX of this IRR;

1.8 Issuance of a gift check in spite of suspension or cancellation of authority to do the same, in accordance to Section 1.2 and 1.3 of Rule VII of this IRR; and

1.9 Any other act or omission which violate any of the provisions of Republic Act No. 10962 or the “Gift Check Act of 2017”

Price Act

REPUBLIC ACT NO. 7581
AS AMENDED BY
REPUBLIC ACT NO. 10623

State Policy:

- ensure the availability of basic necessities and prime commodities at **reasonable prices at all times without denying legitimate business a fair return on investment.**
- provide effective and sufficient protection to consumers against hoarding, profiteering and cartels with respect to the supply, distribution, marketing and pricing of said goods, **especially** during periods of calamity, emergency, widespread illegal price manipulation and other similar situations.

SECTION 1. Section 3(1) of Republic Act No. 7581, otherwise known as the “Price Act”, is hereby amended to read as follows:

“SEC. 3. *Definition of Terms.* – For purposes of this Act, the term:

“(1) **Basic necessities** are goods vital to the needs of consumers for their sustenance and existence in times of any of the cases provided under Section 6 or 7 of this Act such as, but not limited to, rice, corn, root crops, bread; fresh, dried or canned fish and other marine products; fresh pork, beef and poultry meat; fresh eggs; potable water in bottles and containers; fresh and processed milk; fresh vegetables and fruits; locally manufactured instant noodles; coffee; sugar; cooking oil; salt; laundry soap and detergents; firewood; charcoal; household liquefied petroleum gas (LPG) and kerosene; candles; drugs classified as essential by the Department of Health and such other goods as may be included

SEC. 2. Section 3(8) of Republic Act No. 7581 is hereby amended to read as follows:

“SEC. 3. *Definition of Terms.* –

“X X X

“(8) ‘**Prime Commodities**’ are goods not considered as basic necessities but are essential to consumers in times of any of the cases provided under Section 7 of this Act such as, but not limited to, flour; dried, processed or canned pork, beef and poultry meat; dairy products not falling under basic necessities; onions, garlic, vinegar, patis, soy sauce; toilet soap; fertilizer, pesticides and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies; *nipa* shingles; *sawali*; cement; clinker; GI sheets; hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies; light bulbs; steel wire; all drugs not classified as essential drugs by the Department of Health and such other goods as may be included under Section 4 of this Act.”

SECTION 4. SECTION 1 RULE II OF JAO 1, s. 1993 is hereby amended as follows:

Section 1. The implementing agencies enumerated in Rule 1 Sec. 1 par. (3) thereof shall have jurisdiction over commodities enumerated hereunder:

XXX

4. Department of Trade and Industry

(A) Basic Necessities

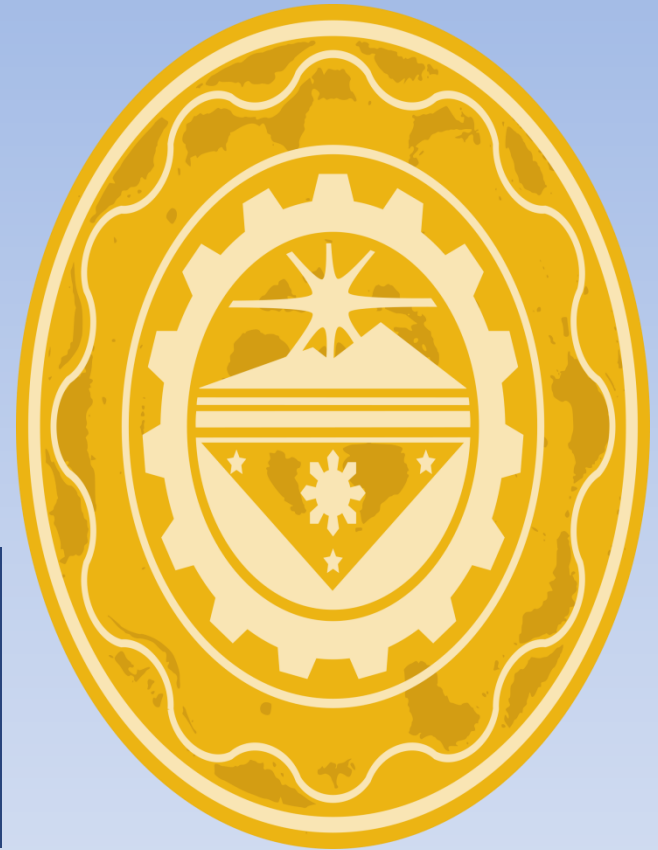
1. Bread
2. Canned Fish and Other Marine Products
3. Potable Water in Bottles and Containers
4. Processed Milk
5. Locally Manufactured Instant Noodles
6. Coffee
7. Salt
8. Laundry Soap
9. Detergent
10. Candles

(B) Prime Commodities

1. Flour
2. Processed and Canned Pork
3. Processed and Canned Beef and Poultry Meat
4. Vinegar, Patis, Soy Sauce
5. Toilet Soap
6. Paper, School Supplies
7. Cement, Clinker, G.I sheets
8. Hollow Blocks
9. Construction Nails
10. Batteries, Electrical Supplies, Light Bulbs
11. Steel Wires

NO SHORT-CHANGING ACT OF 2016

**IRR OF REPUBLIC ACT NO. 10909 "NO
SHORTCHANGING ACT OF 2016"**



IRR OF REPUBLIC ACT NO. 10909 “NO SHORTCHANGING ACT OF 2016”

AN ACT PROHIBITING BUSINESS ESTABLISHMENTS FROM GIVING INSUFFICIENT OR NO CHANGE TO CONSUMERS AND PROVIDING PENALTIES THEREFORE”

RULE II: SCOPE AND COVERAGE

Section 1. “Scope and Coverage”

These rules shall apply to all business establishments, **registered or not**.



Sec. 4. ***Regulated Acts***. – It shall be the duty of the business establishment to give the exact change to the consumer without waiting for the consumer to ask for the same.

(a) In General. – It shall **be unlawful for any business establishment to shortchange a consumer**, even if such change is only of a small amount. Nothing in this Act shall be construed as a restriction for business establishments to give an amount greater than the sufficient change.



(b) Other Prohibitions.

It shall also be **unlawful** for any business establishment which sells goods or provides services **to give the change in any form other than the present currency** or to ask the consumers for permission to be **exempted** from the provisions of this Act for any reason, including the non-availability of small bills or coins.



(C) PRICE TAGS.



It shall likewise be the **DUTY** of business establishments **TO USE PRICE TAGS**, when appropriate, indicating the exact retail price per unit or service which already includes the taxes applicable to the goods or services being offered.

These establishments shall also put signs in conspicuous places within the establishments or reflect in the official receipts issued, the taxes incorporated in the retail price per unit of goods or services. This is to avoid misleading the consumers as to the exact price they have to pay for the goods or services and, consequently, the exact change due them.

THANK YOU!

CONNECT WITH US

