

**NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
First Regular Session



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) '22 AUG 25 P 3 :30
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SENATE
Senate Bill No. 1227

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Introduced by Senator Aquilino “Koko” Pimentel III

**AN ACT AMENDING REPUBLIC ACT NO. 10642
OTHERWISE KNOWN AS THE “PHILIPPINE LEMON LAW”
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Owning a motor vehicle is now a necessity for many Filipinos to address their need to be mobile in this complex and modern world, given the absence in many parts of the Philippines of safe and efficient mass transportation. The purchase of a motor vehicle is also a major financial investment or expenditure for the average Filipino family.

Thus, the welfare and safety of motor vehicle buyers should be a paramount concern of the State.

Republic Act No. 10642, otherwise known as the “Philippine Lemon Law of 2013,” was signed into law on July 15, 2014, to provide protection to buyers who acquire vehicles that are defective or nonconforming to the manufacturer’s or distributor’s standards of quality and specifications. However, complaining buyers continue to experience great difficulty in availing of their rights under the Lemon

Law due to its cumbersome provisions, among which is the numerous repair attempts required before a defective unit is to be replaced by the manufacturer or dealer.

This bill seeks to make it easier for buyers of motor vehicles to avail of their rights under the Lemon Law by reducing the number of repair attempts required under the law. For the buyer's convenience, this measure mandates the immediate availability of parts, components or assemblies for the defective vehicle that is up for repair. It also provides penalties for failure of the manufacturer, distributor, authorized dealer or retailer to provide either a reasonable transportation allowance or a service vehicle to the buyer whenever a defective one is undergoing repairs.

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


AQUILINO "KOKO" PIMENTEL III

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

1 **SECTION. 1.** Section 5 of the Republic Act No. 10642 or the
2 Philippine Lemon Law is hereby amended to read as follows:

3
4 “Section 5. *Repair Attempts.* – At any time within the
5 Lemon Law rights period, and after at least [four (4)] **TWO**
6 **(2)** separate repair attempts by the same manufacturer,
7 distributor, authorized dealer or retailer for the same
8 complaint, and the nonconformity issue remains
9 unresolved, the consumer may invoke his or her rights
10 under this Act.

11 The repair may include replacement of parts
12 components, or assemblies.”

13
14 **SEC. 2.** Section 6 of the Republic Act No. 10642 is hereby

1 amended as follows:
2

3 “Section 6. [*Notice of Availment of Lemon Law*
4 *Rights.* – Before availing of any remedy under this Act and
5 subject to compliance with the provisions of Section 5
6 hereof, the consumer shall, in writing, notify the
7 manufacturer, distributor, authorized dealer or retailer of the
8 unresolved complaint, and the consumer’s intention to
9 invoke his or her rights under this Act within the Lemon
10 Law rights period.

11 The warranty booklet issued by the manufacturer,
12 distributor, authorized dealer or retailer shall clearly state
13 the manner and form of such notice to constitute a valid and
14 legal notice to the manufacturer, distributor, authorized
15 dealer or retailer. It shall also clearly state the responsibility
16 of the consumer under this section.]

17 **AVAILABILITY OF PARTS, COMPONENTS OR ASSEMBLIES. – THE**
18 **MANUFACTURER, DISTRIBUTOR, AUTHORIZED**
19 **DEALER OR RETAILER SHOULD ENSURE THE**
20 **AVAILABILITY OF PARTS, COMPONENTS AND**
21 **ASSEMBLIES OF THE MOTOR VEHICLE SOLD.**
22 **FAILURE TO PROVIDE THE NECESSARY PARTS,**
23 **COMPONENTS OR ASSEMBLIES WITHIN**
24 **FOURTEEN (14) CALENDAR DAYS FROM THE**
25 **TIME THE VEHICLE WAS TAKEN FOR REPAIR**
26 **DURING THE LEMON LAW RIGHTS PERIOD**
27 **SHALL ENTITLE THE CONSUMER TO FILE A**
28 **COMPLAINT BEFORE THE DTI WITHOUT THE**
29 **NEED TO COMPLY WITH THE TWO-REPAIR**
30 **ATTEMPT REQUIREMENT.”**

31
32 **SEC. 3.** Section 7 of Republic Act No. 10642 is hereby amended
33 to read as follows:

1
2 “Section 7. [Availment of Lemon Law Rights. –
3 Subsequent to filing the notice of availment referred to in
4 the preceding section, the consumer shall bring the vehicle
5 to the manufacturer, distributor, authorized dealer, or
6 retailer from where the vehicle was purchased for a final
7 attempt to address the complaint of the consumer to his or
8 her satisfaction.] **DUTY OF THE MANUFACTURER,
9 DISTRIBUTOR, AUTHORIZED DEALER OR
10 RETAILER.** – It shall be the duty of the manufacturer,
11 distributor, authorized dealer or retailer, upon receipt of the
12 motor vehicle **FOR ITS FIRST REPAIR ATTEMPT**
13 [and the notice of nonconformity required under Section 6
14 hereof], to attend to the complaints of the consumer
15 including, as may be necessary, making the repair and
16 undertaking such actions to make the vehicle conform to the
17 standards or specifications of the manufacturer, distributor,
18 authorized dealer or retailer for such vehicle.

19 In case the nonconformity issue remains unresolved
20 despite the manufacturer, distributor, authorized dealer or
21 retailer’s efforts to repair the vehicle **FOR THE SECOND
22 TIME**, pursuant to the consumer’s availment of his or her
23 Lemon Law rights, the consumer may file a complaint
24 before the DTI as provided for under this Act: *Provided,*
25 *however,* That if the vehicle is not returned for repair, based
26 on the same complaint, within [thirty (30)] **SIXTY (60)**
27 calendar days from the date of [notice of] release of the
28 motor vehicle to the consumer following this repair attempt
29 within the Lemon Law rights period, the repair is deemed
30 successful: *Provided, finally,* That, in the event that the
31 nonconformity issue still exists or persists after the [thirty
32 (30)-day] **SIXTY (60)-DAY** period but still within the
33 Lemon Law rights period, the consumer may be allowed to

1 avail of the same remedies under Sections [5 and 6] **5, 6**
2 **AND 7** hereof.

3 To compensate for the non-usage of the vehicle while
4 under **THE FIRST OR SECOND** repair **ATTEMPT** [and
5 during the period of availment of the Lemon Law rights]
6 **UNDER THIS ACT**, the consumer shall be provided
7 **WITH EITHER** a reasonable daily transportation
8 allowance, an amount which covers the transportation of the
9 consumer from his or her residence to his or her regular
10 workplace or destination and vice versa, equivalent to air-
11 conditioned taxi fare, [as evidenced by official receipt,] or
12 in such amount to be agreed upon by the parties, or a service
13 vehicle, at the option of the [manufacturer, distributor,
14 authorized dealer or retailer.] **AFFECTED CONSUMER.**
15 Any disagreement on this matter shall be resolved by the
16 DTI [.] **WITHIN FIVE (5) WORKING DAYS FROM**
17 **REFERRAL OF THE ISSUE.**

18 **FAILURE OF THE MANUFACTURER,**
19 **DISTRIBUTOR, AUTHORIZED DEALER OR**
20 **RETAILER TO PROVIDE ANY OF THE ABOVE-**
21 **MENTIONED REMEDIES FOR NON-USAGE OF**
22 **VEHICLE WHILE UNDER REPAIR, SHALL MAKE**
23 **THEM LIABLE FOR DAMAGES IN THE AMOUNT**
24 **OF FIFTY THOUSAND PESOS (PhP 50,000.00).**

25 Nothing herein shall be construed to limit or impair
26 the rights and remedies of a consumer under any other law.”

27
28 **SEC. 4.** Section 8 of Republic Act No. 10642 is hereby
29 amended to read as follows:

30
31 “Section 8. *Remedies for Dispute Resolution.* – The
32 DTI shall exercise exclusive and original jurisdiction over
33 disputes arising from the provisions of this Act. All disputes

1 arising from the provisions of this Act shall be settled by the
2 DTI in accordance with the following dispute resolution
3 mechanisms:

4
5 *XXX*

6
7 c) Adjudication

8
9 *XXX*

10
11 (2) In case a finding of nonconformity is arrived at **OR**
12 **WHEN IT IS FOUND THAT THE**
13 **MANUFACTURER, DISTRIBUTOR, AUTHORIZED**
14 **DEALER OR RETAILER FAILED TO PROVIDE**
15 **THE NECESSARY PARTS, COMPONENTS AND**
16 **ASSEMBLIES OF THE MOTOR VEHICLE WITHIN**
17 **FOURTEEN (14) CALENDAR DAYS FROM THE**
18 **TIME THE VEHICLE WAS TAKEN FOR REPAIR**
19 **DURING THE LEMON LAW RIGHTS PERIOD,** the
20 DTI shall rule in favor of the consumer and direct the
21 manufacturer, distributor, authorized dealer or retailer to
22 grant either of the following remedies to the consumer:

- 23
24 (i) Replace the motor vehicle with a similar or
25 comparable motor vehicle in terms of
26 specifications and values, subject to availability;
27 or
28 (ii) Accept the return of the motor vehicle and pay
29 the consumer the purchase price plus the
30 collateral charges.

31
32 *XXX*

1 **SEC. 5. *Separability Clause.*** – Should any provision or part of
2 this Act be declared unconstitutional or invalid, the other provisions
3 and parts hereof, insofar as they are separable from the invalid ones,
4 shall remain in full force and effect.

5
6 **SEC. 6. *Repealing Clause.*** – All laws, decrees, orders,
7 proclamations, rules and regulations or parts thereof which are
8 inconsistent with this Act are hereby repealed or modified accordingly.

9
10 **SEC. 7. *Effectivity.*** – This Act shall take effect fifteen (15) days
11 after its publication in the *Official Gazette* or in at least two (2)
12 newspapers of general circulation.

Approved,