

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



Senate
Office of the Secretary

22 OCT -5 P5:53

SENATE
S.B. No. 1369

RECEIVED BY: _____

Introduced by **SENATOR IMEE R. MARCOS**

AN ACT
GRANTING BROADER AUTHORITY TO THE DEPARTMENT OF TRADE
AND INDUSTRY IN THE IMPLEMENTATION OF ITS MANDATE TO COMBAT
DECEPTIVE, UNFAIR AND UNCONSCIONABLE SALES ACTS OR PRACTICES,
THEREBY AMENDING REPUBLIC ACT NO. 7394 OTHERWISE KNOWN AS
THE "CONSUMER ACT OF THE PHILIPPINES"

EXPLANATORY NOTE

Article XVI, Section 9 of the 1987 Constitution states that, "The State shall protect consumers from trade malpractices and from substandard or hazardous products." Further, Republic Act (R.A.) No. 7394 otherwise known as the, "Consumer Act of the Philippines" provides that, "The State shall promote and encourage fair, honest and equitable relations among parties in consumer transactions and protect the consumer against deceptive, unfair and unconscionable sales acts or practices."

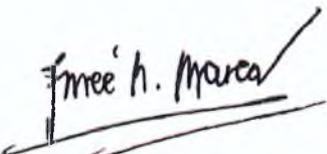
The Consumer Protection Group (CPG) under the Department of Trade and Industry (DTI) is mandated to enforce laws for the protection of consumers, provide consumer education, and form consumer groups. Yet, a number of sellers or retailers persist in selling unconscionably overpriced products.

In the aftermath of Typhoon Odette early this year, consumers have reported incidents of overpricing of basic commodities, particularly food and fuel. Retailers of fuel in the provinces were reported to have sold gasoline at Php 90 to Php 100 per liter despite the Department of Energy directive to keep gas prices within the range of Php 60 to Php 83 per liter. Retail prices of pork also reached more than Php 400 per kilogram despite the decrease of gate prices for hogs from Php 230 to Php 200 per kilo in July 2022.

Another cause for concern is the sky-high prices of basic commodities such as noodles, canned goods, and coffee being sold at convenience stores. The convenience store industry has grown exponentially in the Philippines. 7-Eleven, Ministop, Family Mart, and Lawson outlets have mushroomed everywhere across the nation, particularly

in urban centers and central business districts of Manila and the provinces. With time being a precious commodity, most Filipinos resort to buying from these establishments due to the demand for convenience and accessibility. Business process outsourcing (BPO) workers, students, working mothers, condominium residents, and other on-the-go individuals are almost dependent on these stores for their ready-to-eat meals, beverages, and other food and non-food products. R.A. No. 7394 deems any sales act or practice "unfair or unconscionable" when the seller, "taking advantage of the consumer's lack of time or the general conditions of the environment or surroundings, induces the consumer to enter into a sales or lease transaction grossly inimical to the interests of the consumer or grossly one-sided in favor of seller." Given how Filipinos, particularly those on a budget or whose jobs require them to be on-the-go, have succumbed to the lure of convenience stores, the DTI, as implementor of the Consumer Act provisions on Deceptive, Unfair and Unconscionable Sales Acts or Practices, needs to tighten its monitoring of these establishments to ensure their compliance with R.A. No. 7394.

Thus, this bill seeks to broaden the authority of the DTI in enforcing Chapter I, Title III of R.A. No. 7394 on Deceptive, Unfair and Unconscionable Sales Acts or Practices, to provide wider protection to consumers and deter the act of profiteering.


IMEE R. MARCOS



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THEREBY AMENDING 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:

SECTION 1. A new Article 49-A is hereby inserted after Article 49 of Republic Act No. 7394 to read as follows:

"ARTICLE 49-A. POWERS AND FUNCTIONS OF THE IMPLEMENTING AGENCY. –THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) SHALL EXERCISE SUCH POWERS AND FUNCTIONS, AS MAY BE NECESSARY, TO IMPLEMENT AND ENFORCE THE PROVISIONS OF THIS ACT, INCLUDING THE POWER TO:

(A) RECEIVE AND INVESTIGATE ANY CONSUMER COMPLAINT AND INITIATE ITS OWN INVESTIGATION OF DECEPTIVE, UNFAIR AND UNCONSCIONABLE SALES ACTS OR PRACTICES, PARTICULARLY IN ESTABLISHMENTS THAT SELL BASIC NECESSITIES AND PRIME COMMODITIES SUCH AS CONVENIENCE STORES, PUBLIC MARKETS, AND SUPERMARKETS/GROCERY STORES;

(B) REPORT TO APPROPRIATE DEPARTMENTS OR AGENCIES ANY INFORMATION CONCERNING THE VIOLATION OF ANY

1 **LAW PROTECTING CONSUMERS FROM DECEPTIVE, UNFAIR**
2 **AND UNCONSONABLE SALES ACTS OR PRACTICES;**

3
4 **(C) PROVIDE MONITORING TEAMS AND CONDUCT**
5 **INSPECTIONS, IN A REASONABLE MANNER, OF PRODUCERS,**
6 **MANUFACTURERS, SUPPLIERS, OR SELLERS' PREMISES,**
7 **PARTICULARLY THOSE ESTABLISHMENTS WHICH PRODUCE,**
8 **MANUFACTURE, SUPPLY, OR SELL BASIC NECESSITIES AND**
9 **PRIME COMMODITIES SUCH AS CONVENIENCE STORES,**
10 **PUBLIC MARKETS, AND SUPERMARKETS OR GROCERY STORES**
11 **TO EVALUATE SALES ACTS, TECHNIQUES, OR PRACTICES**
12 **EMPLOYED THEREIN IN ORDER TO:**

13
14 **(i) IDENTIFY AND INVESTIGATE ANY VIOLATIONS OF**
15 **THIS ACT;**

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17 **(ii) DETERMINE TRENDS IN SALES ACTS, TECHNIQUES**
18 **OR PRACTICES; AND**

19
20 **(iii) DEVELOP STANDARDS AND GUIDELINES FOR FAIR,**
21 **HONEST, AND EQUITABLE SALES ACTS, TECHNIQUES OR**
22 **PRACTICES;**

23
24 **(D) REQUIRE THE PRODUCTION AND SUBMISSION OF**
25 **RECORDS, DOCUMENTS, BOOKS, AND SUCH OTHER**
26 **INFORMATION AND PAPERS, AS MAY BE NECESSARY, TO**
27 **ENABLE THE DEPARTMENT TO ENFORCE THE PROVISIONS OF**
28 **THIS ACT;**

29
30 **(E) CALL THE ATTENTION OF PRODUCERS, MANUFACTURERS,**
31 **SUPPLIERS, OR SELLERS TO REVIEW THEIR PRICES, AS WELL**
32 **AS, SALES ACTS, TECHNIQUES, OR PRACTICES WHEN**
33 **PREVAILING ECONOMIC, ENVIRONMENTAL, POLITICAL, OR**
34 **GENERAL SURROUNDING CONDITIONS WARRANT THE SAME;**
35 **AND**

36
37 **(F) PUBLISH ANNUALLY THE MONITORING AND INSPECTION**
38 **REPORTS IN THE WEBSITE OF DTI FOR THE INFORMATION**
39 **AND GUIDANCE OF THE PUBLIC."**

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41 **SEC. 2. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations or
42 other issuances or parts thereof inconsistent with the provisions of this Act are hereby
43 repealed or modified accordingly.

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

SEC. 4. Effectivity. – This Act shall take effect after fifteen (15) days following the completion of its publication either in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,