

APPOINTMENT OF ACTING CONSUMER ARBITRATION OFFICER UNDER REPUBLIC ACT NO. 7394, OTHERWISE KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES

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SECTION 1. Appointment of Acting Consumer Arbitration Officer. — Pending the appointment of Consumer Arbitration Officers, pursuant to Article 160 of the Consumer Act of the Philippines, the Provincial Directors are hereby designated as Acting Consumer Arbitration Officers.

SECTION 2. Jurisdiction. — The Provincial Directors as Acting Consumer Arbitration Officers, within their respective provincial jurisdiction, shall have original and exclusive jurisdiction to mediate, conciliate, hear and adjudicate consumer complaints arising from the following coverage of the Consumer Code of the Philippines:

a.

Title II
Chapter I

Consumer Product Quality and Safety not implemented by the Department of Health and the Department of Agriculture

b.

Title III
Chapter I

Deceptive, Unfair and Unconscionable sales acts or practices

c.

Chapter II
Article 63

Violation of the Use of Metric System

d.

Chapter III

Consumer Product and Service Warranties

e.

Chapter IV

—

Labeling and Packaging except food, drugs, cosmetics devices and hazardous substances

e.1

Article 81

—

Price Tag Requirement

f.

Chapter V

—

Liability for Product and Services

g.

Chapter VI

—

Advertising and Sales Promotion except food, drugs, cosmetics, devices and hazardous substances.

h.

Chapter VII

—

Regulation of Repair and Service Firms.

i.

Title IV

—

Consumer Credit Transaction

Whenever the Acting Consumer Arbitration Officer is incapable of hearing the case on account of illness, prolonged absence or inhibition, or whenever the position of a Provincial Director is vacant, the Regional Director in the region shall designate a temporary Arbitration Officer from among the Provincial Directors in his region.

SECTION 3. Acting Consumer Arbitration Officers in the National Capital Region. — The Legal Officers of the Office of Legal Affairs in addition to their duties as Hearing Officers under E.O. 913, shall be the Acting Consumer Arbitration Officers for offenses committed in the National Capital Region.

SECTION 4. Consumer Complaints. — The Head of the Trade and Industry Regulation Division (Head for brevity), of the Province shall commence an investigation upon petition or upon letter-complaint from any consumer involving provisions mentioned in Section 2 hereof. Provided, That, upon a finding by the Head of a prima facie violation of Section 2 hereof and its implementing rules and regulations, he may motu proprio or upon

verified complaint commence formal administrative action against any person who appears to be responsible therefor. In case of the National Capital Region (NCR), the Provincial Director in their respective area of jurisdiction shall take the functions of the Head. The NCR Regional/Assistant Regional Director are also authorized to perform the aforementioned functions.

SECTION 5. Mediation. — Acting Arbitration Officer shall first and foremost ensure that the contending parties come to a settlement of the case.

SECTION 6. Formal Hearing. — In the event that a settlement has not been effected, the Consumer Arbitration Officer may now proceed to formally investigate, hear and decide the case. The complaint shall be decided within fifteen (15) days from the time the investigation was terminated.

SECTION 7. Sanctions. — After investigation, any of the following administrative penalties may be imposed even if not prayed for in the complaint:

a) The issuance of a cease and desist order, Provided, however, That such order shall specify the acts that respondent shall cease and desist from and shall require him to submit a report of compliance therewith within a reasonable time;

b) The acceptance of a voluntary assurance of compliance or discontinuance from the respondent which may include any or all of the following terms and conditions:

1)

an assurance to comply with the provisions of the Consumer Code and its implementing rules and regulations;

2)

an assurance to refrain from engaging in unlawful acts and practices or unfair or unethical trade practices subject of the formal investigation;

3)

an assurance to comply with the terms and conditions specified in the consumer transaction subject of the complaint;

4)

an assurance to recall, replace, repair, or refund the money value of defective products distributed in commerce;

5)

an assurance to reimburse the complaint out of any money or property in connection with the complaint, including expenses in making or pursuing the complaint, if any, and, to file a bond to guarantee compliance therewith.

c) Restitution or rescission of the contract without damages;

d) Condemnation and seizure of the consumer product found to be hazardous to health and safety unless the respondent files a bond to answer for any damages or injury that may arise from the continued use of the product;

e) The imposition of administrative fines in such amount as deemed reasonable by the Secretary, which shall in no case be less than Five hundred pesos (P500.00) nor more than Three hundred thousand pesos (P300,000.00) depending on the gravity of the offense, and an additional fine of not more than One Thousand pesos (P1,000.00) for each day of continuing violation.

This is without prejudice to the institution of criminal action against the offender under the Consumer Code.

SECTION 8. Appeal. — Any order, not interlocutory, becomes final and executory unless appealed to the Secretary within fifteen (15) days from receipt of such order through the Director of the Office of Legal Affairs who shall review and decide the appeal as a delegatee of the Secretary.

SECTION 9. The rules laid down in Ministry Order No. 69, Series of 1983 in the adjudication of cases shall be the procedure to be followed by the Consumer Arbitration Officers in so far as they are not inconsistent with the Consumer Code and this Order.

SECTION 10. Adjudication of cases for violation of trade and industry laws not covered by the Consumer Code shall remain to be adjudicated under E.O. 913 and Ministry Order No. 69, S. of 1983.

SECTION 11. Effectivity. — This Order shall take effect immediately after its publication in two (2) newspapers of general circulation.

Adopted: 28 Oct. 1992

(Sgd.) RIZALINO S. NAVARRO
Secretary

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