NATIONAL ADMINISTRATIVE REGISTER · OCTOBER 1, 2009

GUIDELINES IN THE APPROVAL OF PROMOTIONAL FARES AND THE ADVERTISEMENT THEREOF

CAB RESOLUTION NO. 74 (2009), October 01, 2009

Read online (full-text search, related cases, audio case brief): https://batas.org/library/870525c2b3f0/

WHEREAS, the CAB under Section 10 (C) (2) of RA 776 is authorized to fix and determine reasonable individual, joint or special rates, charges or fares, which an air carrier may demand, collect or receive for any service in connection with air commerce and corollarily all other matters arising therefrom;

WHEREAS, R.A. No. 7394, otherwise known as the “Consumer Welfare Act of the Philippines” declares it as the Policy of the State to protect the interests of the consumer, promote his general welfare, and to establish standards of conduct for business and industry. Likewise, it declares unlawful any false, deceptive or misleading advertisement;

WHEREAS, the CAB has been receiving complaints on the advertisement posted by airlines relative to CAB approved promotional fares as being deceptive and misleading;

WHEREAS, these guidelines and procedures shall be applicable only to approval of promotional fares and the advertisement thereof, and does not include sales promotion campaigns and activities as defined under R.A. No. 7394, which falls under the exclusive jurisdiction of the Department of Trade and Industry (DTI);

WHEREAS, there is a need to establish parameters and procedures in approving promotional fares and the advertisement thereof in any medium for purposes of monitoring transparency, and compliance with the state policy enunciated under RA 7394, to protect public interest;

NOW, THEREFORE, the Board RESOLVED, as it hereby RESOLVES to adopt the following guidelines and procedures for the approval of promotional fares and the advertisement thereof.

1. An airline applying for promotional fares shall file before the Board a letter request addressed to the Executive Director, stating therein the restrictions, duration and other conditions of the said promotion, at least three (3) days before the intended implementation or publication thereof, whichever comes first. The applications shall be acted upon by the CAB with dispatch, which in no case shall be longer than two (2) days before the publication thereof;

2. The said letter request shall be evaluated in accordance with Section 10 (C) (2) of RA 776 which provides:

> (2) To fix and determine reasonable individual, joint or special rates, charges or fares, which an air carrier may demand, collect or receive for any service in connection with air commerce. The Board may adopt any original, amended, or new individual, joint or special rates, charges or fares proposed by an air carrier if the proposed individual, joint, or special rates, charges for fares are not unduly preferential or unduly discriminatory or unreasonable. The burden of proof to show that the proposed individual, joint or special rates, charges or fares are just and reasonable shall be upon the air carrier proposing the same.

In fixing rates, charges, fares under the provisions of this Act, the Board shall take into consideration, among other factors:

> (a) The effect of such rates upon the movement of traffic;

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

(b) The need in the public interest of adequate and efficient transportation of persons and property by air carriers at the lowest cost consistent with the furnishing of such service.
(c) Such standards respecting the character and quality of service to be rendered by air carriers as may be prescribed by or pursuant to law;
(d) The inherent advantages of transportation by aircraft; and
(e) The need of each air carrier for revenues sufficient to enable such air carrier, under honest, economical and efficient management, to provide adequate and efficient air carrier service.

3. The approval shall reflect the conditions, restrictions, and duration of the promo. The number of seats offered on a per sector basis, need not be contained in the print advertisement but must be made available to the CAB for proper monitoring;

4. The CAB approval shall contain a numbering system (i.e. per CAB Approval No. 001, s. 2009), developed by the CAB, which shall be placed in the letter approval and reflected in any advertisement relative to the promo;

5. The advertisement of the promotional fares/rates shall be made only after the same has been approved by the CAB and have been assigned a CAB Permit (approval) number. No promotional fares/rates shall be allowed publication and or released to any media until and unless a CAB approval/permit is granted;

6. The content/s of the advertisement of the promotional fares/rates of airlines shall contain basic information relative to the promotional fares, such as but not limited to the restrictions, duration, conditions (refund and re-booking policies) and such other information necessary to apprise the passengers of the conditions and actual or full/total price of the ticket/s purchased. Provided that where there are differing conditions such as fuel surcharge in relation to the points of destination or origin, airlines may provide only the range thereof and not the actual surcharge for each route;

7. The said restrictions, conditions, duration and other information relating to the total price, as well as rebooking and refund policies mentioned in the immediately preceding paragraph, should be readable and easily noticeable;

8. The advertisement shall contain details (i.e. phone numbers, website, etc.) where the passenger/s can access or obtain complete and/or additional information (such as but not limited to the number of seats offered, destinations, schedules, rebooking and refund policies etc.) relative to the promotional fares offered;

9. Finding of violations of any of the foregoing, after due notice and hearing, shall be subject to penalties and such other sanctions as may be warranted under RA 776;

10. This Resolution shall take effect fifteen (15) days after publication in general circulation, without prejudice to existing laws, rules, and regulations covering matters of similar or related nature.

RESOLVED FURTHER, to authorize the Executive Director to act on applications for approval of promotional fares and the advertisement thereof pursuant to Resolution No. 95 (2003).

(SGD.) USEC. DOROTEO A. REYES II
Alternate Chairman
(Acting Chairman)

(SGD.) DIRECTOR-GEN. RUBEN F. CIRON
Vice Chairman

(SGD.) FLORENTINO M. HERRERA III
Member

(SGD.) RENATO V. DIAZ

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Member

ATTESTED BY:

(SGD.) MARIA ELBEN S.L. MORO
Chief, Hearing and Examiner's Division
(Acting Board Secretary)

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.