



LEGISLATIVE RESEARCH SERVICE  
**KEY POINTS OF PLENARY PROCEEDINGS**  
Second Regular Session, 19<sup>th</sup> Congress

**Session No. 21**  
**Tuesday, 12 September 2023**

**1. Senate Bill No. 1846 under Committee Report No. 22**

An Act Protecting Consumers And Merchants Engaged In Internet Transactions, Creating For This Purpose The Electronic Commerce Bureau, Appropriating Funds Therefor, And For Other Purposes

Sponsor: Sen. Mark Villar

**Amendments of Senator Villar (M)**

Senator Villar (M) introduced, and the Body approved, the following individual amendments, among others:

- On page 1, Section 2 on *Declaration of Policy*, delete the entire text, specifically from line 3 to page 2, line 8, and replace it with the following:

SEC. 2. *DECLARATION OF POLICY.* – IT IS THE POLICY OF THE STATE TO PROMOTE AND MAINTAIN A ROBUST ELECTRONIC COMMERCE (E-COMMERCE) ENVIRONMENT IN THE COUNTRY BY BUILDING TRUST BETWEEN ONLINE MERCHANTS AND ONLINE CONSUMERS. THE STATE RECOGNIZES THE VALUE AND POTENTIAL OF THE DIGITAL ECONOMY TO INCREASE COMPETITION AND IMPROVE PRODUCTIVITY. TOWARD THIS END, THE STATE SHALL GUARANTEE EFFECTIVE REGULATION OF E-COMMERCE TO PROTECT CONSUMER RIGHTS AND DATA PRIVACY, ENCOURAGE INNOVATION, PROMOTE COMPETITION, SECURE INTERNET TRANSACTIONS, UPHOLD INTELLECTUAL PROPERTY RIGHTS, AND ENSURE PRODUCT STANDARDS AND SAFETY COMPLIANCE, AND OBSERVE ENVIRONMENTAL SUSTAINABILITY.

- On page 2, delete the entire Section 3 on *Scope and Coverage*, specifically from lines 9 to 22, and replace it with the following:

“SEC. 3. *SCOPE AND COVERAGE.* – THIS ACT SHALL APPLY TO ALL BUSINESS-TO-BUSINESS AND BUSINESS-TO-CONSUMER INTERNET TRANSACTIONS, WITHIN THE MANDATE OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI), WHERE ONE OF THE PARTIES IS SITUATED IN THE PHILIPPINES OR WHERE THE DIGITAL PLATFORM, E-RETAILER, OR ONLINE MERCHANT IS AVAILING OF THE PHILIPPINE

MARKET AND HAS MINIMUM CONTACTS THEREIN, PROVIDED, THAT ONLINE MEDIA CONTENT AND CONSUMER-TO-CONSUMER (C2C) TRANSACTIONS SHALL NOT BE COVERED UNDER THIS ACT.”

- On the same page, line 23, Section 4 on *Definition of Terms*, insert the following text after the hyphen (-):

As used in this Act:

A) BUSINESS-TO-BUSINESS TRANSACTION REFERS TO INTERNET TRANSACTIONS BETWEEN BUSINESSES, SUCH AS BETWEEN A MANUFACTURER AND A WHOLESALER, OR A WHOLESALER AND A RETAILER, WHETHER OR NOT THE TRANSACTING PARTIES ARE NATURAL OR JURIDICAL PERSONS;

B) BUSINESS-TO-CONSUMER TRANSACTION REFERS TO INTERNET TRANSACTIONS BETWEEN BUSINESSES AND END-USERS;

C) CONSUMER-TO-CONSUMER (C2C) TRANSACTIONS REFER TO TRANSACTIONS BETWEEN END-USERS DONE FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES AND NOT DONE IN THE ORDINARY COURSE OF BUSINESS;

D) DIGITAL PLATFORMS REFER TO INFORMATION AND COMMUNICATION TECHNOLOGY-ENABLED MECHANISMS THAT CONNECT AND INTEGRATE PRODUCERS AND USERS IN ONLINE ENVIRONMENTS WHERE GOODS AND SERVICES ARE REQUESTED, DEVELOPED, AND SOLD, AND DATA GENERATED AND EXCHANGED SUCH AS BUT NOT LIMITED TO E-MARKETPLACE, MOBILE APPLICATION PLATFORMS, ONLINE DELIVERY PLATFORMS, SOCIAL MEDIA PLATFORMS, AND TRAVEL PLATFORMS;

E) E-MARKETPLACE REFERS TO DIGITAL PLATFORMS WHOSE BUSINESS IS TO CONNECT ONLINE CONSUMERS WITH ONLINE MERCHANTS, FACILITATE AND CONCLUDE THE SALES, PROCESS THE PAYMENT OF THE PRODUCTS, GOODS, OR SERVICES THROUGH THE PLATFORM, OR FACILITATE THE SHIPMENT OF GOODS OR PROVIDE LOGISTICS SERVICES AND POST-PURCHASE SUPPORT WITHIN SUCH PLATFORMS, AND OTHERWISE RETAIN OVERSIGHT OVER THE CONSUMMATION OF THE TRANSACTION;

F) E-RETAILER REFERS TO A NATURAL OR JURIDICAL PERSON SELLING GOODS OR SERVICES DIRECTLY TO ONLINE CONSUMERS THROUGH ITS OWN WEBSITE, WEBPAGE, OR APPLICATION;

G) GOODS REFER TO PHYSICALLY OR DIGITALLY PRODUCED ITEMS OVER WHICH OWNERSHIP OR PROPRIETARY RIGHTS MAY BE ESTABLISHED AND TRANSFERRED FROM ONE INSTITUTIONAL UNIT TO ANOTHER BY ENTERING INTO A TRANSACTION;

H) INTERNET TRANSACTION REFERS TO THE SALE OR LEASE OF DIGITAL OR NON-DIGITAL GOODS AND SERVICES OVER THE INTERNET. FOR PURPOSES OF THIS ACT, INTERNET TRANSACTIONS SHALL ALSO REFER TO E-COMMERCE;

I) ONLINE CONSUMER REFERS TO A NATURAL OR JURIDICAL PERSON WHO PURCHASES, LEASES, RECEIVES, OR SUBSCRIBES TO GOODS OR SERVICES OVER THE INTERNET FOR A FEE;

J) ONLINE MERCHANT REFERS TO A PERSON SELLING NON-FINANCIAL GOODS OR SERVICES TO ONLINE CONSUMERS THROUGH AN E- MARKETPLACE OR THIRD-PARTY DIGITAL PLATFORM. AN E-RETAILER SHALL ALSO BE CONSIDERED AN ONLINE MERCHANT IF IT OFFERS THE SAME GOODS OR SERVICES OUTSIDE ITS OWN WEBSITE THROUGH A THIRD-PARTY DIGITAL PLATFORM AND THE ONLINE CONSUMER PURCHASES, LEASES, SUBSCRIBES TO, OR OBTAINS THE SERVICE OF THE E-RETAILER THROUGH THE SAID THIRD-PARTY PLATFORM; AND

K) PRODUCER REFERS TO THE MANUFACTURER OR IMPORTER OF GOODS, OR ANY PERSON PURPORTING TO BE A MANUFACTURER, WHO PLACES ITS NAME, TRADEMARK, OR OTHER DISTINCTIVE SIGN ON GOODS.

- On page 2, delete the entire Section 5 on *Purposeful Availment and Extraterritorial Application*, specifically from page 2, line 24, until page 3, line 4, and replace it with the following:

SEC. 5. *EXTRATERRITORIAL APPLICATION*. – A PERSON WHO - ENGAGES IN E-COMMERCE WHO AVAILS OF THE PHILIPPINE MARKET TO THE EXTENT OF ESTABLISHING MINIMUM CONTACTS HEREIN, SHALL BE SUBJECT TO APPLICABLE PHILIPPINE LAWS AND REGULATIONS AND CANNOT EVADE LEGAL LIABILITY IN THE PHILIPPINES DESPITE LACK OF LEGAL PRESENCE IN THE COUNTRY.

- On page 3, Section 8 on *Functions of the E- Commerce Bureau*, delete the entire subsection (c) specifically from line 30, until page 4, line 2, and replace it with the following:

C) EXERT EFFORTS TO ENFORCE THE REGISTRATION OF DIGITAL PLATFORMS AND ONLINE MERCHANTS WITH THE BUREAU AND TO REQUIRE THE SUBMISSION OF INFORMATION NECESSARY FOR POLICY- MAKING AND PROGRAM DEVELOPMENT PURPOSES, CONSISTENT, HOWEVER, WITH THE PRINCIPLES OF MINIMIZATION AND PROPORTIONALITY IN DATA PRIVACY.

- On page 4, still on Section 8, delete the entire subsection (e), specifically from line 6 until line 9, and replace it with the following:

E) RECEIVE AND REFER BUSINESS AND CONSUMER COMPLAINTS ON INTERNET TRANSACTIONS TO THE APPROPRIATE GOVERNMENT AGENCY, CONSISTENT WITH THE NO-WRONG DOOR POLICY OF THE DTI.

- On the same page, still on Section 8, delete the entire subsection (f), specifically from line 10 to line 12, and replace it with the following:

F) COORDINATE WITH OR PETITION, THROUGH THE DTI SECRETARY, WHENEVER APPROPRIATE, ANY ENTITY, GOVERNMENT AGENCY, OR INSTRUMENTALITY TO TAKE ACTION ON ANY MATTER THAT MAY IMPEDE E-COMMERCE.

- Still on the same page, delete the entire subsection (h), specifically from line 15 to line 17. Succeeding subsections shall be re-lettered accordingly.
- Still on the same page, from line 18 to line 20, delete subsection (i), and replace it with the following:

H) MONITOR THE IMPLEMENTATION OF THIS ACT FOR POLICYMAKING AND PROGRAM DEVELOPMENT PURPOSES.

- Still on the same page, lines 21 to 22, delete subsection (j) and replace it with the following:

I) DEVELOP CONSUMER EDUCATION AND INFORMATION PROGRAMS FOR CONSUMERS OF DIFFERENT AGES, INCOMES AND LITERACY, GIVING SPECIAL ATTENTION TO THE NEEDS OF VULNERABLE AND DISADVANTAGED CONSUMERS, BY RAISING AWARENESS ON RIGHTS, RESPONSIBILITIES, AND RED FLAGS IN INTERNET TRANSACTIONS, WITH THE GOAL OF ENABLING CONSUMERS TO MAKE INFORMED CHOICES AND PREVENTING THEM FROM FALLING PREY TO ONLINE FRAUDS AND SCAMS.

- Still on page 4, line 26, Section 8, now subsection (j), delete the entire sentence beginning with the word “Notwithstanding” until the word “laws” on line 29, then after the semicolon (;), insert the word AND.
- On page 5, insert a new paragraph between lines 2 and 3, to read as follows:

THE POWERS OF THE BUREAU SHALL NOT BE EXERCISED IN A MANNER THAT STIFLES INNOVATION, RESTRICTS COMPETITION, CREATES BARRIERS TO ENTRY IN TRADE, OR IMPEDES THE EASE OF DOING BUSINESS.

- On the same page, delete the entire Section 10 on Online Business Registry, specifically from line 9 to line 14, and replace it with the following:

SEC. 10. ONLINE BUSINESS DATABASE (OBD). – WITHIN ONE (1) YEAR FROM THE EFFECTIVITY OF THIS ACT, THE BUREAU SHALL ESTABLISH A DATABASE OF DIGITAL PLATFORMS, E-MARKETPLACE, E-RETAILERS, AND ONLINE MERCHANTS ENGAGED IN E-COMMERCE IN THE PHILIPPINES THAT WILL PROVIDE THE GOVERNMENT AND ONLINE CONSUMERS ACCESS TO CONTACT INFORMATION OF ONLINE BUSINESS.

IN ESTABLISHING THE OBD, THE DTI SHALL UTILIZE EXISTING BUSINESS DATABASES AND COORDINATE WITH OTHER AGENCIES THAT ALREADY MAINTAIN THE SAME OR SIMILAR DATABASE.

THE DTI, IN CONSULTATION WITH THE DICT, THE NATIONAL PRIVACY COMMISSION (NPC), THE PHILIPPINE COMPETITION COMMISSION (PCC), THE SECURITIES AND EXCHANGE COMMISSION (SEC), THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA), AND OTHER CONCERNED AGENCIES SHALL ISSUE THE REGULATIONS TO GOVERN THE DEVELOPMENT, MANAGEMENT, OPERATION AND MAINTENANCE OF THE ONLINE BUSINESS DATABASE (OBD), CONSISTENT WITH REPUBLIC ACT NO. 11032 OR THE EASE OF DOING BUSINESS AND EFFICIENT GOVERNMENT SERVICE DELIVERY ACT OF 2018.

- On the same page, delete the entire Section 11, from line 15 to line 23 and replace it with the following:

SEC. 11. E-COMMERCE PHILIPPINE TRUSTMARK. - TO PROVIDE ASSURANCE OF SAFETY AND SECURITY IN INTERNET TRANSACTIONS, THE DTI SHALL ENCOURAGE THE DEVELOPMENT OF AN E-COMMERCE PHILIPPINE TRUSTMARK, HEREINAFTER REFERRED TO AS THE "TRUSTMARK," WHICH MAY BE ESTABLISHED AND OPERATED BY AN INDUSTRY-LED PRIVATE SECTOR GOVERNANCE BODY.

- On the same page, line 29, Section 12 on Regulatory Jurisdiction of the DTI, delete from the word "shall" until the word "transactions" on line 30 and replace it with the phrase SHALL EXERCISE REGULATORY JURISDICTION AS TO THE USE OF INTERNET FOR CONDUCTING E-COMMERCE BY E-MARKETPLACES, ONLINE MERCHANTS, E-RETAILERS, DIGITAL PLATFORMS AND THIRD-PARTY PLATFORMS.
- On page 6, line 8, delete the phrase "that such services may involve e-commerce" and replace it with AN E-COMMERCE ASPECT OR FEATURE IN SUCH SERVICES.
- On the same page, lines 9 to 14, delete the entire Section 13 on Subpoena and replace it with the following:

SEC. 13. SUBPOENA. - IN THE EXERCISE OF ITS POWERS UNDER THIS ACT, THE DTI SECRETARY SHALL HAVE THE POWER TO ISSUE SUMMONS, SUBPOENA AD TESTIFICANDUM, AND SUBPOENA DUCES TECUM TO ALLEGED VIOLATORS OR WITNESSES TO COMPEL ATTENDANCE AND THE PRODUCTION OF DOCUMENTS IN INVESTIGATIONS OR PROCEEDINGS BEFORE THE BUREAU. FAILURE TO COMPLY WITH THE SUBPOENA AD TESTIFICANDUM AND SUBPOENA DUCES TECUM SHALL AUTHORIZE THE FILING OF A CASE FOR CONTEMPT UNDER THE RULES OF COURT.

A SUBPOENA DUCES TECUM IS VALID IF ISSUED ON MATTERS WITHIN THE JURISDICTION OF THE DTI, IS REASONABLY RELEVANT TO THE SUBJECT MATTER UNDER INVESTIGATION, AND DESIGNATES OR DESCRIBES THE INFORMATION OR DOCUMENT SOUGHT TO BE PRODUCED, ALLOWING IT TO BE IDENTIFIED.

- Still on page 6, delete the entire Section 15 on Cease and Desist Order, specifically from lines 19 to 28. Subsequent sections shall be renumbered accordingly.
- On the same page, delete the entire Section 16 on Authority to Issue Takedown Order, specifically from line 29 to page 7, line 30, and replace it with the following:

SEC. 15. AUTHORITY TO ISSUE TAKEDOWN ORDER. – THE DTI SECRETARY, AFTER INVESTIGATION OR VERIFICATION, MAY ISSUE AN EX PARTE TAKEDOWN ORDER DIRECTING THE REMOVAL OF A LISTING OR OFFER ON A WEBPAGE, WEBSITE, PLATFORM OR APPLICATION CONTAINING THE FOLLOWING, REGARDLESS OF THE INTENDED NATURE OF THE TRANSACTION, WHEN ANY OF THE FOLLOWING ARE PRESENT:

A) SALE OR LEASE OF GOODS OR SERVICES WHICH ARE PROHIBITED OR REGULATED UNDER EXISTING LAWS SUCH AS ENDANGERED ANIMALS, ILLICIT DRUGS, FIREWORKS AND OTHER EXPLOSIVES, AND COUNTERFEIT GOODS: PROVIDED, THAT THE PROHIBITED NATURE OF THE GOODS AND SERVICES IS APPARENT FROM THE PHOTO OR DESCRIPTION IN THE POST;

B) SALE OR LEASE OF GOODS OR SERVICES SUBJECT OF A CEASE AND DESIST ORDER ISSUED BY AN APPROPRIATE GOVERNMENT AGENCY;

C) SALE OR LEASE OF GOODS OR SERVICES ONLINE PREVIOUSLY SUBJECT OF A TAKEDOWN ORDER BUT WHICH ARE SUBSEQUENTLY REPOSTED AND PROLIFERATED ONLINE BY THE SELLER UNDER INVESTIGATION; AND

D) SUCH OTHER TRANSACTIONS OR ACTIVITIES ONLINE, WITHIN THE JURISDICTION OF THE DTI, PURPORTING TO SELL OR LEASE OF GOODS OR SERVICES THAT OTHERWISE THREATEN PUBLIC OR PERSONAL SAFETY, COMPROMISES FINANCIAL OR PERSONAL INFORMATION.

OTHER REGULATORY GOVERNMENT AGENCIES MAY REQUEST THE DTI TO ISSUE A TAKEDOWN ORDER FOR THE REMOVAL OF AN ONLINE LISTING OR OFFER IN VIOLATION OF LAWS, RULES OR REGULATIONS UNDER THEIR JURISDICTION. NOTHING HEREIN SHALL PRECLUDE THE APPROPRIATE AGENCY FROM EXERCISING ITS REGULATORY AUTHORITY, INCLUDING THE ISSUANCE OF ORDERS DIRECTLY TO THE ERRING PERSON OR ENTITY, TO PREVENT OR STOP THE SALE OF GOODS OR SERVICES UNDER ITS JURISDICTION.

THE VIOLATING ENTITY SHALL BE GIVEN AN OPPORTUNITY TO BE HEARD WITHIN FORTY-EIGHT (48) HOURS FROM THE ISSUANCE OF A TAKEDOWN ORDER.

THE TAKEDOWN ORDER SHALL BE DIRECTED AGAINST THE E-RETAILER OR ONLINE MERCHANT, AND THE OWNER OR OPERATOR OF THE E-MARKETPLACE OR DIGITAL PLATFORM. COPIES OF THE

ORDER SHALL LIKEWISE BE SERVED ON ENTITIES WHOSE COOPERATION WOULD BE REQUIRED FOR ITS ENFORCEMENT SUCH AS, BUT NOT LIMITED TO, THE DULY REGISTERED INTERNET SERVICE PROVIDER INVOLVED, RELATED PAYMENT GATEWAYS, AND OTHER GOVERNMENT AGENCIES.

THE ORDER SHALL REMAIN IN EFFECT FOR A MAXIMUM PERIOD OF THIRTY (30) DAYS UNLESS OTHERWISE EXTENDED OR MADE PERMANENT BY A JUDICIAL ORDER OR DECISION.

- On page 7, delete the entire Section 17 on *Blacklisting of Online Business*, specifically from lines 31 to page 8, line 6 and replace it with the following:

SEC. 16. BLACKLISTING OF ONLINE BUSINESS. – THE DTI SECRETARY SHALL HAVE THE AUTHORITY TO ESTABLISH A PUBLICLY ACCESSIBLE LIST OF WEBSITES, WEBPAGES, ONLINE APPLICATIONS, SOCIAL MEDIA ACCOUNTS, OR OTHER SIMILAR PLATFORMS THAT FAIL TO COMPLY WITH A COMPLIANCE ORDER, OR ARE SUBJECT OF A TAKEDOWN ORDER ISSUED UNDER CHAPTER THREE (3) HEREOF OR OF A CEASE- AND-DESIST ORDER ISSUED BY AN APPROPRIATE GOVERNMENT AGENCY, INDICATING THE SPECIFIC VIOLATION INCURRED. SHOULD THE VIOLATION CONSIST IN FAILURE TO ABIDE BY A COMPLIANCE ORDER, ENTRY INTO THE BLACKLIST SHALL INDICATE THE ACT OR REQUIREMENT SUBJECT OF THE COMPLIANCE ORDER. THE BLACKLIST SHALL BE MADE PUBLICLY AVAILABLE AND SHALL BE FURNISHED TO DIGITAL PLATFORMS AND FINANCIAL REGULATORS. AFTER COMPLIANCE OR CORRECTION, THE DTI, MOTU PROPRIO OR UPON REQUEST, SHALL PROMPTLY REMOVE THE ENTRY FROM THE LIST, WITHOUT NECESSITY OF A HEARING.

- On page 8, delete the entire Section 18 on *Online Dispute Resolution*, specifically from lines 7 to page 9, line 17, and replace it with the following:

SEC. 17. ONLINE DISPUTE RESOLUTION (ODR). – WITHIN SIX MONTHS FROM THE EFFECTIVITY OF THIS ACT, THE DTI SHALL DEVELOP A PLATFORM TO FACILITATE AN ALTERNATIVE MODE OF DISPUTE RESOLUTION FOR ONLINE CONSUMERS, ONLINE MERCHANTS, E-RETAILERS, E-MARKETPLACES, AND OTHER DIGITAL PLATFORMS. THE DTI, IN CONSULTATION WITH OTHER CONCERNED AGENCIES, SHALL ISSUE THE IMPLEMENTING RULES AND REGULATIONS ON ODR PROCEDURE AND THE DEVELOPMENT, MANAGEMENT, OPERATIONS, AND MAINTENANCE OF THE PLATFORM.

- On page 9, delete the entire Section 19 on *Code of Conduct*, specifically from line 23 to page 11, line 27, and replace it with the following:

SEC. 18. CODE OF CONDUCT. – THE DTI, IN CONSULTATION WITH RELEVANT GOVERNMENT AGENCIES, SHALL PROVIDE A CODE OF CONDUCT FOR ALL BUSINESSES ENGAGED IN E-COMMERCE CONSISTENT WITH INTERNATIONAL TRENDS, DEVELOPMENTS, STANDARDS, AND BEST PRACTICES AND WHEN NECESSARY, ISSUE GUIDELINES, RULES AND REGULATIONS INCLUDING VOLUNTARY AND BINDING CO-REGULATION MECHANISMS CONSIDERING THEIR ROLE, SIZE, AND IMPACT IN INTERNET TRANSACTIONS.

- On page 11, delete the entire Section 20 on the *Rights and Obligations of Online Consumers*, specifically from line 28 to page 13, line 16, and replace it with the following:

SEC. 19. OBLIGATIONS OF ONLINE CONSUMERS. – THE ONLINE CONSUMER SHALL EXERCISE ORDINARY DILIGENCE IN ANY INTERNET TRANSACTION.

IF THE TRANSACTION INCLUDES THE DELIVERY OF THE PURCHASED GOODS, THE ONLINE CONSUMER SHALL NOT CANCEL CONFIRMED ORDERS WHEN THE SAID ITEMS HAVE ALREADY BEEN PAID FOR BY, OR THE GOODS ARE PERISHABLE IN NATURE AND ARE ALREADY IN THE POSSESSION OF A THIRD-PARTY DELIVERY SERVICE, OR OTHERWISE IN TRANSIT TO THE ONLINE CONSUMER UNLESS:

- a) THE ONLINE CONSUMER USES ELECTRONIC OR DIGITAL PAYMENT AND AUTHORIZED THE CREDITING OF THE AMOUNT DESPITE CANCELLATION;
  - b) THE ONLINE CONSUMER REIMBURSES THE THIRD-PARTY DELIVERY SERVICE AS A PRE-CONDITION FOR THE CANCELLATION OF THE ORDER;
  - c) THE TRANSACTION ALLOWS CANCELLATION FOR A FEE; OR
  - d) THE PARTIES AGREE OTHERWISE.
- On page 13, between lines 16 and 17, insert a new SECTION 20, which shall contain the following heading and text:

SEC. 20. *REMEDIES OF ONLINE CONSUMERS*. – IN CASE OF DEFECT, MALFUNCTION, OR LOSS WITHOUT THE FAULT OF THE ONLINE CONSUMER, OR FAILURE TO CONFORM WITH WARRANTY OR ANY LIABILITY OF THE ONLINE MERCHANT OR E-RETAILER ARISING FROM THE CONTRACT, THE ONLINE CONSUMER SHALL HAVE THE RIGHT TO PURSUE REPAIR, REPLACEMENT, REFUND OR OTHER REMEDIES PROVIDED UNDER R.A. 7394 OR ANY EXISTING RELEVANT LAWS.

WHEN THE ONLINE CONSUMER AVAILS REPLACEMENT OR REFUND AS A REMEDY, THE ONLINE MERCHANT IS ENTITLED TO THE RETURN OF THE ORIGINAL GOODS DELIVERED, WITHOUT ANY COST TO THE ONLINE CONSUMER, WITHIN A REASONABLE PERIOD FROM THE RECEIPT THEREOF, UNLESS OTHERWISE AGREED UPON BY THE PARTIES. IN CASE THE REFUND IS ALREADY PAID, BUT THE GOODS CANNOT BE RETURNED DUE TO THE FAULT OF THE ONLINE CONSUMER, THE AMOUNT RECEIVED SHALL BE IMMEDIATELY REIMBURSED TO THE ONLINE MERCHANT OR E-RETAILER SUBJECT TO PROPORTIONATE REDUCTION IN PRICE, IF APPROPRIATE.

- On page 13, Section 21 on *Obligations of E-Marketplaces and Other Digital Platforms*, delete the entire section, specifically from line 17 to page 14, line 29, and replace it with the following:



SEC. 21. *OBLIGATIONS OF E-MARKETPLACES.* – EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, E-MARKETPLACES SHALL:

A) ENSURE THAT THE INTERNET TRANSACTIONS ON THEIR PLATFORM:

- i. ARE CLEARLY IDENTIFIABLE AS AN E-COMMERCE TRANSACTION;
- ii. IDENTIFY THE PERSON OR PERSONS ON WHOSE BEHALF THE E-COMMERCE TRANSACTION IS MADE; AND
- iii. IDENTIFY ANY PROMOTIONAL OFFER INCLUDING ANY DISCOUNT, PREMIUM, OR GIFT, AND THAT CONDITIONS REQUIRED TO QUALIFY FOR IT ARE ACCESSIBLE, CLEAR, AND UNAMBIGUOUS;

B) REQUIRE, AS FAR AS PRACTICABLE, ALL ONLINE MERCHANTS, WHETHER FOREIGN OR FILIPINO, TO SUBMIT THE FOLLOWING PRIOR TO LISTING WITH THEIR PLATFORMS:

- i. NAME OF THE ONLINE MERCHANT ACCOMPANIED BY AT LEAST ONE (1) VALID GOVERNMENT IDENTIFICATION CARD FOR INDIVIDUALS OR BUSINESS REGISTRATION DOCUMENTS FOR JURIDICAL ENTITIES;
- ii. GEOGRAPHIC ADDRESS WHERE THE ONLINE MERCHANT IS LOCATED;
- iii. CONTACT DETAILS OF THE ONLINE MERCHANT WHICH MUST INCLUDE A MOBILE OR LANDLINE NUMBER AND A VALID E-MAIL ADDRESS; AND
- iv. IN INSTANCES WHEN THE SERVICES OFFERED BY AN ONLINE MERCHANT IS CONNECTED WITH THE EXERCISE OF A REGULATED PROFESSION, THE DETAILS OF MEMBERSHIP IN ANY PROFESSIONAL BODY OR SIMILAR RELEVANT INSTITUTION WITH WHICH THE ONLINE MERCHANT IS REGISTERED OR OTHERWISE IS A MEMBER OF.

EXCEPT FOR THE GOVERNMENT IDENTIFICATION CARDS OR REGISTRATION DOCUMENTS MENTIONED UNDER SECTION 21 (B)(I), THE INFORMATION REQUIRED UNDER THIS PARAGRAPH SHALL BE PUBLISHED OR POSTED ON THE E- MARKETPLACE OR DIGITAL PLATFORM FOR TRANSPARENCY, UNLESS THE E-MARKETPLACE OR E-COMMERCE PLATFORM ESTABLISHES MEANS TO FACILITATE COMMUNICATION BETWEEN ONLINE MERCHANTS AND ONLINE CONSUMERS OR PROVIDES A LINK TO THE OBD ON THEIR PLATFORM;

C) MAINTAIN A LIST OF ALL ONLINE MERCHANTS REGISTERED UNDER THEIR PLATFORM CONTAINING THE INFORMATION PROVIDED IN SECTION 21 (B). THE LIST SHALL BE UPDATED AND VERIFIED REGULARLY;

AN E-MARKETPLACE SHALL BE REQUIRED TO PROVIDE SPECIFIC INFORMATION UPON THE ISSUANCE OF A SUBPOENA BY COMPETENT AUTHORITY PURSUANT TO AN INVESTIGATION BASED ON A SWORN COMPLAINT, STATING THAT THE E-MARKETPLACE OR E-RETAILER IS BEING USED IN THE COMMISSION OF A CRIME OR THAT IT WAS UTILIZED AS A MEANS TO COMMIT A MALICIOUS, FRAUDULENT, OR UNLAWFUL ACT, AND THAT THE COMPLAINT IS UNABLE TO ASCERTAIN THE IDENTITY OF THE PERPETRATOR.

D) TAKE THE NECESSARY PRECAUTIONS TO PROTECT THE DATA PRIVACY OF CONSUMERS, AT ALL TIMES, IN ACCORDANCE WITH THE REPUBLIC ACT NO. 10173, OR THE "DATA PRIVACY ACT OF 2012," AND COMPLY WITH THE MINIMUM INFORMATION SECURITY STANDARDS SET BY THE E-COMMERCE BUREAU, NPC, AND OTHER ISSUANCES OF RELEVANT GOVERNMENT AGENCIES. DIGITAL PLATFORMS AND E-MARKETPLACES, SHALL BE COVERED BY THE PROVISIONS OF R.A. 10173 AND ISSUANCES BY THE NPC;

E) PROHIBIT THE SALE OF REGULATED GOODS UNLESS THEY PROVIDE THE NECESSARY PERMITS AND LICENSE INFORMATION, AND CONTRACTUALLY OBLIGATING THEIR COMPLIANCE WITH SALE PROCEDURES AND LIMITATIONS, AND OTHER RELEVANT CONDITIONS FOR THE SALE AS MAY BE IMPOSED BY ANY LAW OR LOCAL GOVERNMENT REGULATION;

F) PROVIDE AN EFFECTIVE AND RESPONSIVE REDRESS MECHANISM FOR ONLINE CONSUMERS AND ONLINE MERCHANTS TO REPORT A USER OR INFORMATION POSTED ON THE PLATFORM THAT ARE DEEMED IN VIOLATION OF RELEVANT LAWS;

G) REQUIRE ALL ONLINE MERCHANTS TO CLEARLY INDICATE THE FOLLOWING IN THEIR PRODUCT OFFERS ONLINE, REGARDLESS OF THE NATURE OF THE GOODS AND SERVICES:

- I. NAME AND BRAND OF THE GOODS OR SERVICES
- II. PRICE
- III. DESCRIPTION
- IV. CONDITION
- V. CONTACT INFORMATION OF THE ONLINE MERCHANT

IN PERFORMING THEIR OBLIGATIONS UNDER THIS SECTION, E-MARKETPLACES AND OTHER DIGITAL PLATFORMS ARE REQUIRED TO OBSERVE ORDINARY DILIGENCE. FAILURE TO DO SO WILL SUBJECT THEM TO PENALTIES UNDER SECTION 29 OF THIS ACT.

- On page 14, delete the entire Section 22, specifically from line 30 to page 15, line 2, and replace it with the following:

*SEC 22. OBLIGATIONS OF OTHER DIGITAL PLATFORMS THAT DO NOT RETAIN OVERSIGHT OVER THE CONSUMMATION OF THE TRANSACTION.*  
- OTHER DIGITAL PLATFORMS THAT DO NOT RETAIN OVERSIGHT OVER THE CONSUMMATION OF THE TRANSACTION SHALL HAVE THE FOLLOWING OBLIGATIONS:

A) ENABLE CONSUMERS TO DISTINGUISH BETWEEN COMMERCIAL AND NON-COMMERCIAL OR PRIVATE ACCOUNTS;

B) PROHIBIT THE SALE AND ADVERTISEMENT OF REGULATED GOODS UNLESS THEY PROVIDE THE NECESSARY PERMITS AND LICENSE INFORMATION, AND CONTRACTUALLY OBLIGATING THEIR COMPLIANCE WITH SALE PROCEDURES AND LIMITATIONS, AND OTHER RELEVANT CONDITIONS FOR THE SALE AS MAY BE IMPOSED BY ANY LAW OR LOCAL GOVERNMENT REGULATION;

C) REQUIRE ONLINE MERCHANTS TO INDICATE THE FOLLOWING IN THEIR PRODUCT OFFERS ONLINE, REGARDLESS OF THE NATURE OF THE GOODS AND SERVICES:

- i. NAME AND BRAND OF THE GOODS OR SERVICES
- ii. PRICE
- iii. DESCRIPTION
- iv. CONDITION

D) PROVIDE AN EFFECTIVE AND RESPONSIVE REDRESS MECHANISM FOR ONLINE CONSUMERS AND ONLINE MERCHANTS TO REPORT A USER OR INFORMATION POSTED ON THE PLATFORM THAT ARE DEEMED IN VIOLATION OF RELEVANT LAWS;

E) MAINTAIN, AS FAR AS PRACTICABLE, AN UPDATED LIST OF ACCOUNTS THAT MAKE USE OF THE PLATFORM FOR E- COMMERCE.

THE PLATFORM SHALL BE REQUIRED TO PROVIDE SPECIFIC INFORMATION UPON THE ISSUANCE OF A SUBPOENA BY COMPETENT AUTHORITY PURSUANT TO AN INVESTIGATION BASED ON A SWORN COMPLAINT, STATING THAT THE PLATFORM COVERED UNDER THIS SECTION IS BEING USED IN THE COMMISSION OF A CRIME OR THAT IT WAS UTILIZED AS A MEANS TO COMMIT A MALICIOUS, FRAUDULENT, OR UNLAWFUL ACT, AND THAT THE COMPLAINT IS UNABLE TO ASCERTAIN THE IDENTITY OF THE PERPETRATOR.

F) TAKE THE NECESSARY PRECAUTIONS TO PROTECT THE DATA PRIVACY OF CONSUMERS, AT ALL TIMES, IN ACCORDANCE WITH THE R.A. 10173, AND COMPLY WITH THE MINIMUM INFORMATION SECURITY STANDARDS SET BY THE E-COMMERCE BUREAU, NPC, AND OTHER ISSUANCES OF RELEVANT GOVERNMENT AGENCIES. DIGITAL PLATFORMS AND E-MARKETPLACES, SHALL BE COVERED BY THE PROVISIONS OF THE DATA PRIVACY ACT AND ISSUANCES BY THE NPC.

IN PERFORMING THEIR OBLIGATIONS, PLATFORMS COVERED UNDER THIS SECTION ARE REQUIRED TO OBSERVE ORDINARY DILIGENCE. FAILURE TO DO SO WILL SUBJECT THEM TO PENALTIES UNDER SECTION 29 OF THIS ACT.

- On page 16, line 9, and every mention thereafter, delete the words “digital product” and replace them with DIGITAL GOODS OR SERVICES.

- On the same page, delete the entire subsection (d) specifically from lines 14 to 23. Succeeding subsections under this section shall be re-lettered accordingly.
- On the same page, delete subsection (f), specifically from line 27 until page 17, line 14, and replace with the following:

F) AN E-RETAILER SHALL:

i. PUBLISH ON ITS HOMEPAGE THE FOLLOWING:

1) ITS CORPORATE AND TRADE OR BUSINESS NAME, AS MAY BE APPROPRIATE;

2) ADDRESS OF THE PHYSICAL SHOP OR PLACE OF BUSINESS;

3) CONTACT DETAILS OF THE E-RETAILER, WHICH MUST INCLUDE A MOBILE OR LANDLINE NUMBER AND A VALID E-MAIL ADDRESS TO ENSURE DIRECT AND EFFICIENT COMMUNICATION WITH ONLINE CONSUMERS; AND

4) IN INSTANCES WHEN THE SERVICES OFFERED BY AN E-RETAILER IS CONNECTED WITH THE EXERCISE OF A REGULATED PROFESSION, THE DETAILS OF MEMBERSHIP IN ANY PROFESSIONAL BODY OR SIMILAR RELEVANT INSTITUTION WITH WHICH THE E-RETAILER IS REGISTERED OR OTHERWISE IS A MEMBER OF.

THE FOREGOING SHALL BE SUBMITTED TO THE BUREAU AND MUST BE ACCOMPANIED BY AT LEAST ONE (1) GOVERNMENT IDENTIFICATION CARD OR REGISTRATION DOCUMENT AS VALID PROOF OF IDENTITY.

ii. TAKE THE NECESSARY PRECAUTIONS TO PROTECT THE DATA PRIVACY OF CONSUMERS, AT ALL TIMES, IN ACCORDANCE WITH THE R.A. 10173, AND COMPLY WITH THE MINIMUM INFORMATION SECURITY STANDARDS SET BY THE E-COMMERCE BUREAU, NPC, AND OTHER ISSUANCES OF RELEVANT GOVERNMENT AGENCIES. ERETAILERS AND ONLINE MERCHANTS SHALL BE COVERED BY THE PROVISIONS OF THE R.A. 10173 AND ISSUANCES BY THE NPC.

- On page 17, line 15, now subsection (g), delete the entire text until line 17 and replace it with the following:

H) WHERE THE E-RETAILER OR ONLINE MERCHANT IS ENGAGED IN DELIVERY SERVICE, IT SHALL HAVE THE RIGHT TO REQUIRE ITS ONLINE CONSUMERS TO PROVIDE AT LEAST A VALID E-MAIL ADDRESS OR MOBILE PHONE NUMBER BEFORE ENTERING INTO A TRANSACTION.

- Still on the same page, delete the entire Sec. 24 on Obligations of Online Consumers of Online Delivery Services, specifically from line 27 until page 18, line 19. Succeeding sections shall be renumbered accordingly.

- On page 18, delete the entire Sec. 25 on *Right to Terminate the Contract* specifically from line 20 until page 19, line 23, and replace it with a new SEC. 24 on *INTERNAL REDRESS MECHANISM*, which shall have the following text:

SEC. 24. *INTERNAL REDRESS MECHANISM.* - AN AGGRIEVED PARTY SHALL AVAIL OF THE INTERNAL REDRESS MECHANISM OF THE DIGITAL PLATFORM, E-MARKETPLACE OR E-RETAILER PRIOR TO THE FILING OF A COMPLAINT BEFORE ANY COURT OR APPROPRIATE GOVERNMENT AGENCY, OR RESORTING TO ALTERNATIVE DISPUTE RESOLUTION. SUCH MECHANISM IS DEEMED EXHAUSTED IF THE COMPLAINT REMAINS UNRESOLVED AFTER FIFTEEN (15) DAYS FROM FILING THEREOF.

- On page 19, delete the entire Sec. 26 on *Liability From Complaints Involving Products and Services Purchased Online*, specifically from line 24 all the way to page 21, line 11, and replace it with the following:

SEC. 25. *PRIMARY LIABILITY OF E-RETAILERS OR ONLINE MERCHANTS.*- THE E-RETAILER OR ONLINE MERCHANT SHALL BE PRIMARILY LIABLE FOR INDEMNIFYING THE ONLINE CONSUMER IN CIVIL ACTIONS OR ADMINISTRATIVE COMPLAINTS ARISING FROM THE INTERNET TRANSACTION, WITHOUT PREJUDICE TO THE IMPOSITION OF OTHER PENALTIES AS MAY BE APPROPRIATE UNDER SECTION 29 OF THIS ACT AND OTHER LAWS.

THE LIABILITY OF THE E-MARKETPLACE OR DIGITAL PLATFORM SHALL BE TREATED AS ONE AND THE SAME AS THE ONLINE MERCHANT UPON A FINDING THAT BOTH ARE THE SAME ENTITY.

- On page 21, insert a new section immediately after new Sec. 25 on *Primary Liability of E-Retailers or Online Merchants*, with the following heading and text:

SEC. 26. *SUBSIDIARY LIABILITY OF E-MARKETPLACES OR DIGITAL PLATFORMS.* - THE E-MARKETPLACE OR DIGITAL PLATFORM THAT FACILITATED THE INTERNET TRANSACTION SUBJECT OF A CIVIL ACTION OR ADMINISTRATIVE COMPLAINT SHALL BE SUBSIDIARILY LIABLE TO THE ONLINE CONSUMER IF ANY OF THE FOLLOWING CIRCUMSTANCES ARE PRESENT:

A. THE DIGITAL PLATFORM OR E-MARKETPLACE FAILED TO EXERCISE ORDINARY DILIGENCE IN COMPLYING WITH ITS OBLIGATIONS UNDER SECTION 21 AND 22 HEREOF, RESULTING IN LOSS OR DAMAGE TO THE ONLINE CONSUMER; OR

B. IF THE DIGITAL PLATFORM OR E-MARKETPLACE FAILED, AFTER NOTICE, TO ACT EXPEDITIOUSLY IN REMOVING OR DISABLING ACCESS TO GOODS OR SERVICES THAT EITHER INFRINGE ON ANOTHER'S INTELLECTUAL PROPERTY RIGHTS OR IS SUBJECT TO A TAKEDOWN ORDER BY ANY APPROPRIATE GOVERNMENT AGENCY; OR

C. IF THE ONLINE MERCHANT HAS NO LEGAL PRESENCE IN THE PHILIPPINES AND THE DIGITAL PLATFORMS OR E-MARKETPLACE FAILED TO PROVIDE THE CONTACT DETAILS THEREOF DESPITE NOTICE.

THE SUBSIDIARY LIABILITY OF DIGITAL PLATFORMS OR E-MARKETPLACES SHALL BE LIMITED ONLY TO THE EXTENT OF DAMAGES SUFFERED BY THE ONLINE CONSUMER AS A DIRECT RESULT OF THE TRANSACTION, WITHOUT PREJUDICE TO OTHER LIABILITIES THAT MAY BE INCURRED UNDER THIS ACT OR OTHER LAWS.

DIGITAL PLATFORMS OR E-MARKETPLACES SHALL NOT BE HELD LIABLE FOR THEIR RELIANCE IN GOOD FAITH ON AN ONLINE MERCHANT'S 42 REPRESENTATIONS, WARRANTIES, OR SUBMITTED REGISTRATION DOCUMENTS REGARDLESS IF SUCH INFORMATION OR DOCUMENTS ARE LATER PROVED TO BE INACCURATE, FALSE, OR UNTRUE: PROVIDED, THAT THE DIGITAL PLATFORM OR E-MARKETPLACE MUST SHOW EVIDENCE OF GOOD FAITH AND THAT REASONABLE EFFORT WAS EXERTED TO ASCERTAIN AND MAINTAIN THE ACCURACY, AUTHENTICITY AND VERACITY OF THE DOCUMENTS OR INFORMATION SUBMITTED.

- On the same page, immediately after new Sec. 26 on *Subsidiary Liability of EMarketplaces or Digital Platforms*, insert a new section with the following heading and text:

SEC. 27. *SOLIDARY LIABILITY OF E-MARKET PLACE OR DIGITALPLATFORM.* - THE E-MARKETPLACES OR DIGITAL PLATFORMS SHALL BE SOLIDARILY LIABLE IF IT FAILS, AFTER NOTICE, TO ACT EXPEDITIOUSLY TO REMOVE, OR DISABLE ACCESS TO GOODS OR SERVICES APPEARING ON ITS PLATFORM THAT ARE PROHIBITED BY LAW, IMMINENTLY INJURIOUS, UNSAFE, OR DANGEROUS.

LIABILITY UNDER THIS SECTION SHALL BE WITHOUT PREJUDICE TO THE IMPOSITION OF PENALTIES AS MAY BE APPROPRIATE UNDER SECTION 29 OF THIS ACT OR OTHER LAWS.

- On page 21, delete the entire Section 27 on Damages, specifically from line 16 to line 21, and replace it with the following:

SEC. 27. DAMAGES. - THE CONSUMER MAY CLAIM DAMAGES BY FILING A CASE BEFORE THE COURT OR THE DTI WITHIN TWO (2) YEARS FROM THE TIME THE CAUSE OF ACTION AROSE. THE RIGHT TO DAMAGES UNDER THIS SECTION SHALL BE GOVERNED BY THE CIVIL CODE, R.A. 7394, AND OTHER EXISTING LAWS.

- Still on the same page, delete the entire Section 28 on Penalties, specifically from lines 22 all the way to page 23, line 13, and replace it with the following:

"SEC. 29. PENALTIES. - THE DTI SHALL IMPOSE THE FOLLOWING ADMINISTRATIVE FINES AS PENALTY AGAINST:

A) AN ONLINE MERCHANT OR E-RETAILER THAT SELLS, LEASES OR ALLOWS THE SALE OR LEASE OF GOODS OR SERVICES, WHETHER DIGITAL OR NOT, THAT ARE IMMINENTLY INJURIOUS, UNSAFE, DANGEROUS, OR ILLEGALLY DONE THROUGH THE INTERNET SHALL BE PUNISHED UNDER THE LAWS, RULES AND REGULATIONS THAT PROHIBIT OR REGULATE SUCH ACTS.

THE SAME PENALTY SHALL ALSO BE IMPOSED AGAINST A DIGITAL PLATFORM OR E-MARKETPLACE IF, UPON NOTICE, IT FAILED TO REMOVE THE CONTENT OR LISTING THAT ARE CONSIDERED IMMINENTLY INJURIOUS, UNSAFE, DANGEROUS, OR ILLEGAL.

B) AN ONLINE MERCHANT OR E-RETAILER FOUND GUILTY OF ANY DECEPTIVE, UNFAIR OR UNCONSCIONABLE SALES ACT OR PRACTICE, DONE THROUGH THE INTERNET, SHALL BE, IN ADDITION TO THE PENALTIES IMPOSED UNDER R.A. 7394, PUNISHED WITH:

I. A FINE RANGING FROM TWENTY THOUSAND PESOS (PHP20,000.00) TO ONE HUNDRED THOUSAND PESOS (PHP100,000.00) FOR THE FIRST OFFENSE.

II. A FINE RANGING FROM ONE HUNDRED THOUSAND PESOS (PHP100,000.00) TO FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) FOR THE SECOND OFFENSE.

III. A FINE RANGING FROM FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) TO ONE MILLION PESOS (PHP1,000,000.00) FOR THE THIRD AND SUBSEQUENT OFFENSES.

THE SAME PENALTY SHALL ALSO BE IMPOSED AGAINST A DIGITAL PLATFORM OR E-MARKETPLACE IF, UPON NOTICE, IT FAILED TO REMOVE THE CONTENT OR LISTING OF AN ONLINE MERCHANT FOUND TO BE ENGAGED IN ANY DECEPTIVE, UNFAIR OR UNCONSCIONABLE SALES ACT OR PRACTICE.

C) AN ONLINE MERCHANT, E-RETAILER, E-MARKETPLACE OR DIGITAL PLATFORM, WHO SHALL WILLFULLY OR UNREASONABLY REFUSE TO COMPLY WITH THE TAKE DOWN ORDER ISSUED UNDER SECTION 15(A), (C), (D) AND (E) OF THIS ACT, SHALL BE PUNISHED WITH:

i. A FINE RANGING FROM TWENTY THOUSAND PESOS (PHP20,000.00) TO ONE HUNDRED THOUSAND PESOS (PHP100,000.00) FOR THE FIRST OFFENSE.

ii. A FINE RANGING FROM ONE HUNDRED THOUSAND PESOS (PHP100,000.00) TO FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) FOR THE SECOND OFFENSE.

iii. A FINE RANGING FROM FIVE HUNDRED THOUSAND PESOS (PHP500,000.00) TO ONE MILLION PESOS (PHP1,000,000.00) FOR THE THIRD AND SUBSEQUENT OFFENSES.

D) ANY PERSON FOUND IN VIOLATION OF SECTION 19 OR 20 OF THIS ACT SHALL BE PUNISHED, IN ADDITION TO THE VALUE OF THE GOODS OR SERVICES SUBJECT OF THE TRANSACTION, WITH:

i. A FINE NOT LESS THAN ONE HUNDRED PESOS (PHP100.00) BUT NOT MORE FIVE THOUSAND PESOS (PHP5,000.00) FOR GOODS OR SERVICES AMOUNTING TO NOT MORE THAN ONE HUNDRED PESOS (PHP100.00).

ii. A FINE NOT LESS THAN ONE THOUSAND PESOS (PHP1,000.00) BUT NOT MORE THAN TEN THOUSAND PESOS (PHP10,000.00) FOR GOODS OR SERVICES AMOUNTING TO MORE THAN ONE HUNDRED PESOS (PHP100.00) BUT LESS THAN ONE THOUSAND PESOS (PHP1,000.00).

iii. A FINE NOT LESS THAN THE VALUE OF THE GOODS OR SERVICES BUT IN NO CASE SHALL EXCEED TWENTY THOUSAND PESOS (PHP20,000.00) FOR GOODS OR SERVICES WHICH PRICE EXCEEDS ONE THOUSAND PESOS (PHP1,000.00).

E) AN ONLINE MERCHANT, E-RETAILER, E-MARKETPLACE OR DIGITAL PLATFORM FOUND IN VIOLATION OF SECTION 21, 22(A), 22(G), OR 22(J) OF THIS ACT SHALL BE PUNISHED WITH:

i. A FINE RANGING FROM FIVE THOUSAND (PHP5,000.00) TO TEN THOUSAND (PHP10,000.00) FOR THE FIRST OFFENSE.

ii. A FINE RANGING FROM TEN THOUSAND (PHP10,000.00) TO FIFTY THOUSAND (PHP50,000.00) FOR THE SECOND OFFENSE.

iii. A FINE RANGING FROM FIFTY THOUSAND (PHP50,000.00) TO ONE HUNDRED THOUSAND PESOS (PHP100,000.00) FOR THE THIRD AND SUBSEQUENT OFFENSES.

THE DTI SECRETARY SHALL INCREASE THE SCHEDULE OF FINES INDICATED IN THIS SECTION EVERY FIVE (5) YEARS TO MAINTAIN THEIR REAL VALUE FROM THE TIME IT WAS SET.

IN FIXING THE AMOUNT OF THE FINE, THE DTI SECRETARY SHALL HAVE REGARD TO BOTH THE GRAVITY AND THE DURATION OF THE VIOLATION.

THE PENALTY OF TAKEDOWN SHALL BE IMPOSED, WHENEVER APPLICABLE, IN ADDITION TO THE ABOVE-MENTIONED PENALTIES, BY PERMANENTLY REMOVING ANY LISTING OR OFFER ON ANY WEBSITE, WEBPAGE, ONLINE APPLICATION, SOCIAL MEDIA POST, OR ON ANY SIMILAR PLATFORM.

THE APPLICATION OF THESE PENALTIES SHALL BE WITHOUT PREJUDICE TO THE CIVIL OR CRIMINAL LIABILITY OF THE OFFENDING PARTY UNDER OTHER LAWS OR REGULATIONS.



- On page 23, delete the entire Section 29 on Oversight Committee, specifically from line 14 all the way to page 24, line 2, and replace it with the following:

“SEC. 30. CONGRESSIONAL OVERSIGHT COMMITTEE. – A CONGRESSIONAL OVERSIGHT COMMITTEE, HEREINAFTER REFERRED TO AS THE INTERNET TRANSACTIONS ACT CONGRESSIONAL OVERSIGHT COMMITTEE (ITA-COC), SHALL BE CONSTITUTED TO MONITOR AND ENSURE THE PROPER IMPLEMENTATION OF THIS ACT. IT SHALL BE COMPOSED OF FIVE (5) MEMBERS FROM THE SENATE, WHICH SHALL INCLUDE THE CHAIRPERSONS OF THE COMMITTEES ON TRADE, COMMERCE AND ENTREPRENEURSHIP, SCIENCE AND TECHNOLOGY, AND FINANCE, AND FIVE (5) MEMBERS FROM THE HOUSE OF REPRESENTATIVES, WHICH SHALL INCLUDE THE CHAIRPERSONS OF THE COMMITTEES ON TRADE AND INDUSTRY, INFORMATION AND COMMUNICATION TECHNOLOGY, AND APPROPRIATIONS. THE CHAIRPERSONS OF THE SENATE COMMITTEE ON TRADE AND COMMERCE AND THE HOUSE OF REPRESENTATIVES COMMITTEE ON TRADE AND INDUSTRY SHALL JOINTLY CHAIR THE COMMITTEE. THE ITACOC SHALL CEASE TO EXIST AFTER FIVE (5) YEARS FROM THE EFFECTIVITY OF THIS ACT.

- On page 24, delete the entire Section 30 on *Implementing Rules and Regulations*, specifically lines 3 to 32, and replace it with the following:

SEC. 31. *IMPLEMENTING RULES AND REGULATIONS*. – WITHIN NINETY (90) DAYS FROM THE EFFECTIVITY OF THIS ACT, A COMMITTEE HEADED BY THE DTI SECRETARY AND COMPOSED OF REPRESENTATIVES FROM DICT, NPC, DEPARTMENT OF AGRICULTURE (DA), DEPARTMENT OF HEALTH (DOH), BSP, AND OTHER RELEVANT GOVERNMENT AGENCIES AS DETERMINED BY THE DTI SHALL FORMULATE AND PROMULGATE THE RULES AND REGULATIONS NECESSARY FOR IMPLEMENTING THE LAW.

- On page 25, delete the entire Section 31 on *Transitory Provisions*, specifically lines 1 to 13, and replace it with the following:

SEC. 32. *TRANSITORY PROVISION*. – A TRANSITORY PERIOD OF EIGHTEEN (18) MONTHS FROM EFFECTIVITY OF THIS ACT SHALL BE PROVIDED TO ALL AFFECTED ONLINE MERCHANTS E-RETAILERS, EMARKETPLACES, AND DIGITAL PLATFORMS TO COMPLY WITH THE REQUIREMENTS OF THE LAW.

- On the same page, immediately after Section 32 on *Transitory Provision*, insert a new Section 33 to read as follows:

SEC. 33. *APPLICABILITY OF THE CIVIL CODE*. – IN CONSTRUING THE RIGHTS AND RESPONSIBILITIES OF THE PARTIES, THE CIVIL CODE PROVISIONS ON SALES, AND OBLIGATIONS AND CONTRACTS SHALL APPLY.

- Still on page 25, after the new Section 33 on *Applicability of the Civil Code*, a new Section 34 is inserted to read as follows:

SEC. 34. *INTERPRETATION.* - IN CASE OF DOUBT, THE PROVISIONS OF THIS ACT, INCLUDING ITS IMPLEMENTING RULES AND REGULATIONS AND SUBSEQUENT ISSUANCES BY THE IMPLEMENTING AGENCY, SHALL BE CONSTRUED IN A MANNER THAT ACCORDS THE HIGHEST RESPECT FOR HUMAN DIGNITY, CONSUMER RIGHTS, AND INDIVIDUAL PRIVACY.

- On the same page, delete the entire Section 32 on *Appropriations*, specifically from lines 14 to 15, and replace it with the following:

SEC. 35. *APPROPRIATIONS.* - THE AMOUNT NECESSARY TO CARRY OUT THE PROVISIONS OF THIS ACT SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

- On the same page, delete the entire Section 33 on *Separability Clause*, specifically lines 16 to 18, and replace it with the following:

SEC. 36. *SEPARABILITY CLAUSE.* - IF ANY PROVISION OF THIS ACT IS DECLARED UNCONSTITUTIONAL, THE REMAINDER THEREOF NOT OTHERWISE AFFECTED SHALL REMAIN IN FULL FORCE AND EFFECT.

- On the same page, delete the entire Section 34 on *Repealing Clause*, specifically lines 19 to 22, and replace it with the following:

SEC. 37. *REPEALING CLAUSE.* - ALL LAWS, PRESIDENTIAL DECREES, EXECUTIVE ORDERS, LETTERS OF INSTRUCTION, AND ADMINISTRATIVE REGULATIONS THAT ARE INCONSISTENT WITH THE PROVISIONS OF THIS ACT ARE HEREBY REPEALED, AMENDED, OR MODIFIED ACCORDINGLY.

- On the same page, delete the entire Section 35 on *Effectivity*, specifically lines 23 to 26, and replace it with the following:

SEC. 38. *EFFECTIVITY.* - THIS ACT SHALL TAKE EFFECT AFTER FIFTEEN (15) DAYS FOLLOWING THE COMPLETION OF ITS PUBLICATION IN THE OFFICIAL GAZETTE, OR IN A NEWSPAPER OF GENERAL CIRCULATION.

Senator Villar (M) further moved that the Secretariat be authorized to make the necessary formal adjustments, subject to style.

## **2. Designation of Senate conferees to the Bicameral Conference Committee Report on the Disagreeing Provisions on Senate Bill No. 2243 and House Bill No. 8278, entitled Philippine Salt Industry Development Act.**

Chairperson: Sen. Cynthia A. Villar  
Members: Sen. Imee R. Marcos  
Sen. Loren Legarda  
Sen. Ronald "Bato" Dela Rosa  
Sen. Aquilino "Koko" Pimentel III

**3. Designation of Senate Conferees to the Bicameral Conference Committee Report on the Disagreeing Provisions on Senate Bill No. 2200 and House Bill No. 6574, entitled Basic Education Mental Health and Well-Being Promotion Act.**

Chairperson: Sen. Win Gatchalian  
Members: Sen. Pia S. Cayetano  
Sen. Robinhood C. Padilla  
Sen. Nancy Lourdes S. Binay  
Sen. Risa Hontiveros

**4. Senate Bill No. 2001 under Committee Report No. 43**

An Act Providing for a New Passport Law, Repealing for the Purpose Republic Act No. 8239, Otherwise Known as the Philippine Passport Act of 1996

Sponsor: Sen. Imee R. Marcos

**Amendments of Senator Marcos**

Senator Marcos proposed, and the Body approved, the following individual amendments, among others:

- On page 1, lines 4 to 13; page 2, lines 1 and 2, to delete the entire Section 2 and replace with the following:

SEC. 2. *DECLARATION OF POLICY.* – ARTICLE III, SECTION 6 OF THE CONSTITUTION PROVIDES THAT THE RIGHT TO TRAVEL SHALL NOT BE IMPAIRED EXCEPT IN THE INTEREST OF NATIONAL SECURITY, PUBLIC SAFETY, OR PUBLIC HEALTH, AS MAY BE PROVIDED BY LAW. IT IS THE POLICY OF THE STATE TO PROTECT THE PEOPLE’S CONSTITUTIONAL RIGHT TO TRAVEL WHILE ENSURING ISSUANCE OF PASSPORT ON ANY OTHER TRAVEL DOCUMENT IN LINE WITH INTERNATIONAL INSTRUMENTS AND USING SECURE PASSPORT PERSONALIZATION AND DATA MANAGEMENT TECHNOLOGIES TO ENHANCE AND PROTECT THE UNIMPAIRED EXERCISE OF THE RIGHT TO TRAVEL. THE STATE SHALL ONLY PRESCRIBE MINIMUM REQUIREMENTS FOR THE APPLICATION AND ISSUANCE OF PASSPORTS AND OTHER TRAVEL DOCUMENTS.

- On page 2, line 28, insert a new subsection F, which shall read as follows:

(F) *CONSULAR SERVICES* – REFERS TO SERVICES RELATING TO THE EXERCISE OF CONSULAR FUNCTIONS, SUCH AS ISSUING PASSPORTS, OTHER TRAVEL DOCUMENTS, AND VISAS; ACTING AS NOTARY AND CIVIL REGISTRAR; AND ALL OTHER RELATED FUNCTIONS AND CAPACITIES.

- On page 2, lines 29 to 32, replace the definition of “*Foundling*” with the following:

REFERS TO A DESERTED OR ABANDONED CHILD OR INFANT WITH UNKNOWN FACTS OF BIRTH AND PARENTAGE. THIS INCLUDES A PERSON WHO HAS BEEN DULY REGISTERED AS A FOUNDLING DURING HIS OR HER INFANCY OR CHILDHOOD BUT HAS REACHED THE AGE OF MAJORITY WITHOUT BENEFITTING FROM ADOPTION PROCEDURES.

- On page 3, lines 2 to 6, replace the definition of “*Emergency Travel Document*” with the following:

REFERS TO A DOCUMENT ISSUED BY THE PHILIPPINE GOVERNMENT TO TRAVELERS IN EMERGENCY SITUATIONS WHERE IT IS NOT POSSIBLE TO ISSUE A REGULAR PASSPORT;

- On page 3, lines 8 to 10, replace the definition of “*Fugitives from Justice*” with the following:

REFER TO THOSE WHO FLEE UNDER THE FOLLOWING CIRCUMSTANCES:

1) AFTER CONVICTION BY A PHILIPPINE COURT TO AVOID PUNISHMENT; OR

2) AFTER BEING CHARGED IN A PHILIPPINE COURT TO AVOID PROSECUTION.

- On page 3, lines 15 to 18, replace the whole subsection with the following:

INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO) – REFERS TO THE SPECIALIZED AGENCY OF THE UNITED NATIONS (UN) THAT MANAGES THE ADMINISTRATION AND GOVERNANCE OF THE CONVENTION ON INTERNATIONAL CIVIL AVIATION OR THE CHICAGO CONVENTION, OF WHICH THE PHILIPPINES BECAME A PARTY IN 1947;

- On page 4, lines 1 to 5, replace the definition of “*Machine Readable Travel Document*” with the following:

REFERS TO A TRAVEL DOCUMENT CONFORMING WITH THE SPECIFICATIONS CONTAINED IN ICAO DOCUMENT 9303.

- On page 4, line 11, insert the new subsections (Q) and (R) which respectively read as follows:

(Q) *PASSPORT PERSONALIZATION* – THE PROCESS BY WHICH THE BIOMETRIC DATA, BIOGRAPHICAL DATA, AND THE SIGNATURE ARE APPLIED TO THE PASSPORT;

(R) *PASSPORTING SERVICES* – REFERS TO SERVICES RELATING TO THE PROCESSING, ENCODING, TRANSMISSION, PERSONALIZATION, AND

RELEASING OF PASSPORTS, INCLUDING ONLINE SERVICES; AND ALL OTHER RELATED FUNCTIONS AND CAPACITIES;

- On page 4, lines 27 to 29, delete the entire subsection “(t)” on *Syndicate*.
- On page 4, line 30, insert a new subsection (V) which shall read as follows:

(V) *TRAVEL DOCUMENT* – REFERS TO AN OFFICIAL DOCUMENT ISSUED BY THE PHILIPPINE GOVERNMENT AND IS USED BY THE HOLDER FOR INTERNATIONAL TRAVEL.

- On page 5, line 21, insert a new subsection (A) which reads as follows:

(A) PERSONAL APPEARANCE FOR BIOMETRIC AND BIOGRAPHIC DATA CAPTURING;

- On page 6, lines 10 to 11, delete the phrase “individual’s record in the Philippine Identification System (PhilSys) as provided for in Section 6 of” and replace it with “APPLICANT’S PHILID ISSUED PURSUANT TO”.
- On page 7, line 12, insert a new subsection, to read as follows:

FOR APPLICANTS WHO ARE UNABLE TO READ OR WRITE, PERSONS WITH DISABILITIES (PWDs), OR SENIOR CITIZENS, THEY MAY BE ASSISTED BY A RELATIVE WITHIN THE FOURTH CIVIL DEGREE OF CONSANGUINITY OR AFFINITY OR BY THE TRAVELING COMPANION OF THE APPLICANT.

- On page 7, lines 25 to 30, replace the whole subsection with the following:

(L) FOR GOVERNMENT OFFICIALS OR EMPLOYEES SEEKING TO APPLY FOR A DIPLOMATIC OR OFFICIAL PASSPORT, THEY SHALL SUBMIT A TRAVEL AUTHORITY ISSUED BY THE HEAD OF THE DEPARTMENT, AGENCY, OR OFFICE, OR SUCH HEAD’S DULY AUTHORIZED REPRESENTATIVE.

- On page 10, line 2, delete the phrase “accorded full powers by the Senate” and replace with DULY AUTHORIZED TO REPRESENT THE COUNTRY.
- On page 10, lines 24 to 26, delete “not exceeding two (2) persons; *Provided*, That an increase in domestic service and household members of such official shall be approved by the Secretary”.
- On page 11, lines 10 to 12, delete the sentence “The spouse and minor children of persons entitled to diplomatic or official passports shall be issued regular passports if they are not accompanying or following to join them”.
- On page 11, line 13, insert the paragraph THE DFA SHALL PRESCRIBE THE NUMBER OF PAGES OF PASSPORT BOOKLETS BASED ON INTERNATIONAL STANDARDS AND BEST PRACTICES: *PROVIDED*, THAT AN OPTION TO APPLY FOR A PASSPORT BOOKLET WITH ADDITIONAL

PAGES SHALL BE MADE AVAILABLE SUBJECT TO REASONABLE FEES AS MAY BE DETERMINED BY THE DFA SECRETARY.

- On page 11, lines 14 to 27, delete the whole subsection (d), and insert a new section which shall read as follows:

*EMERGENCY TRAVEL DOCUMENTS.* - TYPES OF EMERGENCY TRAVEL DOCUMENTS:

(1) EMERGENCY PASSPORT SHALL BE ISSUED TO FILIPINO TRAVELERS WHO HAVE LOST THEIR PASSPORTS WHILE TRAVELING OVERSEAS AND ARE JUSTIFIABLY IN NEED TO COMPLETE THEIR INTENDED OVERSEAS TRAVEL PRIOR TO RETURN IN THE PHILIPPINES OR THEIR RESIDENCE OVERSEAS. THIS SHALL BE VALID FOR ONE (1) YEAR FROM THE DATE OF ISSUANCE; AND

(2) *EMERGENCY TRAVEL CERTIFICATE* SHALL BE ISSUED TO FILIPINOS RETURNING TO THE PHILIPPINES WHO HAVE LOST THEIR PASSPORTS OVERSEAS OR CANNOT BE ISSUED A REGULAR PASSPORT. THIS CERTIFICATE SHALL BE VALID FOR THIRTY (30) DAYS UP TO SIX (6) MONTHS FROM THE DATE OF ISSUANCE.

THE FILIPINO'S ALIENS SPOUSE AND CHILDREN WHO ARE TRAVELING TO OR ARE RETURNING TO PERMANENT RESIDENCE OF THE PHILIPPINES MAY ALSO BE ISSUED AN EMERGENCY TRAVEL CERTIFICATE.

- On page 11, lines 29 to 32 up to page 12, lines 1 and 2, delete the whole subsection (e) and insert a new section, which shall read as follows:

*CONVENTION TRAVEL DOCUMENT.* - A CONVENTION TRAVEL DOCUMENT SHALL BE ISSUED FOR A STATELESS PERSON WHO IS LIKEWISE A PERMANENT RESIDENT OR A REFUGEE GRANTED SUCH STATUS OR ASYLUM IN THE PHILIPPINES. THIS DOCUMENT SHALL BE VALID FOR FIVE (5) YEARS FROM DATE OF ISSUANCE.

- On page 12, lines 11 to 17, replace subparagraphs (1) and (2) with the following:

(1) UPON ORDERS OF THE COURT TO HOLD THE DEPARTURE OF AN INDIVIDUAL;

(2) UPON SUBMISSION OF A DULY NOTARIZED REQUEST BY THE PERSON EXERCISING PARENTAL AUTHORITY OVER A MINOR OR INCAPACITATED APPLICANT.

- On page 13, lines 1 to 7, replace the whole subparagraph (3) with the following:

(3) UPON ORDERS OF THE COURT, WHEN THE HOLDER IS A SUSPECTED TERRORIST CHARGED WITH ANY VIOLATION OF SECTIONS 4, 5, 6, 7, 8, 9, 10, 11, AND 12 OF REPUBLIC ACT NO. 11479 OR "THE ANTI- TERRORISM ACT OF 2020": *PROVIDED*, THAT A

PASSPORT MAY BE ISSUED UPON (A) ACQUITTAL OF THE ACCUSED, (B) THE DISMISSAL OF THE CASE FILED AGAINST SUCH PERSON, OR (C) THE DISCRETION OF THE COURT ON MOTION OF THE PROSECUTOR OR OF THE ACCUSED.

- On page 13, line 15, insert a new paragraph, which reads as follows:

DENIAL OF PASSPORT APPLICATION OR CANCELLATION OF PASSPORT FOR REASONS OTHER THAN BY ORDER OF THE COURT MAY BE APPEALED TO THE DFA SECRETARY.

- On page 13, lines 28 to 32, up to page 14, lines 2 to 27, delete both sections and replace with the following:

*PASSPORT DATABASE.* – THE DFA SHALL MAINTAIN AND OPERATE ITS OWN DATABASE, WHICH SHALL CONTAIN THE FOLLOWING: (A) APPLICANTS' BIOGRAPHICAL DATA, BIOMETRIC DATA, DEMOGRAPHIC DATA; (B) RECORD OF DENIALS, CANCELLATIONS, STOLEN, AND LOST PASSPORTS; AND (C) SUCH OTHER INFORMATION AS MAY BE NECESSARY TO IMPLEMENT THIS ACT.

THE DFA, IN COORDINATION WITH THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY, NATIONAL PRIVACY COMMISSION, PSA, AND OTHER PERTINENT AGENCIES, SHALL IMPLEMENT APPROPRIATE ORGANIZATIONAL, TECHNICAL, AND PHYSICAL SECURITY MEASURES TO ENSURE THAT THE INFORMATION GATHERED FOR THE PASSPORT DATABASE IS PROTECTED AGAINST TAMPERING, LOSS, DESTRUCTION, DAMAGE, AND UNAUTHORIZED ACCESS, USE, AND DISCLOSURE.

- On page 15, line 14, insert a new paragraph to read as follows: PERSONS WHO CONFISCATE OR OTHERWISE WITHHOLD A PASSPORT WITHOUT AUTHORITY THEREFOR SHALL BE PUNISHED IN ACCORDANCE WITH SECTION 22(E) OF THIS ACT.
- On page 16, lines 24 to 30, up to page 17, lines 1 to 8, replace the whole section with the following:

*LOSS OR DESTRUCTION OF A PASSPORT.* – THE LOSS OR DESTRUCTION OF A PASSPORT SHALL BE IMMEDIATELY REPORTED TO THE DFA OR A FOREIGN SERVICE POST BY SUBMITTING AN AFFIDAVIT STATING IN DETAIL THE CIRCUMSTANCES OF SUCH LOSS OR DESTRUCTION.

A PERSON WHO SUBSEQUENTLY MANAGES TO LOCATE HIS/HER LOST PASSPORT SHALL TURNOVER THE SAME TO THE DFA. AN AFFIDAVIT STATING THE LOCATION OF THE PASSPORT AND THE PERSON OR ENTITY IN POSSESSION THEREOF SHALL BE SUBMITTED IN CASE PHYSICAL TURNOVER OF THE LOST PASSPORT IS NOT FEASIBLE.

- On page 17, lines 10 to 17, replace the entire section with the following:

*FEES.* – REASONABLE FEES SHALL BE COLLECTED FOR THE PROCESSING AND ISSUANCE OF A PASSPORT OR A TRAVEL DOCUMENT: *PROVIDED*, THAT ANY FEE SHALL NOT BE INCREASED MORE THAN ONCE EVERY THREE (3) YEARS.

SENIOR CITIZENS AND PWDS SHALL BE ENTITLED TO A TWENTY PERCENT (20%) DISCOUNT ON THE APPLICATION FEES.

Senator Marcos deferred the amendments Nos. 100 to 103 which refers to the passport revolving fund until further information is provided by the DFA.

- On page 18, line 10, insert a new section, which shall read as follows:

*OFFSITE AND MOBILE PASSPORT SERVICES.* – THE DFA MAY PROVIDE OFFSITE AND MOBILE PASSPORT SERVICES IN AREAS OUTSIDE OF THE CONSULAR OFFICES AND FOREIGN SERVICE POSTS.

- On page 18, lines 16 to 23, replace the entire section with the following:

*SETTING UP OF SPECIAL LANES.* – THE DFA SHALL ARRANGE ACCOMMODATIONS FOR THE APPLICATION OF REGULAR PASSPORTS FOR SENIOR CITIZENS, PWDS, PREGNANT WOMEN, MINORS AGED SEVEN (7) YEARS OLD AND BELOW, SOLO PARENTS, OVERSEAS FILIPINO WORKERS (OFWS), AND INDIVIDUALS WITH EMERGENCY AND EXCEPTIONAL CASES THROUGH THE CREATION OF SPECIAL LANES. THE DFA SHALL ARRANGE ACCOMMODATIONS FOR REGULAR PASSPORT APPLICATIONS OF MUSLIM FILIPINOS WHO ARE INTENDING PILGRIMS TO THE ANNUAL HAJJ PILGRIMAGE, WHICH SHALL BE FOR A PERIOD OF FOUR (4) MONTHS COMMENCING ON THE DATE INDICATED IN THE OFFICIAL REQUEST BY THE NATIONAL COMMISSION ON MUSLIM FILIPINOS.

- On page 18, lines 25 to 31, up to page 25, lines 1 to 23, replace the entire section with the following:

*OFFENSES AND PENALTIES.* – (A) *OFFENSES RELATING TO ILLEGAL WITHHOLDING OF PASSPORT; PENALTIES.* – ANY PERSON OR ENTITY WITHOUT LEGAL AUTHORITY WHO CONFISCATES, RETAINS, OR WITHHOLDS ANY PASSPORT ISSUED BY THE DFA SHALL SUFFER THE PENALTY OF IMPRISONMENT OF NOT LESS THAN TWELVE (12) YEARS AND ONE (1) DAY BUT NOT MORE THAN TWENTY (20) YEARS, AND SHALL PAY A FINE OF NOT LESS THAN ONE MILLION PESOS (P1,000,000.00) BUT NOT MORE THAN TWO MILLION PESOS (P2,000,000.00): *PROVIDED*, THAT A PROSECUTION UNDER THIS ACT SHALL BE WITHOUT PREJUDICE TO ANY LIABILITY FOR VIOLATION OF REPUBLIC ACT NO. 8042 OR THE “MIGRANT WORKERS AND OVERSEAS FILIPINOS ACT OF 1995”, AS AMENDED.

(B) *OFFENSES RELATING TO ISSUANCES; PENALTIES.* – IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS AND ONE (1) DAY BUT NOT MORE THAN TWELVE (12) YEARS AND A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) BUT NOT MORE THAN



TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00) SHALL BE IMPOSED UPON ANY PERSON OR ENTITY WHO:

(1) ACTS OR CLAIMS TO ACT IN ANY CAPACITY OR OFFICE UNDER THE REPUBLIC OF THE PHILIPPINES WITHOUT LAWFUL AUTHORITY, ACCEPTS PASSPORT APPLICATIONS, GRANTS, ISSUES OR VERIFIES ANY PASSPORT OR OTHER TRAVEL DOCUMENT TO ANY OR FOR ANY PERSON WHOMSOEVER, OR IS CAUGHT SELLING IN WHATEVER CAPACITY PASSPORT APPLICATION FORMS, OR LOST OR STOLEN PASSPORTS AND TRAVEL DOCUMENTS;

(2) ACTS OR CLAIMS TO ACT IN ANY CAPACITY, WITH THE INTENTION TO PROFIT THEREBY, INTERCEPTS A PERSON PROCEEDING TO THE DFA OR ANY OF ITS CONSULAR OFFICES OR FOREIGN SERVICE POSTS TO APPLY FOR A PASSPORT OR OTHER TRAVEL DOCUMENT, AND PERSUADES, ENTICES, ENCOURAGES, OR MISLEADS SUCH APPLICANT TO COURSE THE APPLICATION THROUGH ANOTHER PERSON OR AGENCY OTHER THAN THE DFA OR ITS PERSONNEL ON THE PRETEXT OF FACILITATING ITS APPROVAL OR ISSUANCE BY THE DFA;

(3) BEING NEITHER A DIPLOMATIC OR CONSULAR OFFICIAL, NOR AN EMPLOYEE AUTHORIZED TO GRANT, ISSUE, OR VERIFY ANY PASSPORT OR OTHER TRAVEL DOCUMENT TO OR FOR ANY PERSON, AND EVEN THOUGH NOT CLAIMING TO BE SUCH, OFFERS, FOR ANY MATERIAL GAIN OR CONSIDERATION, TO ESCORT A PASSPORT APPLICANT, OR ASSIST THE SAME IN BOOKING AN APPOINTMENT, FILLING OUT AN APPLICATION FORM, MAKING PAYMENTS, HANDLING APPLICATION DOCUMENTS, OR ANY OTHER ACTION RELATING TO PASSPORT APPLICATION;

(4) HOARDING AND/OR SELLING OF ONLINE PASSPORT APPOINTMENT SLOTS FOR PECUNIARY GAIN OR ADVANTAGE;

(5) BEING A DIPLOMATIC OR CONSULAR OFFICIAL AUTHORIZED TO GRANT, ISSUE, OR VERIFY PASSPORTS, KNOWINGLY AND WILLFULLY GRANTS, ISSUES, OR VERIFIES ANY SUCH PASSPORT TO ANY OR FOR ANY PERSON NOT A CITIZEN OF THE REPUBLIC OF THE PHILIPPINES; OR

(6) BEING A DIPLOMATIC OR CONSULAR OFFICER, KNOWINGLY AND WILLFULLY GRANTS, ISSUES, OR CERTIFIES TO THE AUTHENTICITY OF ANY PASSPORT OR OTHER TRAVEL DOCUMENT FOR ANY PERSON NOT ENTITLED THERETO, OR KNOWINGLY AND WILLFULLY ISSUES MORE THAN ONE (1) PASSPORT TO ANY PERSON EXCEPT AS PROVIDED FOR IN THIS ACT.

(C) *OFFENSES RELATING TO FORGERY; PENALTIES.* – IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS AND ONE DAY TO TWELVE (12) YEARS AND A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) BUT NOT MORE THAN TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00) SHALL BE IMPOSED TO ANY PERSON OR ENTITY WHO WILLFULLY AND KNOWINGLY:

(1) FORGES, COUNTERFEITS, MUTILATES OR ALTERS ANY PASSPORT OR OTHER TRAVEL DOCUMENT OR ANY SUPPORTING DOCUMENT FOR A PASSPORT APPLICATION. THE POSSESSION OF THE DOCUMENTS HEREIN MENTIONED SHALL BE PRIMA FACIE EVIDENCE OF COMMISSION OF THE ACTS ENUMERATED HEREIN; OR

(2) WILLFULLY OR KNOWINGLY USES OR ATTEMPTS TO USE, OR FURNISHES TO ANOTHER FOR USE, ANY SUCH FORGED, COUNTERFEITED, MUTILATED, ALTERED, OR CANCELLED PASSPORT OR OTHER TRAVEL DOCUMENT.

The page continues with a proviso but this is deleted for this purpose, and we proceed, instead, to (d):

*(D) OFFENSES RELATING TO IMPROPER USE OF PASSPORTS, OTHER TRAVEL DOCUMENTS, AND SUPPORTING DOCUMENTS; PENALTIES. –*

IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS AND ONE DAY BUT NOT MORE THAN TWELVE (12) YEARS AND A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000) BUT NOT MORE THAN TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00) SHALL BE IMPOSED UPON ANY PERSON WHO WILLFULLY AND KNOWINGLY:

(1) USES OR ATTEMPTS TO USE ANY PASSPORT OR OTHER TRAVEL DOCUMENT ISSUED FOR THE USE OF ANOTHER;

(2) USES OR ATTEMPTS TO USE ANY SUPPORTING DOCUMENT BELONGING TO ANOTHER; OR

(3) SELLS, TRADES, PAWNS, MORTGAGES, OR USES A PASSPORT OR OTHER TRAVEL DOCUMENT AS A COLLATERAL TO SECURE DEBT, OR IN ANY MANNER USES SUCH PASSPORT OR OTHER TRAVEL DOCUMENT AS CURRENT OR OBJECT OF COMMERCE; *PROVIDED*, THAT IN SUCH SITUATION, THE BUYER, TRADER, CREDITOR, OR MORTGAGEE SHALL ALSO BE LIABLE TO THE SAME EXTENT AS THE PASSPORT/TRAVEL DOCUMENT HOLDER.

*(E) OFFENSES RELATING TO FALSE STATEMENTS; PENALTIES. –*

IMPRISONMENT OF NOT LESS THAN EIGHTEEN (18) MONTHS AND ONE (1) DAY BUT NOT MORE THAN SIX (6) YEARS AND A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) BUT NOT MORE THAN TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00) SHALL BE IMPOSED UPON ANY PERSON WHO WILLFULLY AND KNOWINGLY:

(1) MAKES ANY FALSE STATEMENT IN ANY APPLICATION FOR PASSPORT OR OTHER TRAVEL DOCUMENT WITH THE INTENT TO INDUCE OR SECURE THE ISSUANCE OF A PASSPORT OR OTHER TRAVEL DOCUMENT CONTRARY TO THIS ACT OR RULES AND REGULATIONS PRESCRIBED PURSUANT HERETO;

(2) MAKES ANY FALSE STATEMENT IN AN AFFIDAVIT DECLARING A PASSPORT OR OTHER TRAVEL DOCUMENT AS LOST OR DESTROYED; OR

(3) USES OR ATTEMPTS TO USE ANY PASSPORT OR OTHER TRAVEL DOCUMENT WHICH WAS SECURED IN ANY WAY BY REASON OF ANY FALSE STATEMENT.

(F) *OFFENSES PERTAINING TO UNFAIR AND DISCRIMINATORY PRACTICES.* – ANY VIOLATION OF SECTION 6 OF THIS ACT SHALL WARRANT THE FOLLOWING PENALTIES AND LIABILITIES:

(1) FIRST OFFENSE: ADMINISTRATIVE LIABILITY WITH SIX (6) MONTHS SUSPENSION;

(2) SECOND OFFENSE: ADMINISTRATIVE LIABILITY AND CRIMINAL LIABILITY OF DISMISSAL FROM SERVICE, PERPETUAL DISQUALIFICATION FROM HOLDING PUBLIC OFFICE AND FORFEITURE OF RETIREMENT BENEFITS AND IMPRISONMENT OF EIGHTEEN (18) MONTHS AND ONE DAY TO SIX (6) YEARS WITH A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) BUT NOT MORE THAN TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00).

(G) *SYNDICATE OR LARGE SCALE.* – THE PENALTIES PROVIDED FOR UNDER THIS SECTION SHALL BE IMPOSED IN THEIR MAXIMUM TERM WHEN THE OFFENSES ARE COMMITTED BY A SYNDICATE OR ON A LARGE SCALE.

THE OFFENSE IS DEEMED COMMITTED BY A SYNDICATE IF CARRIED OUT BY A GROUP OF THREE (3) OR MORE PERSONS CONSPIRING OR CONFEDERATING WITH ONE ANOTHER. IT IS DEEMED COMMITTED IN LARGE SCALE IF COMMITTED AGAINST THREE (3) OR MORE PERSONS, INDIVIDUALLY OR AS A GROUP.

(H) *OFFENDER IS A PUBLIC OFFICIAL.* – IN ADDITION TO THE PENALTIES PRESCRIBED IN THIS SECTION, THE OFFENDER SHALL BE DISMISSED FROM SERVICE AND SHALL SUFFER PERPETUAL ABSOLUTE DISQUALIFICATION TO HOLD OFFICE.

(I) *OFFENDER IS A CORPORATION, PARTNERSHIP, ASSOCIATION, OR ANY JURIDICAL PERSON.* – THE PENALTY PRESCRIBED IN THIS SECTION SHALL BE IMPOSED UPON THE PRESIDENT, PARTNER, MANAGER, AND/OR ANY RESPONSIBLE OFFICER OF THE CORPORATION, ASSOCIATION, OR ANY JURIDICAL PERSON WHO DIRECTLY PARTICIPATED IN THE COMMISSION OF THE VIOLATION OF THIS ACT AND ALLOWED ITS PERPETUATION AND CONTINUANCE: *PROVIDED*, THAT IN EVERY CASE, THE CRIMINAL CONVICTION OF THE LIABLE PERSON SHALL CAUSE AND CARRY THE AUTOMATIC REVOCATION OF THE BUSINESS LICENSE AND/OR SPECIAL CERTIFICATE OF ACCREDITATION OR CERTIFICATE OF REGISTRATION OF THE CORPORATION, PARTNERSHIP, ASSOCIATION, OR THE JURIDICAL PERSON: *PROVIDED, FURTHER*, THAT THESE ENTITIES AND THE PERSONS WHO ARE CRIMINALLY HELD LIABLE FOR THE VIOLATION

OF THIS ACT SHALL NOT BE ALLOWED TO OPERATE SIMILAR ESTABLISHMENTS UNDER DIFFERENT NAMES.

(J) *OFFENDER IS AN ALIEN.* – IN ADDITION TO THE PENALTIES PRESCRIBED IN THIS SECTION, THE ALIEN SHALL BE DEPORTED UPON SERVING THE SENTENCE AND BE PERMANENTLY BARRED FROM REENTERING THE PHILIPPINES.

The amendment was approved subject to style.

- On page 25, line 24, insert a new section to read as follows:

*APPROPRIATIONS.* – THE AMOUNT NECESSARY FOR THE EFFECTIVE IMPLEMENTATION OF THIS ACT SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

- On page 25, lines 25 to 27, replace the entire section with the following:

*IMPLEMENTING RULES AND REGULATIONS.* – WITHIN SIXTY (60) DAYS FROM EFFECTIVITY, THE DFA SHALL PROMULGATE THE NECESSARY RULES AND REGULATIONS FOR THE PROPER IMPLEMENTATION OF THIS ACT.

- On page 25, lines 28 to 30, up to page 26, lines 1 and 2, replace the entire section with the following:

*REPEALING CLAUSE.* – ALL LAWS, PRESIDENTIAL DECREES, EXECUTIVE ORDERS, LETTERS OF INSTRUCTION, PROCLAMATIONS, OR ADMINISTRATIVE REGULATIONS THAT ARE INCONSISTENT WITH THE PROVISIONS OF THIS ACT ARE HEREBY REPEALED, AMENDED, OR MODIFIED ACCORDINGLY.

- On page 26, lines 3 to 5, replace the entire section with the following:

*SEPARABILITY CLAUSE.* – IF ANY PROVISION OF THIS ACT IS DECLARED UNCONSTITUTIONAL, THE REMAINDER THEREOF NOT OTHERWISE AFFECTED SHALL REMAIN IN FORCE AND EFFECT.

- On page 26, lines 6 to 8, replace the entire section with the following:

*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.

- The new title shall read as follows:

AN ACT PROVIDING FOR A NEW PASSPORT LAW, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 8239, OTHERWISE KNOWN AS THE “PHILIPPINE PASSPORT ACT OF 1996”, AS AMENDED, AND PROVIDING FUNDS THEREFOR

### **3. Senate Bill No. 2386 under Committee Report No. 99**

An Act Instituting Reforms in Real Property Valuation and Assessment in the Philippines, Reorganizing the Bureau of Local Government Finance, and Appropriating Funds Therefor

Sponsor: Sen. Win Gatchalian

#### **Interpellation of Senator Dela Rosa**

Senator Dela Rosa inquired on the objectives of the proposed bill and what current real property valuation issues will it address. Senator Gatchalian responded that there are three overarching objectives of the bill: 1) to mandate uniform market values across different government agencies, not only local governments but also other national government agencies; 2) to digitalize the collection of taxes, particularly from local government units; and 3) to improve the fiscal capacity of our local government units.

The Sponsor further explained that, to date, there are 23 different national agencies doing different market valuations and land appraisals, such as the Bureau of Internal Revenue (BIR), the local government units, BOI, and the DPWH.

According to Senator Gatchalian, under the bill, the assessors in the local government will be in charge of coming up with the market values to be used by the different government agencies. Hence, there will be uniform market values across different users of this market value.

On the duties and responsibilities of the LGUs when the bill is enacted into law, Senator Gatchalian explained that the real property taxes are computed using three variables: schedule of fair market value under the Local Government Code, assessment level, and tax rate. In the bill, standards will be used to determine the market value of the property. The assessment level and the tax rates will remain with the local government unit. Meaning that the local government still has the power to reduce, increase, or maintain the status quo of the tax due being paid by their constituents.

With regard to the support of LGUs on the bill, Senator Gatchalian stated that the representatives of the Union of Local Authorities in the Philippines, League of Provinces, Provincial Board Members League of the Philippines, League of Cities, Philippine Councilors League, and League of Municipalities were present during the hearing and technical working group meetings. They did not voice out any opposition and even participated in the crafting of the bill.

The Sponsor pointed out that the proposed measure provides financial support for the local government units, especially for the sixth, fifth, fourth, and third-class municipalities for equity purposes. Priority is given to small local government units in terms of assisting them with technical expertise, digitalization, and financial support.

As regards how the bill will affect the local autonomy of the LGUs, the Sponsor mentioned that it will have no effect. The local governments will still have to debate and consult their constituents insofar as assessment level is concerned and insofar

as tax rates are concerned. What is being mandated under the law that will be crafted by the assessor and approved by the BLGF insofar as standards are concerned is only the schedule of market values.

The Sponsor also quoted the provision of the bill, which states: "Provided, however, That this law shall not be construed to abridge the power of the LGUs to lower and adjust assessment levels and tax rates in accordance with the provisions of Republic Act No. 7160 otherwise known as the 'Local Government Code of 1991.'"

With regard to the penalties to be imposed on elected officials who will not comply with the provision requiring the enactment of an ordinance not later than 120 days prior to the end of the taxable calendar year from receipt thereof, Senator Gatchalian explained that it is not explicit in the proposed measure. However, there are other laws that govern the operations of the local government units, including the sangguniang pambayan or sangguniang panlungsod, as the case may be, such as the Anti-Graft and Corrupt Practices Act and the Local Government Code, among others.

The Sponsor stressed that the direction of the bill is to improve the fiscal capacity of a local government unit so that they will have the ability to create projects, the ability to help their constituents, and the ability to come up with programs that will alleviate the conditions of their local government.

On the query on whether the Committee considered the pandemic and the burden of possible increases in real property taxes that will be added to the current financial predicament of taxpayers, the Sponsor stated that in case of a pandemic or any calamity, the assessor could recommend to lower down the schedule of market value,

**The session was adjourned at 6:47 p.m.**