

Draft DAO as of 10 August 2020

**DEPARTMENT ADMINISTRATIVE ORDER NO. _____
SERIES OF 2020**

SUBJECT: REVISED GUIDELINES ON THE RECOGNITION OF CONSUMER ORGANIZATIONS (COs)

WHEREAS, Section 23 Article II of the 1987 Philippine Constitution declares that the State shall encourage the formation of non-governmental, community-based, or sectoral organizations that promote the welfare of the nation;

WHEREAS, under the Letter of Instructions No. 1337 issued on 29th day of June 1983, all consumer organizations are required to register with the then Ministry of Trade and Industry, now known as Department of Trade and Industry;

WHEREAS, Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, declares as basic State policy to implement measures to achieve involvement of consumer representatives in the formulation of social and economic policies and further provides that the DTI shall establish procedures for meaningful participation by consumers or consumer organizations (COs) in the development and review of department rules, policies and programs;

WHEREAS, in recognition of the role and valuable contributions of consumer organizations, in the area of consumer protection, the DTI conducted a Tri-Sectoral Conference on Consumer Welfare where action plans were developed focusing on the following five areas, viz.: (i) Tri-Sectoral Cooperation and Organization, (ii) Consumer Education, (iii) Consumer Issues, (iv) Consumer Groups' Best Practices, and (v) Business Sector's Best Practices on 09 October 2000;

WHEREAS, the DTI issued Department Administrative Order No. 17-07, Series of 2017 (DAO No. 17-07, S2017), otherwise known as the "Guidelines on the Recognition of Consumer Organizations";

WHEREAS, in order to revitalize the involvement of consumer organizations in consumer-related activities and programs, there is a need of to revisit and revise the existing guidelines on the recognition of consumer organizations;

NOW, THEREFORE, the following Guidelines is hereby prescribed and promulgated for the information, guidance and compliance of all concerned.

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RULE I
GENERAL PROVISIONS

53 **Section 1. Objectives.** This Department Administrative Order (DAO) shall have the
54 following objectives:

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56 1.1 Encourage consumers to establish active COs;
57 1.2 Lay down the guidelines and procedures for the recognition and availing of
58 benefits to sustain programs or projects that positively contribute to the
59 promotion of consumers' interests;
60 1.3 Ensure recognition to COs that actively advocate, promote and advance
61 consumer's interests and welfare;
62 1.4 Empower COs to champion the welfare of consumers; and
63 1.5 Promote effective partnership between government and COs.

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65 **Section 2. Scope and Coverage.** The following Guidelines shall apply to group of
66 individuals who organized themselves for a common cause of promoting the welfare
67 and protecting the rights of consumers.

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69 **Section 3. Definition of Terms.** For purposes of these Guidelines, the following terms
70 shall be defined as follows:

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72 3.1 "Affiliated chapter" – refers to a consumer organization attached or connected
73 to an organization similar in nature which thereby becomes its parent
74 organization.
75 3.2 "*Certificate of Recognition (COR)*" refers to the document issued by the DTI
76 attesting that the CO named therein has satisfactorily met all the
77 requirements and qualifications as prescribed herein;
78 3.3 "*Consumer*" means a person who is a purchaser, lessee, recipient or
79 prospective purchaser, lessor or recipient of consumer products, services or
80 credit;
81 3.4 "*Consumer Assistance Facility (CAF)*" refers to any facility whether physical
82 or online where the CO can provide assistance to members or non-members
83 on consumer-related concerns;
84 3.5 "*ConsumerNet*" refers to the network of government agencies tasked by their
85 respective mandate to deliver basic essential services to the public in general
86 and to the consumer in particular;
87 3.6 "*Consumer Organization (COs)*" refer to a group of individuals who organized
88 themselves for a common cause of promoting the welfare and protecting the
89 rights of consumers;
90 3.7 "*Consumer related activities*" refer to the plans, activities and programs for the
91 welfare of the consumers;
92 3.8 "*Federation*" refers to a consumer organization, comprised of at least three (3)
93 smaller organizations of similar nature, purposely organized for dealing with
94 consumer related concerns;
95 3.9 "*Recognition*" refers to the attestation by DTI that a CO complies with the
96 requirements or meets the qualifications as provided by this Guidelines;
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101 **RULE II**
102 **CONSUMER ORGANIZATION**

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104 **Section 1. Classification of Consumer Organizations (COs).** Consumer
105 organizations are classified as follows:

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107 1.1 **Enlisted Consumer Organization (ECO).** A consumer organization which
108 forms part of the DTI database of consumer organizations.

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110 1.2 **Recognized Consumer Organization (RCO).** An enlisted consumer
111 organization that is recognized by the DTI, having met all the qualifications as
112 provided herein.

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114 **Section 2. Categories of Consumer Organizations.** Consumer organizations are
115 categorized as follows:

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117 2.1 **Local Consumer Organization (LCO).** A consumer organization whose
118 programs, activities and affairs directly affect the consumers of a city,
119 municipality, province or region where it is based.

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121 2.2 **National Consumer Organization (NCO).** A consumer organization whose
122 programs, activities and affairs directly affect the consumers all over the
123 Philippines.

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125 **Section 3. Enlistment of Consumer Organizations.** Consumer organizations may
126 have themselves voluntarily enlisted with DTI by filling out a form intended for such
127 purpose and after payment of one hundred fifty pesos (P150.00).

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129 DTI shall maintain and update the list of consumer organizations.

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131 **RULE III**
132 **RECOGNITION OF CONSUMER ORGANIZATIONS**

133 **Section 1. Minimum Qualifications of a Local Consumer Organization (LCO).** To
134 qualify for recognition as LCO, a consumer organization shall meet the following:

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136 1.1 Enlisted as a consumer organization;
137 1.2 Has at least five (5) individual members including its officers, majority of
138 which are Filipino citizens;
139 1.3 Possesses good standing as certified by the city, municipality, province or
140 region; and
141 1.4 At least one (1) year of proven track record as a local consumer organization
142 supported with actual record of relevant activities or programs undertaken as
143 certified by at least a Barangay Chairman.

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145 **Section 2. Minimum Qualifications of a National Consumer Organization (NCO).**
146 To qualify for recognition as NCO, a consumer organization shall meet the following:

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148 2.1 Enlisted as a consumer organization;
149 2.2 A Securities and Exchange Commission (SEC) or a Cooperative
150 Development Authority (CDA) registered consumer organization; and

- 151 2.3 Have at least thirty (30) individual members including its officers, majority of
152 which are Filipinos. If its total membership is below thirty (30), the CO shall
153 have at least two (2) affiliates or federation from each of the major island
154 other than that of the NCO, provided that the combined number of members
155 shall not be less than thirty (30).
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157 **Section 3. Requirements for Recognition.**
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159 3.1 For LCO, the following shall be submitted:

- 160 3.1.1 Names, postal address, e-mail address, contact numbers and
161 citizenship of all members;
162 3.1.2 Certificate of good standing issued by the city, municipality, province or
163 region;
164 3.1.3 Proof of relevant track record; and
165 3.1.4 Other documents that may be deemed necessary.
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167 3.2 For NCO, a copy of the SEC/CDA Certificate of Registration shall be submitted
168 as an additional requirement.
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170 **Section 4. Procedure for Recognition.** The recognition of COs shall be in accordance
171 with the following:
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- 173 4.1 Upon voluntary enlistment, a consumer organization shall be informed of
174 DTI's recognition program;
175 4.2 Interested enlisted COs shall submit the requirements personally, via e-mail,
176 registered mail or through courier within office hours on or before December
177 31 and on or before June 30, at DTI-CPAB for NCOs and LCOs located in
178 NCR and at DTI-RO/PO for LCOs under their jurisdiction;
179 4.3 The DTI-CPAB or DTI-RO/PO shall evaluate the completeness of documents
180 within three (3) working days from receipt;
181 4.3.1 For incomplete submission, inform the CO of any deficiency and to
182 complete or rectify the same within five (5) working days from receipt
183 of notice;
184 4.3.2 For complete submission, inform the CO of the next steps.
185 4.4 The concerned DTI Office shall conduct necessary verification or validation of
186 information, authenticity of documents through ocular inspection, interview or
187 other available method;
188 4.5 A report on the result of verification and validation shall be documented and
189 submitted for the approval of the DTI Director concerned;
190 4.6 The CO shall be notified of the result within three (3) working days from the
191 approval thereof. Qualified COs shall be required to submit an Undertaking
192 duly signed by its president or duly authorized officer, and sworn to before a
193 notary public or the Director of DTI-CPAB/DTI-RO/DTI-PO at least fifteen (15)
194 days from notice. Copy of the Undertaking is hereto attached as Annex A;
195 4.7 The Certificate of Recognition shall, upon the recommendation of the
196 Undersecretary for CPG or ROG, be signed by the DTI Secretary.
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202 **RULE IV**
203 **THE CERTIFICATE OF RECOGNITION**

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205 **Section 1. Contents of the Certificate of Recognition (COR).** The Certificate of
206 Recognition shall contain the following:

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208 1.1 Name of the recognized consumer organization and its complete address;
209 1.2 Category of the recognized CO;
210 1.3 Validity period;
211 1.4 Date and place of issue;
212 1.5 COR Number or Quick Response (QR) Code;
213 1.6 Statement that the Certificate of Recognition is non-transferable; and
214 1.7 Name and signature of the DTI recommending and approving authority
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216 **Section 2. Validity Period of the COR.** The Certificate of Recognition shall be valid for
217 a period of three (3) years unless sooner suspended or cancelled on grounds
218 prescribed in this Guidelines.
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220 **Section 3. Awarding of COR.** The COR shall be awarded every March and October of
221 each year, during the celebration of the World Consumer Rights' Day and Consumer
222 Welfare Month, respectively.
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224 **Section 4. Random Monitoring of Activities.** The DTI CPAB or RO/PO shall conduct
225 random monitoring of recognized COR twice a year, to verify compliance with
226 Undertaking submitted.
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228 **RULE V**
229 **RESPONSIBILITIES, BENEFITS AND PRIVILEGES OF**
230 **CONSUMER ORGANIZATIONS**

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232 **Section 1. Minimum Responsibilities of Enlisted Consumer Organizations (COs).**
233 All enlisted COs are expected to perform the following:
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- 235 1.1 Initiate consumer-related activities and conscientiously advocate respect for
236 consumer rights including consumer education activities and dissemination of
237 consumer-related information materials.
238 1.2 Participate in the annual celebration of the World Consumer Rights Day every
239 15th day of March and the Consumer Welfare Month every October.
240 1.3 Promote equality among its members or non-members regardless of gender,
241 race, religion, or background.
242 1.4 Advise the DTI, other concerned government agencies and the consumers
243 about any pressing issue/s that violate/s the Consumer Act of the Philippines,
244 Fair Trade Laws (FTLs) and other consumer related laws.
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246 **Section 2. Mandatory Responsibilities of Recognized Consumer Organizations**
247 **(RCOs).** In order to maintain their status as RCOs, the latter shall perform the following:
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- 249 2.1 Participate actively in local consumer related seminars/webinars, info
250 sessions, workshops and the like, initiated by the members of the
251 ConsumerNet;

- 252 2.2 Represent consumers in public consultations or hearings on the formulation
253 of consumer laws and policies;
254 2.3 Initiate consumer-related plans, activities, and programs;
255 2.4 Establish a Consumer Assistance Facility (CAF), whether physical or online,
256 to provide assistance on consumer-related concerns;
257 2.5 Submit highlights of accomplishments, in narrative, photo/video or media
258 release, to DTI-CPAB or DTI-PO every semester. For January-June, reports
259 shall be submitted not later than July 30. For July-December, reports shall be
260 submitted not later than January 30 of the following year;
261 2.6 Submit price monitoring reports/data of basic necessities and prime
262 commodities and compliance of business establishments on Fair Trade Laws
263 (FTLs) to populate the data by DTI in its price monitoring activities; and
264 2.7 Advise the DTI, other concerned government agencies and the consumers
265 about any relevant issue/s or any violation of the Consumer Act of the
266 Philippines, Fair Trade Laws (FTLs) and other consumer related laws.
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268 **RULE VI**
269 **PRIVILEGES AND BENEFITS OF**
270 **RECOGNIZED CONSUMER ORGANIZATIONS**
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272 **Section 1. Privileges of Recognized Local and National Consumer Organizations.**

273 Recognized Consumer Organizations are entitled to the following:
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- 275 1.1. Assist consumer or group of consumers in consumer-related issues and
276 concerns.
277 1.2. Endorsement by DTI to represent the consumer in bodies/forum/activities.
278 1.3. Feature article of RCO's programs, accomplishments and projects at the DTI
279 website and social media accounts.
280 1.4. Technical assistance through training/workshop/capability building and the
281 like conducted by DTI.
282 1.5. Inclusion in the list of RCOs to be published in the DTI website.
283 1.6. Provision of consumer information materials for dissemination to their
284 respective members and consumers.
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286 **Section 2. Benefits of SEC/CDA Registered RCOs.** In addition to the above
287 privileges, Recognized Consumer Organizations may upon request avail of any of the
288 following:
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- 290 2.1. Represent a consumer or group of consumers in public
291 hearings/consultations, consumer-related issues and concerns.
292 2.2. Conduct of consumer education and other related-activities with the
293 assistance of DTI.
294 2.3. Nomination as official representative of the Philippines in international
295 consumer protection related fora/meetings or trainings.
296 2.4. Endorsement by DTI to attend/participate in consumer related local fora/
297 meetings or trainings.
298 2.5. Membership to a relevant committee with honorarium subject to availability of
299 funds and existing COA and DBM auditing rules and regulations.
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304 **RULE VII**
305 **SUSPENSION, CANCELLATION, RECALL AND**
306 **REINSTATEMENT OF THE CERTIFICATE OF RECOGNITION**
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308 **Section 1. Suspension of the Certificate of Recognition (COR).** If based on the
309 assessment of reports submitted, there is a finding of non-performance of any of the
310 RCOs' mandatory responsibilities, the DTI Office concerned shall notify the RCO of
311 such finding and shall be given a certain period within which to implement corrective
312 and/or preventive action. If despite receipt of such notice, the RCO fails to comply
313 therewith, the DTI Director may suspend the COR for a period of not less than one (1)
314 month but not more than three (3) months from date of issuance.

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316 **Section 2. Reinstatement of Suspended COR.** After the lapse of the period of
317 suspension, a Notice of Reinstatement shall be issued to the RCO by the DTI Office
318 concerned. The COR shall be reinstated for the remaining period of its validity.
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320 **Section 3. Cancellation and Recall of the COR.** After due notice and hearing, the
321 concerned DTI Director may cancel and recall the Certificate of Recognition on any of
322 the following grounds:
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- 324 3.1 Material misrepresentation or falsehood in the documentary requirements
325 submitted in support of the recognition;
326 3.2 Conduct inimical or prejudicial to the interest of its members, the consumers
327 in general, to the DTI Office that granted its Certificate of Recognition and to
328 the DTI as a whole, such as but not limited to:
329 3.2.1 Promoting business enterprises or endorsing a product of or granting
330 awards to business enterprises that engage in activities that violate the
331 provisions of the Consumer Act or any other consumer-related laws,
332 rules and regulations or endorsing a product of or granting awards to
333 said business enterprises;
334 3.2.2 Receiving any monetary or material support that may compromise the
335 CO's independence.
336 3.2.3 Divulging confidential information that may be detrimental to consumer
337 interest.
338 3.3 Incurring of at least two (2) consecutive suspensions within the validity period
339 of the COR;
340 3.4 Engaging primarily in profit making activities not incidental to their operations,
341 or political endeavors or analogous circumstances.
342 3.5 Cancellation by SEC or CDA of the Certificate of Registration.
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344 **RULE VIII**
345 **MISCELLANEOUS PROVISIONS**
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347 **Section 1. Transitory Provision.** All Certificates of Recognition previously issued in
348 favor of Consumer Organizations, shall remain valid until its expiration unless sooner
349 cancelled or revoked.
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351 **Section 2. Separability Clause.** If any clause, provision, paragraph or part thereof shall
352 be declared unconstitutional or invalid, such judgment shall not affect, invalidate or
353 impair any other part hereof but such judgment shall be merely confined to the clause,

354 provision, paragraph or part directly involved in the controversy in which such judgment
355 has been rendered.

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357 **Section 3. Repealing Clause.** All administrative orders, rules, regulations, memoranda,
358 circulars, resolutions, and other issuances that are contrary to or inconsistent with the
359 provisions of this Order are hereby modified, superseded, or repealed accordingly.

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361 **Section 4. Effectivity.** This Order shall take effect fifteen (15) days after its publication
362 in the Official Gazette or in a major daily newspaper of general circulation in the
363 Philippines and filing with the Office of the National Administrative Register (ONAR) of
364 the UP Law Center.

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366 Signed this ____ day of _____ 2020 in Makati City, Philippines.

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RAMON M. LOPEZ
Secretary

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RECOMMENDING APPROVAL:

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ATTY. RUTH B. CASTELO
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RECOMMENDED BY:

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