

DEPARTMENT ADMINISTRATIVE ORDER NO. 20-05
Series of 2020

Subject: **Development of a Philippine Online Dispute Resolution System (PODRS)**

WHEREAS, Section 9, Article XVI of the 1987 Philippine Constitution provides for the protection of consumers from trade malpractices and from substandard or hazardous products;

WHEREAS, Article 2 of Republic Act (RA) No. 7394, otherwise known as Consumer Act of the Philippines, states that it is the policy of the State to protect the interest of the consumer, promote his general welfare and to establish standards of conduct for business and industry and implement measures to achieve, among others, protection against deceptive, unfair and unconscionable sales act and practices;

WHEREAS, consumers becoming more aware of their rights by which to address their grievances has resulted in the considerable increase in the number of consumer complaints, thus, there is a need to provide a redress mechanism that should be readily available to the consumers at any time and any place;

WHEREAS, pursuant to Strategic Goal 3 embodied under the ASEAN Strategic Action Plan on Consumer Protection (ASAPCP) 2016-2025 for the post ASEAN Economic Community (AEC) 2025, which aims to institute a high consumer confidence in AEC and cross-border commercial transactions, it is provided therein that each ASEAN Member State must establish its respective Online Dispute Resolution System (ODRS) by the year 2020 to increase accessibility to redress for a wider consumer base; offer a fast, simple, and low cost method for redress; and enhance consumer confidence in online transactions;

WHEREAS, the Department of Trade and Industry, as proponent of the program, was tasked to institutionalize the establishment of the PODRS which shall serve as the web-based consumer complaint portal of the country where consumers can file complaint and seek redress in relation to the product purchased or service availed either online or offline from a business establishment or platform located in the Philippines;

WHEREAS, the PODRS will automate the entire consumer complaints-handling process of the government by interlinking all the member agencies of the Consumer Network (ConsumerNet), or the group of government departments with consumer protection function, to provide redress to those consumers who will file a complaint through the system wherever they may be in the world;

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WHEREAS, a network of government agencies or the ConsumerNet tasked by their respective mandate to deliver basic essential services to the consumer or the public was constituted;

WHEREAS, the Department of Trade and Industry (DTI) is one of the implementing agencies to enforce consumer laws, rules and regulations in relation to consumer products not falling under the purview of other government agencies, such as the Department of Agriculture and Department of Health;

NOW, THEREFORE, for and in consideration of the foregoing premises, the following Order is hereby prescribed and promulgated for the information, guidance, and compliance of all concerned.

ARTICLE 1 GENERAL PROVISION

Section 1. Short Title. This Order shall be referred to as the "Philippine Online Dispute Resolution System (PODRS)".

Section 2. Objectives. This Order is hereby adopted for the purpose of developing and establishing an integrated national online system by which all consumer complaints are received, docketed, transmitted, and resolved, providing a network facility for the tracking, ageing and status updating of cases, and prescribing standards and limits of disclosure of data to maintain integrity and credibility of the system.

Section 3. Coverage. This Order shall be applicable to all consumer complaints filed through the PODRS.

Section 4. Applicability of Existing Administrative Rules of Procedure and the Revised Rules of Court. In the absence of any applicable provision in these Rules, the pertinent provisions of the existing procedure and citizen's charter of the concerned government agencies in accordance with RA 11032 and the Revised Rules of Court shall apply suppletorily.

ARTICLE 2 DEFINITION OF TERMS

Section 1. Definition of Terms. For purposes of this Order, the following terms shall mean or be understood as follows:

- 1.1. **Agencies** – refers to the members of the Consumer Network.
- 1.2. **Consumer** – refers to a person, natural or juridical, who is a purchaser, lessee, recipient or prospective purchaser, lessor or recipient of consumer product, services or credit;

- 1.3. **ConsumerNet** – network of government agencies tasked by their respective mandate to deliver basic essential services to the public in general and to the consumer in particular;
- 1.4. **Data Privacy** – refers to the exercise and observance of the rights of data subjects as enumerated under the Data Privacy Act of 2012 (otherwise known as R.A. No. 10173) recognizing the fundamental human right of every individual to privacy and the State's inherent obligation to ensure that personal data in information and communications systems in the government and in the private sector are secured and protected;
- 1.5. **Mediation** – a mode of dispute resolution wherein a mediator facilitates communication and negotiation between the parties, and assists the parties in reaching a voluntary agreement regarding a dispute;
- 1.6. **Philippine Online Dispute Resolution System (PODRS)**– refers to any system of alternative dispute resolution that uses the internet or information and communication technology to facilitate the resolution of disputes between parties;
- 1.7. **Parties** – refers to the complainant, respondent, and/or third-party.

ARTICLE 3

ADMINISTRATION OF THE INTEGRATED NATIONAL ONLINE SYSTEM

Section 1. Server/Administrator/Program Owner. The DTI shall be the administrator/owner of the PODR System.

Section 2. Location of Server. The server will be located at any DTI building.

Section 3 Functionality of the System. The system shall have the following minimum features and functions:

- a) Well-defined parameters and scope
- b) Simple and user-friendly system
- c) Multi-platform accessibility
- d) Fast and reliable
- e) Flexible system (adaptable to change)
- f) Able to handle traffic
- g) Referral capability
- h) Include monitoring of status and feedback mechanism
- i) Auto generation of analytics on complaints data
- j) Three-way communication (complainant, respondent, mediator/government agency representative)
- k) Bilingual (option to choose between English or Filipino)
- l) Have security and data privacy features including multi-factor authentication for assigned users/parties
- m) Include an information and education section (e.g. FAQs, Advisories, News)
- n) Electronic submission and/or transmittal of letters and supporting documents which can be signed electronically by all parties
- o) Capable to handle and store big data
- p) User login requirement (no anonymous complaints)

ARTICLE 4 PHASES OF ESTABLISHMENT OF THE PODR SYSTEM

Section 1. The PODR system shall be piloted in DTI then shall serve as the web-based consumer complaints portal of the country eventually. It will automate the entire consumer complaints-handling process of the government by interlinking all the member agencies of the Consumer Network (ConsumerNet). The establishment of the system will undertake the following phases:

- a. Phase 1 – Development and operationalization of consumer complaints filing, tracking, ageing, reports generation, and status updating
- b. Phase 2 – Development of a virtual mediation conference and possible online resolution of complaints
- c. Phase 3 – Linkage with the ASEAN ODR System for effective resolution of cross-border consumer complaints

Section 2. The Department shall encourage members of the ConsumerNet to use the PODRS in resolving consumer complaints within their department/agencies.

ARTICLE 5 RESPONSIBILITIES

The Department of Trade and Industry shall have the following responsibilities:

- 1.1. Put up an online portal that will be the PODRS;
- 1.2. Ensure that the process of handling and resolving consumer complaints and disputes are streamlined and harmonized with the objectives of the PODRS;
- 1.3. Promote the importance, benefits and utilization of PODRS; and
- 1.4. Make available dedicated channels of communication such as but not limited to telephone, email, and social media platforms for easy access regarding consumer queries and complaints.

ARTICLE 6 DATA PRIVACY

Section 1. Data Privacy Compliance. The confidentiality, integrity and availability of the personal information stored through the PODRS shall be ensured, in strict compliance with the Data Privacy Act of 2012 and the Implementing Rules and Regulations, and other issuances of the NPC.

ARTICLE 7 MISCELLANEOUS PROVISION

Section 1. Separability Clause. If any clause, provision, paragraph or part thereof shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate or impair any other part hereof but such judgment shall be merely confined

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

Section 2. Repealing Clause. All administrative orders, rules, regulations, memoranda, circulars, resolutions, and other issuances that are contrary to or inconsistent with the provisions of this Order are hereby modified, superseded, or repealed accordingly.


Section 3. Effectivity Clause. This Order shall take effect fifteen (15) days after its publication in the Official Gazette or in a major daily newspaper of general circulation in the Philippines and filing with the Office of the National Administrative Register (ONAR) of the UP Law Center.

Done this 15th of Sept-2020 at Makati City, Metro Manila.

Recommended by:


Atty. Marimel D. Porciuncula
Director, CPAB

Recommending Approval


ATTY. RUTH B. CASTELO
Undersecretary, CPG

Approved by:


RAMON M. LOPEZ
Secretary