



DEPARTMENT ADMINISTRATIVE ORDER NO. 10-04
Series of 2010

SUBJECT: Guidelines on the Issuance, Use and Redemption of Gift Checks, Certificates or Gift Cards in accordance with Republic Act No. 7394 or the Consumer Act of the Philippines, and for other Purposes

Whereas, Article 2 of Republic Act No. 7394 or the Consumer Act of the Philippines declares that it is the policy of the State to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry;

Whereas, Article 3 of the same Act provides that the best interest of the consumer shall be considered in the interpretation and implementation of the provisions therein, including its implementing rules and regulations;

Whereas, Article 48 of the same Act declares that the State shall promote and encourage fair, honest and equitable relations among parties in consumer transaction and protect the consumers against deceptive, unfair and unconscionable sales acts and practices;

Whereas, the Department of Trade and Industry (DTI), recognizing that a gift certificate/check/card represents value held in trust by the issuer thereof on behalf of its beneficiary/bearer, finds it imperative to ensure that consumers are not unduly deprived of their money;

Whereas, the DTI is empowered to prescribe reasonable guidelines in the business practice of issuance of gift certificate/check/card;

NOW, THEREFORE, pursuant to Title X, Book IV of the Administrative Code of 1987 and Chapter I, Title III, specifically Article 52 of Republic Act. No. 7394 otherwise known as the Consumer Act of the Philippines, this Guidelines is hereby promulgated for the information, guidance and compliance of all concerned.

Section 1. Scope. This Order shall apply to all issuers, distributors and sellers of gift certificate/check/card hereinafter referred to as "suppliers".

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Section 2. Definition and Coverage. As referred to in this Order,

"Gift Check/Certificate/Card" means an instrument issued by a supplier to an individual, partnership or a juridical entity for monetary consideration evidencing a promise by the issuer that consumer goods or services will be exchanged in favor of the bearer upon presentation of said gift certificate/check/card to the value, credit, specific good, service or event shown in the instrument.

For this purpose, gift checks/certificates/cards that are distributed by the supplier to consumers under an award, loyalty or promotional program are not covered by this Order.

Section 3. Prohibition. Commencing July 1, 2012, it shall be prohibited for any supplier to issue and/or sell gift certificate/check/ card that contains an expiry date.

All gift checks/certificates/cards with no expiry dates shall be redeemable until used up by the bearer.

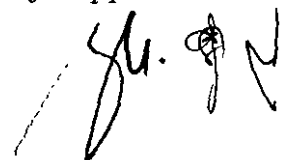
Section 4. Instances Where Suppliers May Refuse to Honor Gift Certificates/Checks/Cards. The suppliers may refuse to honor gift certificates /checks/cards under the following circumstances:

- (a) When the gift certificate/check/card is lost due to no fault of the supplier; and
- (b) When the gift certificate/check/card is mutilated or defaced due to no fault of the supplier and such damage prevents the supplier from identifying the security and authenticity features thereof.

Section 5. Applicability to Promotional Programs, Warranties, Return Policies, and Senior Citizens/ Persons with Disability Discounts. Promotional sales activities, loyalty programs, warranties, return policies for cash purchases, and discounts for senior citizens/persons with disability as provided for under the relevant laws and rules and regulations, shall apply likewise to purchases of goods and services that are paid for with gift certificate/check/card.

Section 6. Transitory Provision. Upon the effectivity of this order all gift checks/certificates/cards issued must bear a date of issue and an expiry of 2 years subject to the provisions of the succeeding paragraph.

Holders of unused and unexpired gift checks/certificates/cards after June 30, 2012 shall be entitled to replacement after revalidation by suppliers.

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Terms and conditions of unused gift checks/certificates/cards issued before the effectivity of this order shall be honored; but those bearing expiry dates beyond June 30, 2012 shall be subject to revalidation or replacement.

Section 7. Consumer Complaints. Complaints for violation/s of this Order shall be subject to the provisions of the R.A. No. 7394 or the Consumer Act of the Philippines and its Implementing Rules and Regulations.

Section 8. Repealing Clause. All rules and regulations or parts thereof which are inconsistent with this Department Administrative Order is hereby repealed or amended accordingly.

Section 9. Separability Clause. In the event that any provision of this Order is declared unconstitutional, invalid, the validity of the other provisions shall not be affected by such declaration.

Section 10. Effectivity. This Order shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation. Three (3) copies of this Order shall be sent to the National Administrative Register at the University of the Philippines Law Center.

Issued this 25th day of June 2010 in Makati City, Philippines.


JESLI A. LAPUS
Secretary 
