

[REPUBLIC ACT NO. 10962, December 19, 2017]

AN ACT REGULATING THE ISSUANCE, USE AND REDEMPTION OF GIFT CHECKS

Be it enacted by the Senate and house of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.*- This Act shall be known as the "Gift Check Act of 2017".

SEC. 2. *Declaration of Policies.*- It is the policy of the State to protect the interests of the consumer, promote the general welfare and establish standards of conduct for business and industry. Consistent therewith, it shall promote and encourage fair, honest, and equitable relations among parties in consumer transaction and protect consumers against deceptive, unfair, and unconscionable sales acts and practices. It shall likewise ensure that the best interest of the consumer is considered in the interpretation and implementation of the provisions herein, including its implementing rules and regulations.

Towards this end, the State, through the department of Trade and Industry (DTI), recognizes that a gift check represents value held in trust by the issuer thereof on behalf of its beneficiary or bearer and that consumers must not be unduly deprived of the value of their money.

SEC. 3. *Scope.*- This Act shall apply to all issues of gift check as defined under Section 4(a) of this Act.

SEC. 4. *Definition of Terms.*- As referred to in this Act,

(a) *Gift Check*, also referred to as *Gift Certificate* or *Gift Card*, is any instrument issued to any person, natural or juridical, for monetary consideration, honored upon presentation at a single merchant or an affiliated group of merchants as payment for consumer goods or services. The instrument may be in the form of paper, card, code, or other device, and shall remain valid until the cessation of business of the issuer.

(b) *Coupon or Voucher* is any instrument issued to any person, natural or juridical, for monetary consideration or otherwise, that entitles the holder to a discount off a particular good or service, or that may be exchanged for a pre-identified good or service specified on the instrument.

(c) *Issuer* is any person, natural or juridical, who provides the instrument that holds value for which consumer goods or services will be exchanged.

SEC. 5. *Prohibitions.*- The following acts shall be unlawful:

(a) Issuing a gift check that bears an expiry date;

(b) Imposing an expiry date on the stored value, credit, or balance of the gift check; or

(c) Refusing to honor the unused value, credit, or balance stored in the instrument.

SEC. 6. *Exclusions.*- Gift checks that are issued to consumers including, but not limited to, those under loyalty, rewards, or promotional programs, as determined by the DTI, are not covered by this Act. Coupons or vouchers as defined under Section 4 subparagraph (b) are likewise not covered by this Act.

SEC. 7. *Instances Where Issuers and Accredited Merchants May refuse to Honor Gift Checks.*- The issuer and its accredited merchants may refuse to honor gift checks under the following circumstances:

(a) When the gift check is lost due to no fault of the issuer; or

(b) When the gift check is mutilated or defaced due to no fault of the issuer and such damage prevents the issuer from identifying the security and authenticity features thereof.

This Act shall not prevent any issuer from prescribing reasonable rules for changing, upgrading, or updating the gift check: *Provided*, That such rules shall be subject to the approval of the DTI: *Provided, further*, That it does not impose additional cost to the consumer: *Provided, finally*, That it does not violate the provisions of this Act.

SEC. 8. *Applicability to Promotional Programs, Warranties, Return Policies, and Senior Citizens and Persons with Disability Discounts.*- Promotional sales activities, loyalty programs, warranties, return policies for cash purchases, and discounts for senior citizens and 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 checks.

SEC. 9. *Transitory Provision.*- Upon the effectivity of this Act, all gift checks already issued shall be covered by the provisions of this Act.

Holders of unused and unexpired gift checks shall, at no additional cost, be entitled to avail of replacement after revalidation by the issuers.

SEC. 10. *Consumer Complaints.* - Complaints for any violation of this Act shall be made in accordance with the provisions of Chapter III, Title V of Republic Act No. 7394 or the Consumer Act of the Philippines.

SEC. 11. *Penalties.*- Any person, natural or juridical, who violates the provisions of this Act shall be obligated to return the unused balance of the gift check within ninety (90) days from the declaration of the violation by the DTI and shall be subject to a fine to be imposed by the Secretary of Trade and Industry, which shall in no case be less than five hundred thousand pesos (P500,000.00) nor more than one million pesos (P1,000,000.00): *Provided*, That for the second offense, in addition to the fine, the issuance of gift check by the offending issuer shall be suspended for three (3) months: *Provided, further*, That for the third offense, in addition to the fine, the issuance of gift check by the offending issuer shall be cancelled.

SEC. 12. *Implementing Agency; Implementing Rules and Regulations.*- The DTI shall have exclusive jurisdiction in the implementation of this Act. The DTI, after due