

**[DTI ADMINISTRATIVE ORDER NO. 10-02, S. OF
2010, February 12, 2010]**

**ADDENDA TO DEPARTMENT ADMINISTRATIVE ORDER NO. 2,
SERIES OF 1993 OR THE RULES AND REGULATIONS
IMPLEMENTING REPUBLIC ACT NO. 7394, OTHERWISE KNOWN
AS THE CONSUMER ACT OF THE PHILIPPINES PARTICULARLY
CHAPTER VI THEREOF ON SALES PROMOTION**

WHEREAS, 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. Towards this end, the State shall implement measures to achieve the objective of protecting consumers against deceptive, unfair and unconscionable sales act and practices, among others;

WHEREAS, the same Act further declares that the State shall protect the consumer from misleading advertisements and fraudulent sales promotion practices;

WHEREAS, there is a need to strengthen Department Administrative Order No. 2, series of 1993 implementing the Consumer Act to effectively address various evolving issues related to sales promotion campaigns particularly to effect its conduct with honesty, transparency and fairness;

NOW, THEREFORE, pursuant to the provisions of the Consumer Act of the Philippines, the following Order is hereby prescribed for the information, guidance and compliance of all concerned:

SECTION 1. Section 1 of Rule I, Chapter VI, Title III is hereby amended to read as follows:

"Section 1. Coverage - The following rules shall apply to the advertising and sales promotion of all consumer products, services and **credit facilities, which include sponsorships of game shows and similar activities**. Provided, that with respect to food, drugs, devices, cosmetics and hazardous substances and agricultural products, the same shall be under the jurisdiction of the concerned departments."

SECTION 2. Section 1.81 of Rule IV, Title I is hereby amended to read as follows:

"1.81 *Sales Promotions* - x x x

1.81.a. In Store Promotion means promotional campaign conducted within the retailer's store in which no advertisement or public announcement is made on such activity including, but not limited to, window displays and/or signages that are visible outside of the retailer's premises."

SECTION 3. Section 1 of Rule VIII, Chapter VI, Title III is hereby amended to read as follows:

"Section 1. Coverage - The following rules and regulations shall apply to all **promotional campaigns/announcements for consumer products, services, credit facilities which include sponsorships of games shows and similar activities**, as well as beauty contests, nationwide in character.

SECTION 4. Section 2 of Rule VIII, Chapter VI, Title III is hereby amended to read as follows:

"Sec. 2. Exemptions - **The rules on promotional campaigns shall not apply to the promotional campaign or activities of the following:**

2.1 The government or any of its agencies or instrumentalities when the same is conducted in the exercise of their governmental functions.

2.2 Private entities in joint project/s with any government agency under the preceding paragraph.

2.3 Social, civic, political, religious, educational, professional and other similar organizations which extend promotional activity among their members. *Provided*, that the promotional activity is not considered sales promotion campaign as defined under these Rules."

SECTION 5. Section 1 of Rule IX, Chapter VI, Title III is hereby amended to read as follows:

"Section 1. *Application for Permit to Conduct* **Any of the Activities Covered Under Rule VIII, Section 1** - Any person intending to conduct any form or scheme for **any of the covered activities** shall first **file an application for a permit with complete supporting documents before the proper office of the Department** at least thirty (30) days before the commencement of **such activity. An incomplete application shall be deemed not filed for this purpose.**

The concerned DTI office shall immediately act on the application; provided that an application not acted upon within ten (10) days from its receipt, shall be considered approved. Notwithstanding the date the application is approved, the commencement of the promotional activity should be on the date stated in the application.

No person shall conduct any covered promotional campaign or activity prior to the issuance of the DTI permit."

SECTION 6. Section 7 of Rule IX, Chapter VI, Title III is hereby amended to read as follows:

"Sec. 7. - Form and Contents of the Application - The application for permit shall be in the form **prescribed** by the Department which shall contain the following information and documents:

7.1 The complete name, address and telephone number, if any, of the sponsor(s) of the promotional campaign/activity;

7.2 The complete name, address, telephone number, **fax number, email address, if any, in case the person who lodges the application is the sponsor's duly authorized representative or agent;**

7.3 The complete name, address, telephone number, **fax number, email address,** if any, of the person who may be contacted by the participant of the promotion for inquiries, complaints and similar purposes;

7.4 A description of the consumer product/s and/or the extent of the service or credit to be promoted, and/or the details of the contest, competition, game show and the like, being sponsored.

7.5 Proof of registration of the **business and/or the product subject of promotional campaign or activity,** if the same is required by any government agency;

7.6 The type of announcement/information that will be used for the **promotion campaign or activity** including the text or substance **thereof;**

7.7 The geographical area to be covered;

7.8 The period of the promotion campaign/activity;

7.9 The target participants and the required qualifications, if any;

7.10 The mechanics and the criteria, if any, for participating and winning in the **promotion campaign/activity;**

7.11 The procedure **in the** predetermination of winning entry forms, and if applicable, the computer program to be used;

7.12 The type of entry forms and or paraphernalia **or electronic device** to be used in the promotion **campaign/activity;**

7.13 The plan for the seeding of qualifying entry forms, paraphernalia or predetermined winning entry forms;

7.14 The date, time and place for auditions, try-outs, pre-qualification and/or qualification of participants to the promotion, if the same is required;

7.15 The security marks, if any, or the nature thereof in the entry forms and/or paraphernalia to be used in the promotion, their purpose, the method of their verification and a sample specimen of such entry form or paraphernalia containing such security mark;

7.16 The deadline of submission of entries;

7.17 The specific city, municipality, **or** province and number of drop boxes and the **name of the business entities and their addresses or telephone numbers** where entries may be sent;

7.18 The prizes of each category of winners **indicating the amount thereof, or if** in kind, the description, brand, size, model, or make and their market value at the time of the application;

7.19 Whether a prize in kind is transferable **and/or** convertible to cash;

7.20 Whether the required taxes for the winnings shall be shouldered by the sponsors/**applicants or** by the winners, and in case of the latter, whether the same shall be withheld by the sponsors/**applicants**;

7.21 Time and dates within which the prize is demandable after the termination of the **promotion campaign/activity**, which shall not be less than sixty (60) days from the notification or publication, whichever comes last;

7.22 The requirements and/or the type of identification which will be required to claim prizes;

7.23 The locations of redemption or exchange centers, or where prizes may be claimed, and

7.24 Such other information, documents as may be required by the Department in order to protect **public interest**.

SECTION 7. Sections 8 to 10 of Rule IX of Chapter VI, Title III are hereby redesignated as Sections 9 to 11, respectively, and a new Section 8 is inserted accordingly, to read as follows:

"Section 8. **Who May File the Application for Permit -**

The persons whose consumer products, services, credit facilities, beauty contests, competition, game shows and the like are being promoted may file the application for permit.

The above persons shall sign the application individually or jointly with the others or submit therewith a true copy of any written agreement between or among themselves, reflecting the degree or extent of their participation and responsibility in the conduct of the promotion activity covered by these rules. Where no limitation as to the extent of the liability or responsibility is indicated in such agreement, all of them shall be jointly and severally liable and responsible therefor.

Where an application for permit is filed and facilitated for and in behalf of the persons mentioned in 8.1 hereof, the agent shall be