



**DEPARTMENT ADMINISTRATIVE ORDER No. 13-02  
SERIES OF 2013**

**SUBJECT: Amendments to Certain Provisions of:**

- 1. Department Administrative Order (DAO) No. 05, Series of 2007 (*“Rules on Mediation in the Resolution of Inquiries, Complaints and/or Cases Filed the Department of Trade and Industry (DTI) for Violations of the Consumer Act of the Philippines and Other Trade and Industry Laws Supplementing Department Administrative Order No. 07, Series of 2006”*); and**
- 2. Department Administrative Order (DAO) No. 07, Series of 2006 (*“Instituting the Simplified and Uniform Rules of Procedure for Administrative Cases Filed with the Department of Trade and Industry (DTI) for Violations of the Consumer Act of the Philippines and Other Trade and Industry Laws”*)**

WHEREAS, it is imperative for the Department of Trade and Industry (DTI) to assure, as far as practicable, simple and easy access on the part of the consumers to seek redress for their complaints and grievances as prescribed under Title V, Chapter III, Article 159 of Republic Act No. 7394 or the Consumer Act of the Philippines;

NOW THEREFORE, certain provisions of DAO No. 5, Series of 2007 and DAO No. 7, Series of 2006, are hereby modified/amended/repealed, for the information, guidance and compliance of all concerned.

**RULE I  
– TITLE and SCOPE –**

**Section 1. Title.** This Order shall be referred to as *“Amendments to Certain Provisions of DAO No. 05, Series of 2007 and DAO No. 07, Series of 2006”*.

**Section 2. Scope.** This Order shall apply solely to consumer complaints under Title V, Chapter III, Article 159 of Republic Act No. 7394 or the Consumer Act of the Philippines.

This Order shall not apply to formal charges filed by the DTI for violation/s of other trade and industry laws including Republic Act No. 7581 or the Price Act and its Implementing Rules and Regulations (IRR) under DAO No.

*Enabling Business, Empowering Consumers*

**OFFICE OF THE SECRETARY**

Page 1 of 4

07, Series of 2006, hence, DAO No. 05, Series of 2007 and DAO No. 07, Series of 2006 shall continue to be applicable.

## RULE II – MEDIATION –

**Section 1. *Notice and Schedule of Mediation.*** On the day a consumer complaint is received, the DTI shall issue immediately on the said date a written Notice of Mediation (*Annex “A”*) setting the date, time, and place of the mediation conference and serving notices to all Parties through, courier, personal delivery or postal services with proof of service and receipt.

All actions information including proof of service and receipt of a copy of the notice and schedule of mediation through any of the aforementioned means of communication are duly recorded and updated in the DTI Customer Relationship Management (CRM) System, specifically in its Action Module.

For the purpose of this Order, DTI CRM is a browser-based application that facilitates and systematizes the flow of documents or reports of a record. Further, it is a process of tracking the record, current user, descriptive details and status of all consumer complaint documents. Finally, it provides up-to-date and accurate document information relative to consumer complaints received by the DTI.

**Section 2. *Mediation Conference.*** Mediation is mandatory, meaning, any complaint shall not be submitted for arbitration without passing said stage. More than one conference may be scheduled from receipt of the consumer complaint by the DTI.

### **Section 3. *Mediation Agreement and Termination of Mediation.***

(a) *Mediation Agreement.* When mediation is successful, a Mediation Agreement (*Annex “B”*) shall be immediately prepared and executed by the parties. Said Agreement shall be final and executory.

(b) *Termination of Mediation.* When no settlement is reached, or the party complained of or his/her duly authorized representative fails or refuses to appear or participate in the scheduled mediation, the Mediation Officer shall immediately issue a Notice of Failure of Mediation (*Annex “C”*) and submit the case for adjudication.

When the consumer complainant or his/her duly authorized representative fails or refuses to appear or participate in the scheduled mediation, the Mediation Officer shall dismiss the complaint without prejudice and archive the same.

**Section 4. *Duration of Mediation Period.*** The total number of days under Rule II on Mediation shall not exceed ten (10) working days from receipt of the complaint.

**RULE III  
– ADJUDICATION –**

**Section 1. *Notice of Adjudication and Submission of Position Paper.***

On the day of the receipt of the Failure of Mediation, the Adjudication Officer shall issue immediately on the said date a Notice of Adjudication (*Annex “D”*) directing both parties to simultaneously submit their respective position papers with statement of facts, arguments, supporting affidavits and other documentary evidence within five (5) working days from receipt of such Notice of Adjudication and/or setting date/s of hearing if necessary.

Said Notice of Adjudication, which is equivalent to a summons and/or dates of hearing, shall be served through courier, personal delivery or postal services with proof of service and receipt.

All actions information including proof of service and receipt of a copy of the notice and schedule of Adjudication through any of the aforementioned means of communication are duly recorded and updated in the DTI Customer Relationship Management (CRM) System, specifically in its Action Module.

**Section 2. *Effect of Non-submission of Position Paper.*** When despite notice, no position paper is submitted by either of the Parties within the period stated in Section 1 above, an Order shall be issued declaring either Party to have waived its right to file one and submitting the case for decision based on the documents or evidence available on records.

**Section 3. *Review, Assessment, Rendition and Service of Decision.***

(a) *Rendition of Decision.* The Adjudication Officer shall review, assess and render as shown in Annex “E” hereof, a Decision in writing. The Decision shall be clear and concise, and shall contain statements on the:

- (a) relevant facts of the case;
- (b) issue/s involved;
- (c) applicable law and/or jurisprudence;
- (d) conclusions and reasons therefor; and
- (e) relief/s granted, if any, and the administrative penalty/ies imposed, if any.

(b) *Service of Decision.* A copy of a Decision shall be served on the Parties to the case by personal service or registered mail with proof of service through post registry return card.

**Section 4. *Duration of Adjudication Period.*** The total number of days under Rule III on Adjudication shall not exceed twenty (20) working days from receipt of the Failure of Mediation.

**RULE IV  
– DURATION OF MEDIATION AND ADJUDICATION PERIOD –**

**Section 1. *Duration of Mediation and Adjudication Period.*** In accordance with Rule II on Mediation and Rule III on Adjudication, the total

number of mediation and adjudication period shall not exceed thirty (30) working days.

**RULE V**  
**– POSTPONEMENT –**

**Section 1. Postponement.** In addition to the period specified in Rule IV, Section 1 above, postponement for valid reasons may be allowed for a total period not exceeding five (5) working days.

**RULE VI**  
**– OTHER PROVISIONS –**

**Section 1. Repealing Clause.** All other provisions of DAO No. 05, Series of 2007 and DAO No. 07, Series of 2006 or any portion thereof and other DAOs, Department Orders (DOs), issuances, or any portion thereof that are inconsistent with this Order are hereby repealed, or modified, or amended accordingly.

**Section 2. Separability Clause.** If for any reason, any section, provision, or part of this Order, or the application of such section, provision, or part to any person, group, or circumstances is declared invalid or unconstitutional, the remainder of this Order shall not be affected by such declarations.

**Section 3. 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 and to the Official Gazette.

Issued this 18<sup>th</sup> day of December 2013 in Makati City, Philippines.

*Recommended by:*



**VICTORIO MARIO A. DIMAGIBA**  
Officer-in-Charge, Consumer Welfare and  
Business Regulation Group

*Approved by:*



**GREGORY L. DOMINGO**  
Secretary

To:

\_\_\_\_\_  
Party Complaining  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Party Complained Of  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NOTICE OF MEDIATION**  
(not applicable to a Formal Charge)

Pursuant to Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 1984 and Section I, Rule X of Department Administrative Order No. 7, series of 2006, the policy of fostering prompt, economical and amicable resolution of disputes in accordance with principles of integrity of determination by the parties, and that the decision making authority in the mediation process rests with the parties, is hereby adopted.

IN VIEW THEREOF, the parties to this case are hereby requested and encouraged to be present in the mediation conference to be held on \_\_\_\_\_, \_\_\_\_\_ am/pm at the \_\_\_\_\_.

Representatives shall not be recognized unless a Special Power of Attorney (SPA) executed for such purpose and duly acknowledged before a Notary Public is presented to the undersigned.

BE GUIDED ACCORDINGLY.

\_\_\_\_\_

\_\_\_\_\_  
Mediation Officer

- Sent via registered mail
- Rule II, Section I

- Personal Service

Copy for the Complainant

Registry Receipt No. \_\_\_\_\_  
Date of Mailing: \_\_\_\_\_

Received by: \_\_\_\_\_  
(position) : \_\_\_\_\_  
Date : \_\_\_\_\_

Copy for the Party Complained Of

Registry Receipt No. \_\_\_\_\_  
Date of Mailing: \_\_\_\_\_

Received by: \_\_\_\_\_  
(position) : \_\_\_\_\_  
Date : \_\_\_\_\_

**MEDIATION AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

This Agreement is made and entered into by and between/among:

\_\_\_\_\_, of legal age, single/married,  
Filipino, and with residence and postal address at \_\_\_\_\_  
\_\_\_\_\_, herein after referred  
to as the **Party Complaining**,

- and -

\_\_\_\_\_, likewise of legal age,  
single/married, Filipino, and with residence and postal address at \_\_\_\_\_  
\_\_\_\_\_,  
hereinafter referred to as the **Party Complained Of**;

**WITNESSETH:**

BRIEF NARRATION OF FACTS BY THE PARTY COMPLAINING:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

BRIEF NARRATION OF FACTS BY THE PARTY COMPLAINED OF:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CLAIMS/PRAYERS OF THE PARTY COMPLAINING:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

PROPOSAL OF THE PARTY COMPLAINED OF:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COUNTER-PROPOSAL OF THE PARTY COMPLAINING:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TERMS AND CONDITIONS AGREED ON:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

PERIOD OF COMPLIANCE:

Within \_\_\_\_\_ ( ) days from execution hereof.

EFFECTIVITY:

This Agreement shall take effect immediately upon signing hereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands this \_\_\_\_\_  
day of \_\_\_\_\_ 20\_\_\_\_, in \_\_\_\_\_.

\_\_\_\_\_  
Party Complaining/  
Duly Authorized Representative  
Valid ID No. \_\_\_\_\_

\_\_\_\_\_  
Party Complained of/  
Duly Authorized Representative  
Valid ID No. \_\_\_\_\_

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
City/Municipality of Makati )SS.

BEFORE ME, a Notary Public for and in \_\_\_\_\_ this \_\_\_\_ day of  
\_\_\_\_\_ 20\_\_\_\_, personally appeared the above parties showing to me  
their respective IDs, known to me and to me known to be the same persons who  
executed the foregoing instrument, which they acknowledged to me as their free  
act and voluntary deed.

WITNESS MY HAND AND SEAL.

Doc. No.  
Page No.  
Book No.  
Series of 20\_\_\_\_.

To: \_\_\_\_\_  
 Party Complaining \_\_\_\_\_ Party Complained Of \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**NOTICE OF FAILURE OF MEDIATION**

On \_\_\_\_\_, 20\_\_\_\_, mediation conference(s) was/were conducted by the undersigned. However, efforts to encourage both parties to settle their differences or at least come to terms failed. As a consequence thereof, it is hereby certified that mediation proceedings failed.

WHEREFORE, the subject issues/concerns raised by the party complaining are deemed submitted for ADJUDICATION.

BE GUIDED ACCORDINGLY.

Issued this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
 Mediation Officer

( ) Sent via registered mail

( ) Personal Service

Copy for the Complainant

Registry Receipt No. \_\_\_\_\_  
 Date of Mailing: \_\_\_\_\_

Received by: \_\_\_\_\_  
 (position) : \_\_\_\_\_  
 Date : \_\_\_\_\_

Copy for the Party Complained Of

Registry Receipt No. \_\_\_\_\_  
 Date of Mailing: \_\_\_\_\_

Received by: \_\_\_\_\_  
 (position) : \_\_\_\_\_  
 Date : \_\_\_\_\_

\_\_\_\_\_  
*Complainant,*

- versus -

ADM. CASE NO. \_\_\_\_\_

FOR: Violation of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*Respondent.*

X ----- X

TO: Ms/Mr. _____ /	Cc: _____
Owner/Proprietor of	Complainant
_____	_____
Respondent	_____
Located at _____	_____
_____	
_____	

**NOTICE OF ADJUDICATION**

Pursuant to and by virtue of Section 4, Rule IX of Department Administrative Order No. 7, Series of 2006, you are hereby ordered to file you Answer to the hereto attached Complaint/Formal Charge within ten (10) working days from receipt of this Notice which is equivalent to a Summons, and not to file any of the prohibited pleadings enumerated under said Order.

Please file your Answer addressed to the undersigned at \_\_\_\_\_ . Further, since efforts to mediate the subject issues and concerns failed, you are hereby directed to simultaneously submit your respective Position Papers on said issues and concerns.

Attached is a copy of the complaint together with the documents supporting the same.

FOR YOUR STRICT COMPLIANCE.

Issued this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ in \_\_\_\_\_.

\_\_\_\_\_  
Adjudication Officer

Name of Recipient:	_____	_____
	(for the complainant)	(for the respondent)
Position :	_____	_____
Date of Receipt :	_____	_____
Refused to receive : ( )	Reason:	_____
		_____
		_____

( ) Rule III, Section I

## OUTLINE OF A DECISION

- I. Caption of the Case
  - a. Complainant
  - b. Respondent
  - c. Case No.
  - d. Violation(s)
- II. Title (Decision)
- III. The Parties
  - a. Names
  - b. Legal Personality/Capacity to sue or be sued
  - c. Residence/Business Address
- IV. Relevant Facts
  - a. transaction(s) entered
  - b. dates
  - c. goods/services involved
  - d. cause(s) of action
  - e. relief(s) prayed for/defenses
- V. Evidence Presented and the Purpose Thereof
- VI. Issue(s)
- VII. Applicable Laws/Jurisprudence
- VIII. Arguments/Discussions
- IX. Dispositive Portion
  - a. Conclusions and reasons therefor
  - b. Reliefs granted/ Penalties Imposed (if any)