

## DEPARTMENT ADMINISTRATIVE ORDER NO. <u>09</u>

Series of 2002

## SUBJECT: PROVIDING RULES ON PRICE TAGS/LABELS AUTHORIZING THE USE OF SHELF PRICING IN COMBINATION WITH MODERN TECHNOLOGY FOR AUTOMATIC PRODUCT IDENTIFICATION

WHEREAS, 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;

WHEREAS, developments in the technology and industry dictate that we encourage business to adopt modern electronic technology to cope with the demands of business as we join a new world trade order without sacrificing the right of consumers to obtain accurate information on the price of each consumer product offered for retail sale to the public;

WHEREAS, Article 83 of the 'Consumer Act of the Philippines provides that "(*t*)he concerned department shall prescribe rules and regulations for the visible placement of price tags for specific consumer products and services xxx";

WHEREAS, Section 1 of R.A. 71 as amended provides that the Secretary of Commerce and Industry (now Secretary of Trade and Industry) may, upon recommendation of the Director of Commerce (now Director of Bureau of Trade Regulation and Consumer

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6th Floor, Trade and Industry Building, 361 Sen. Gil J. Puyat Avenue, Makati City 1200 Philippines Tel: (632) 890-4932 / 890-4943 / 890-4971 / 896-5785 • Fax: (632) 890-4949 Protection), exempt from time to time certain articles of commerce and trade or certain classes of establishments from the provisions of this Act;

WHEREAS, pursuant to the aforementioned provisions, the following rules and regulations on price tags/labels authorizing the use of shelf pricing under certain conditions are hereby issued for the information, guidance and compliance of all concerned:

Section 1. *Coverage*. These rules shall apply to all consumer products offered for retail sale except those which are too small or the nature of which makes it impractical to place an individual price tag/label thereon: *Provided*, That said products (too small or the nature of which makes it impractical to place an individual price tag/label thereon) shall continue to be required to have a price list or price poster placed at the nearest point where the goods are displayed indicating the retail price of said articles with the specification of their size, volume, content, diameter, etc.

Section 2. *Manner of placing price tags/labels.* Price tags must be written clearly, indicating the price of the consumer product including VAT and other types of charges per unit in pesos and centavos.

Section 3. *Establishments allowed to use shelf price*. Establishments that comply with all the following requirements are allowed to use shelf price to indicate the price of the consumer product offered for retail sale:

 (a) Use of itemized receipt or cash register tape which states the description, size, quantity and individual price of the consumer goods purchased; and

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(b) Each establishment shall install at least one (1) Price Verification Counter or similar electronic system strategically located therein to augment shelf pricing: *Provided,* That for a multi-storey establishment, at least one (1) Price Verification Counter shall be installed per storey: *Provided, further,* That for purposes of determining the effectiveness of the usage of Price Verification Counters, the Bureau of Trade Regulation and Consumer Protection (BTRCP) shall conduct a quarterly survey to determine the necessity of installing additional Price Verification Counters for each establishment.

Section 4. *Policy on price tag.* Establishments that cannot comply with the foregoing shall be governed by the policy on individual price tagging or the requirement on price list/poster as the case may be.

Section 5. *Shelf price in combination with codes.* Shelf price may be used provided that it is in combination with the use of product identification codes which when scanned will show the price of the item.

Section 6. (a) *Shelf Price.* The shelf price that shall be written clearly, indicating the retail price of the consumer product per unit in pesos and centavos, the brand name, product description, net quantity of contents, in terms of weight or measure in the metric system or the numerical count of the product. The tag shall be strategically posted beneath or above the shelf on which the goods are on display. A sufficient number of similar price tags shall be strategically attached in case the goods on display cover a wide area of the shelf.

(b) *Minimum Size.* The price displayed on the shelf shall have a measurement of at least <u>8 mm high;</u> other labeling information must be at least <u>4 mm high</u>

(c) The size of the display area of a specific consumer product shall be considered in determining the number of shelf prices required. There shall be one (1) shelf price for each brand displayed in every one (1) meter, *Provided*, that a fraction in excess thereof shall warrant the placement of another shelf price of the same type.

(d) The price tag sign shall be attached to the shelf and properly secured in order to minimize the tampering, misplacing, transfer, or loss of the same. The establishment shall ensure at all times that the price indicated on the shelf is the same and/or consistent with the price as stated in the Price Verification Counter and/or at the Cash Register counter upon payment.

In case of inconsistencies in the price shown on the shelf, on the product itself or in the database price, which appears when the item is scanned, the price which appears the lowest shall prevail.

Section 7. Any violation of these rules and regulations shall be dealt with in accordance with the Consumer Act of the Philippines and Executive Order No. 913.

Section 8. *Separability Clause.* In the event that any provision of these rules and regulations or the application of any of such provision/s to any person or circumstances, is

declared invalid, all other provisions unaffected shall continue to remain in full force and effect.

Section 9. *Repealing Clause*. All previous rules and regulations which are inconsistent with this Order are hereby repealed or amended accordingly.

Section 10. *Publication and Effectivity.* These rules and regulations shall be published in two (2) newspapers of general circulation and shall take effect fifteen (15) days after its publication.

Issued this 10th day of September 2002 at Makati City

MAR RØXAS

Secretary

Recommending Approval by:

JESUS L. MOTOOMULL Caretaker Bureau of Trade Regulation and Consumer Protection

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ADRIAN S. CRISTOBAL, JR. Undersecretary, CWTRG