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**Make it PHILIPPINES!**

DEPARTMENT ADMINISTRATIVE ORDER NO. 10  
Series of 2002

**SUBJECT: AMENDING DEPARTMENT ORDER NO. 16, SERIES OF 1990 – RULES AND REGULATIONS ON THE ACCREDITATION OF CONSUMER ORGANIZATIONS PURSUANT TO LOI 1337, TO INCLUDE GENERAL PROVISIONS; NEW ACCREDITATION PROCEDURES AND CONDITIONS OF ACCREDITATION; DUTIES AND RESPONSIBILITIES OF ACCREDITED CONSUMER ORGANIZATIONS; AND ROLES OF THE DEPARTMENT OF TRADE AND INDUSTRY.**

**ARTICLE I  
GENERAL PROVISIONS**

**Section 1. General Principles**

**WHEREAS**, in view of the recent developments in our society particularly in the field of trade and industry, there are provisions in DAO No. 16 that need to be clarified and revised to ensure a more effective and efficient implementation of the provisions thereof;

**WHEREAS**, The United Nations Minimum Guidelines for Consumer Protection promulgated 15 April 1985 mandated the adoption of policy measures by its member governments to implement the guidelines on ensuring and protecting the eight basic rights: the right to basic needs; the right to safety; the right to information; the right to choice; the right to redress; the right to representation; the right to consumer education; and the right to healthy environment;

**WHEREAS**, Article XVI, Section 9 of the 1987 Philippine Constitution provides that the "State shall protect consumers from trade malpractices and from substandard or hazardous products";

**WHEREAS**, Title I, Article 2 of Republic Act 7394, otherwise known as the Consumer Act of the Philippines states that " it is the policy of the State to protect the interests of the consumer, promote his general welfare and establish standards of conduct for business and industry";

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**WHEREAS**, every consumer performs a fundamental role and represents the essential force that drives and sustains business and industry growth;

**WHEREAS**, every consumer has the basic right to representation which is the right to express consumer interests in the making and execution of government social and economic policies; whether in the national, regional or local government levels;

**WHEREAS**, the State recognizes the right of the people to organize and participate in nation-building in partnership with government;

**WHEREAS**, the Letter of Instructions (LOI) No. 1337 requires the registration and accreditation of consumer organizations pursuant to the policy of the government to encourage and hear complaints and/or legal economic positions of legitimate consumer organizations on governmental acts affecting consumers;

**WHEREAS**, DTI recognizes the need to seek the assistance of consumer organizations in monitoring the implementation of the Consumer Act, Price Act and other consumer-related laws, rules and regulations;

**WHEREFORE**, the following order is hereby prescribed and promulgated for the information, guidance and compliance of all concerned.

## **Section 2. Objectives**

This order shall have the following objectives:

- i. To develop and strengthen consumer organizations that would champion the welfare of consumers;
- ii. To enable consumer organizations to be the lead groups or vehicles for consumer policy advocacy;
- iii. To strengthen the role of consumer organizations in monitoring the implementation of the Consumer Act, Price Act and other consumer-related laws, rules and regulations;
- iv. To ensure that only qualified and competent consumer organizations that truly represent consumer interest should be accredited; and
- v. To develop close partnership between government and consumer organizations.

## **Section 3. Scope and Coverage**

The following rules shall apply to accreditation of consumer organizations nationwide, whether national or local.

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**ARTICLE II**  
**TITLE AND DEFINITION OF TERMS**

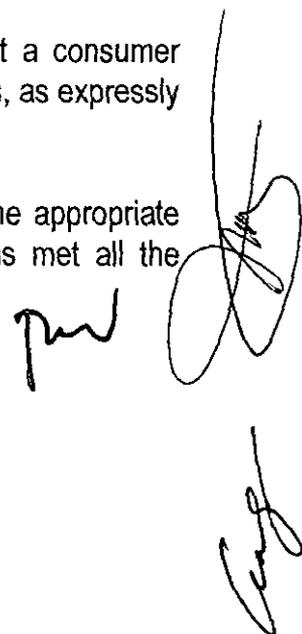
**Section 4. Title**

These rules shall be cited as "Rules and Regulations on the Accreditation of Consumer Organizations".

**Section 5. Definition of Terms**

For purposes of this Order and as used herein, the following definitions are hereby adopted:

- a) "**DTI**" refers to the Department of Trade and Industry.
- b) "**Secretary**" refers to the Secretary of the Department of Trade and Industry.
- c) "**DTI-RO**" refers to the DTI Regional Office.
- d) "**DTI-PO**" refers to the DTI Provincial Office.
- e) "**Director**" refers to any DTI Regional/Provincial/NCR-Area Director.
- f) "**Consumer**" refers to any person who utilizes goods and services to satisfy his/her and his/her household's needs and wants.
- g) "**Consumer Organization**" means an organized group of consumers where membership is voluntary and whose primary objective is to protect consumers against deceptive, unfair and unconscionable trade acts and practices or other acts or omissions prejudicial/detrimental to the interests of consumers.
- h) "**Members**" refers to card-bearing members of the organization
- i) "**Accreditation**" refers to the determination made by the DTI that a consumer organization meets/complies with the requirements set in these Rules, as expressly stated in a corresponding attestation or certification to that effect.
- j) "**Certificate of Accreditation**" refers to the document issued by the appropriate DTI authority signifying that a recipient consumer organization has met all the prescribed requirements and standards for accreditation.

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### ARTICLE III APPLICATION REQUIREMENTS

#### Section 6. Qualification of an Applicant

An organization may apply for accreditation as a **local** or **national** consumer organization.

1. National Consumer Organization –

A consumer organization shall be categorized as National if it has at least seventy five (75) individual members and one (1) chapter/affiliate coming from each of the three major geographical areas of the country (Luzon, Visayas, Mindanao).

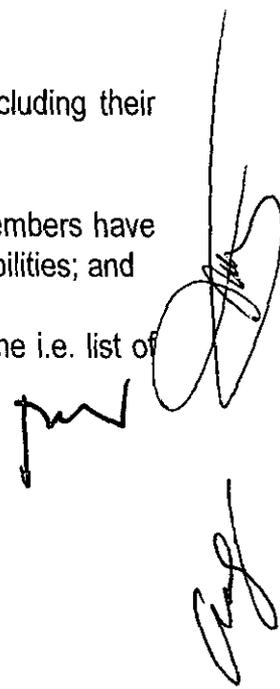
2. Local Consumer Organization –

A consumer organization shall be categorized as Local if it does not meet the prescribed requirements to qualify as a national consumer organization. A minimum of thirty (30) individual members for municipalities and fifty (50) for cities is required prior to accreditation.

The president or any duly authorized officer of the organization may file for accreditation.

#### Section 7. Documentary Requirements

- a) A duly accomplished and notarized Application for Accreditation Form;
- b) A certified true copy of its Articles of Incorporation and By-Laws;
- c) A certified true copy of its Certificate of Registration duly issued by the Securities and Exchange Commission (SEC);
- d) Updated list of trustees, officers and members of the organization including their current addresses;
- e) A Certificate of pre-membership seminar showing that all the listed members have undergone the basic training/seminar on consumer rights and responsibilities; and
- f) Other pertinent documents which the DTI may require from time to time i.e. list of accomplishments if applicable.



## ARTICLE IV ACCREDITATION PROCEDURE

### Section 8. Where to File

Applications for accreditation of local consumer organizations shall be filed with the DTI Provincial Office that has jurisdiction of the place of business of applicant as indicated in its Articles of Incorporation and By-Laws.

National consumer organizations shall file their application for accreditation with the Bureau of Trade Regulation and Consumer Protection (BTRCP), Department of Trade and Industry Head Office.

### Section 9. Evaluation of Application

The DTI office concerned shall conduct and finish its evaluation of the completeness of the application requirements within five (5) days from receipt thereof.

In the event of findings of deficiency or non-conformity with the prescribed documentary requirements, the applicant shall be notified in writing of such deficiency or non-conformity and shall be given seven (7) days from receipt of the notice to make the necessary compliance or corrective measures. Should the concerned applicant fail or refuse to make compliance or corrective measures within seven (7) days from receipt of notice, said application shall be deemed abandoned and the corresponding application shall be archived.

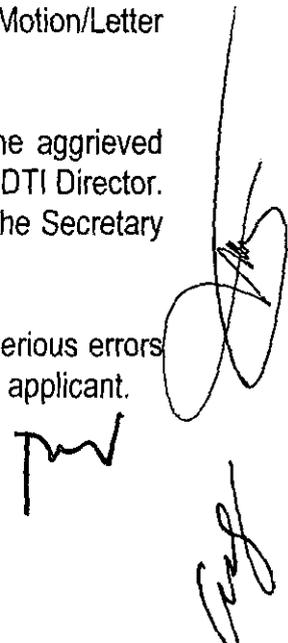
In case of disapproval, the applicant shall be notified in writing stating the grounds why the application was disapproved.

### Section 10. Appeal on Disapproval of Application

In all cases, an applicant aggrieved by the denial of its application for accreditation may, within fifteen (15) days from receipt of such denial, file a Motion/Letter for Reconsideration with the Office of the concerned DTI Director. However, pending resolution of the Motion/Letter for Reconsideration, said denial shall remain immediately executory.

In case the application for accreditation is denied, the first remedy of the aggrieved party is to file a Motion/Letter for Reconsideration with the Office of the concerned DTI Director. If the said Motion/Letter is denied, such denial may be appealed to the Office of the Secretary within fifteen (15) days from receipt thereof.

The grounds for appeal shall be limited to grave abuse of discretion and serious errors in the findings of fact, which may cause grave or irreparable injury to the aggrieved applicant.

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**Section 11. Accreditation Assessment Report/Summary**

The DTI provincial office shall submit its Accreditation Assessment Report and favorable recommendation to the concerned DTI regional office within five (5) days upon receipt of prescribed documentary requirements of the applicant consumer organization.

**Section 12. Issuance of Certificate of Accreditation**

The DTI Regional Director concerned shall, on the basis of the provincial Director's recommendation, issue the Certificate of Accreditation to local consumer organization applicants.

The BTRCP shall issue the Certificate of Accreditation to national consumer organization applicants.

**ARTICLE V  
CONDITIONS OF ACCREDITATION**

Following grant of accreditation, the accredited consumer organization shall undertake to abide by the following commitments deemed incorporated in the Certificate of Accreditation.

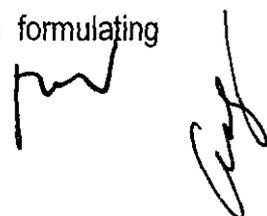
**Section 13. Formulation, Maintenance and Implementation of an Annual Plan of Action (APA)**

Upon receipt of its Certificate of Accreditation, the applicant organization shall formulate, maintain and implement an Annual Plan of Action on consumer welfare projects, programs and activities which shall include among others, coordination and linkage with appropriate government bodies and agencies whether national, regional or local, for purposes of consumer advocacy and protection.

**Section 14. Duties and Responsibilities of Accredited Consumer Organizations**

The accredited consumer organizations shall have the following duties and responsibilities:

- a. Conscientiously advocate among its members and the general public the practice of the basic consumer responsibilities (critical awareness, action, social concern, environmental awareness and solidarity);
- b. Actively work with implementing government agencies and business in undertaking consumer welfare and protection programs to promote the basic rights of consumers;
- c. Participate in government's consultation programs and activities in formulating policies regarding consumer welfare and protection;



- d. Conduct consumer education, advocacy programs and develop vigilant consumers;
- e. Monitor implementation of product quality standards and alert consumers of harmful product/practices proliferating in the market;
- f. Monitor the implementation and violation of the Consumer Act, Price Act and other related consumer laws, rules and regulations;
- g. Report violations to concerned implementing government agencies;
- h. Encourage consumers to file consumer complaints before the concerned implementing government agencies;
- i. Assist or act as duly authorized representatives of consumers on matters pertaining to consumer complaints; and
- j. Participate in the annual celebration of the Consumer Welfare Month in October.

#### **Section 15. Records of Proceedings**

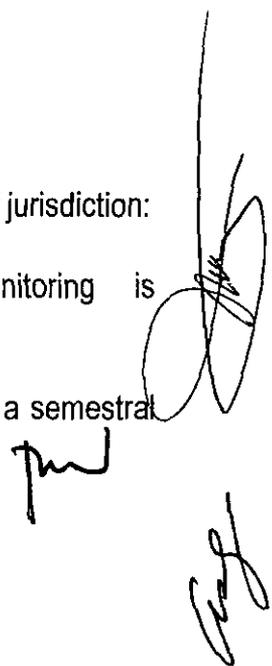
The accredited consumer organization shall keep and maintain in its records and files the following:

- a) Consolidated Annual Plan of Action;
- b) List of consumer welfare programs, projects and activities including status and results thereof;
- c) Copies of Articles of Incorporation and By-Laws;
- d) Certificate of Accreditation;
- e) List of trustees, officers and members and their respective addresses.

#### **Section 16. Reportorial Requirements**

The following reports shall be submitted to the DTI office within the area of jurisdiction:

- a) Monitoring reports shall be submitted within the week after monitoring is conducted;
- b) Accomplishment reports on consumer welfare shall be submitted on a semestral basis.

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### **Section 17. Inspection, Monitoring and Assessment**

The accredited consumer organization shall be subject to an annual monitoring and assessment by DTI personnel in-charge of consumer organization development.

## **ARTICLE VI ROLES OF THE DEPARTMENT OF TRADE AND INDUSTRY**

### **Section 18. Roles of the Department of Trade and Industry**

The Department of Trade and Industry shall perform the following roles:

- a. Assist consumer organizations in conducting regular training and education to its members regarding consumer welfare and protection;
- b. Encourage active participation of consumer groups in consultation activities regarding policy formulation on issues concerning consumer welfare;
- c. Provide access to consumer-related information;
- d. Effectively perform its mandated task of protecting the interest and promoting the welfare of all consumers under existing laws and guidelines and consistent to UN guiding principles and international agreements;
- e. Ensure the utilization of speedy and inexpensive procedures of mediation, conciliation and arbitration to settle any and all grievances; and
- f. Coordinate and seek the cooperation of other government implementing agencies in recognizing the legitimacy of the accredited consumer organizations.

## **ARTICLE VII CERTIFICATE OF ACCREDITATION**

### **Section 19. Validity of Certificate of Accreditation**

The Certificate of Accreditation shall be valid for a period of three (3) years unless sooner cancelled or suspended on grounds under Article VIII. The period of validity shall be clearly and completely indicated in the Certificate of Registration.

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## Section 20. Renewal of Certificate of Accreditation

Application for renewal should be filed at least 30 days before the date of expiration of the Certificate, in which case the period of validity of the renewal Certificate shall commence from the date of expiration of the previous Certificate.

If filed after expiration of the Certificate, the period of validity of the renewal Certificate shall commence from the date to be indicated in the said renewal Certificate, which however, shall not be earlier than the date of approval of the signing authority.

## Section 21. Renewal Requirements

Upon filing of the application for renewal, the following documents shall be submitted:

- a) List of the organization's additional members and those who have ceased to be members (such as by death, resignation, and expulsion), if any, and their respective addresses, or certification by the Corporate Secretary that it has no additional members or that no member has ceased to be a member;
- b) A certified copy of the amendments to the Articles of Incorporation and a certified copy of the amendments to the By-Laws, if there have been such amendments;
- c) A summary of consumer welfare accomplishment report for the last two (2) years;
- d) Other documents which DTI may require.

## ARTICLE VIII

### CANCELLATION OR SUSPENSION OF VALIDITY OF CERTIFICATE OF ACCREDITATION

## Section 22. Cancellation of Certificate of Accreditation

After due notice and hearing, the signing authority may cancel a Certificate of Accreditation on the following grounds:

- a) Making material misrepresentation or falsehood in the documentary requirements of the application for accreditation;
- b) Acts of commission or omission by an organization which are deemed inimical or prejudicial to the interest of consumers;
- c) The organization has supported or is supporting sales promotion activities of certain business enterprises with or without valuable consideration, or endorsing a product, or granting awards to said business enterprises;
- d) Violation of LOI 1337, these Rules, and any other circular or order that may be issued to implement these rules.

### **Section 23. Automatic Cancellation of Accreditation**

The cancellation of the organization's Certificate of Registration with the Securities and Exchange Commission (SEC) automatically cancels the organization's Certificate of Accreditation.

### **Section 24. Suspension of the Certificate of Accreditation**

On the same grounds stated in Section 23 Article VIII, when mitigating circumstances are present and coupled with the element of good faith as supported by the circumstances of the case, a suspension of the Certificate of Accreditation may be issued instead of cancellation after due notice and hearing. A notice of suspension shall be issued to the concerned organization.

A suspension of the Certificate of Accreditation shall last for a period of from six (6) months to one (1) year depending on the gravity of the violations committed. After the lapse of the period of suspension, the Certificate of Accreditation shall be reinstated for the remaining period of its validity. A Notice of Reinstatement shall be issued by the signing authority.

## **ARTICLE IX APPEALS ON CANCELLATION OR SUSPENSION OF VALIDITY OF CERTIFICATE OF ACCREDITATION**

### **Section 25. Appeals on cancellation or Suspension of Validity of Certificate of Accreditation**

Within fifteen (15) days from receipt of the Order of Cancellation or Suspension, the concerned organization may either file a Motion for Reconsideration with the same body or entity which issued the Order or make an appeal to the DTI Secretary. Failure to make any of the aforementioned options will render the Order of cancellation or suspension final and executory.

In the event that an appeal is made to the Secretary, a copy of the appeal shall be furnished the Director concerned who shall forward the records of the case to the Secretary within five (5) days from receipt of the copy of the appeal.

### **Section 26. Filing of Memorandum on Appeal**

When an aggrieved party makes an appeal to the Secretary, the Office of the Secretary shall, within 15 days conduct and finish its evaluation. The appeal must be accompanied by a Verified Memorandum which shall contain the concise statement of the facts and of the case, the grounds for appeal, as well as supporting arguments.

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**Section 27. Motion for Reconsideration**

Within fifteen (15) days from receipt of the Decision/Order of the Secretary, an aggrieved party may make one (1) Motion for Reconsideration; otherwise said decision or order shall become final and executory.

**ARTICLE X  
REQUIREMENT OF ACCREDITATION FOR PURPOSES OF PARTICIPATION IN  
ADMINISTRATIVE OR QUASI-JUDICIAL PROCEEDINGS**

**Section 28. Participation of Accredited Consumer Organizations**

Only accredited consumer organizations can participate in administrative, legislative or quasi-judicial bodies including national, regional and local special bodies as specified in the Local Government Code (RA 7160).

**ARTICLE XI  
REPEALING CLAUSE**

All orders, issuances, rules and regulations pertaining to the accreditation of consumer organizations that are inconsistent herewith are hereby repealed and modified accordingly.

**ARTICLE XII**

This Order shall take effect thirty (30) days after its publication in two (2) newspapers of general circulation.

September 30, 2002, Makati City, Philippines.

  
MANUEL A. ROXAS II  
Secretary  


Recommended by:

  
ADRIAN S. CRISTOBAL, JR.  
Undersecretary

