



DEPARTMENT ADMINISTRATIVE ORDER NO. 17-07 ____
SERIES OF 2017

SUBJECT: GUIDELINES ON THE RECOGNITION OF CONSUMER ORGANIZATIONS
(COs)

ARTICLE I GENERAL PROVISIONS

Section 1. General Principles and Objectives

WHEREAS, Section 23 Article II of the 1987 Philippine Constitution declares that the State shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation;

WHEREAS, pursuant to the Letter of Instructions No. 1337, the administrative and/or quasi-judicial bodies where certain governmental action or activity affecting consumers are pending action and/or decision must first determine whether any consumer organization desiring to participate in or enter its appearance is truly representative of the sector it represents;

WHEREAS, the same issuance provides that "all consumer organizations will be required to register with the Bureau of Domestic Trade," a Bureau within the Department of Trade and Industry (DTI) which is now the Consumer Protection and Advocacy Bureau (CPAB);

WHEREAS, Article 2 (e) of Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, declares as basic State policy to implement measures to achieve involvement of consumer representatives in the formulation of social and economic policies;

WHEREAS, Article 156 of the Consumer Act of the Philippines, further provides that the DTI shall establish procedures for meaningful participation by consumers or consumer organizations (COs) in the development and review of department rules, policies and programs;

WHEREAS, the DTI, recognizing the role of consumer organizations, conducted on 09 October 2000 Tri-Sectoral Conference on Consumer Welfare where action plans were developed focusing on the following five areas, viz.: (i) Tri-Sectoral Cooperation and Organization, (ii) Consumer Education, (iii) Consumer Issues, (iv) Consumer Groups' Best Practices, and (v) Business Sector's Best Practices;

WHEREAS, the DTI recognizes the valuable contributions of consumer organizations in the area of consumer protection. Consumer organizations in turn, have supported the DTI's programs and initiatives such that the latter aims to recognize their

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valuable work and provide motivation and incentives for the sustenance of their undertakings;

WHEREAS, the DTI, considers recognition of consumer organizations as an approach consistent with its thrust to develop and empower consumers;

WHEREAS, since LOI No. 1337 was promulgated, several rules, regulations, and guidelines implementing the same were issued by DTI;

WHEREAS, in view of recent developments, it is high time to rationalize the requirements for recognition of COs with the DTI to keep pace with the current circumstances and to keep it aligned with the Ease of Doing Business program of the DTI, by consolidating all DTI issuances relevant to LOI No. 1337 and revising the pertinent provisions thereof;

NOW THEREFORE, in consideration of the above, the following are hereby prescribed and promulgated for the compliance, guidance and information of all concerned.

Section 2. Objectives. This DAO shall have the following objectives:

1. To encourage consumers to establish active COs;
2. To lay down the guidelines and procedures for the recognition of the COs by DTI;
3. To ensure that only legitimate COs that advocate, promote and advance consumers' interests and welfare should be recognized;
4. To develop and empower COs to champion the welfare of consumers;
5. To develop effective partnership between government and COs; and
6. To establish guidelines for the grant of benefits and the availment of project assistance to sustain COs' programs or projects that positively contribute to the promotion of consumers' interests.

Section 3. Scope and Coverage. The following Guidelines shall apply for the recognition of COs whether local or national, whether previously accredited by the DTI or otherwise.

ARTICLE II TITLE AND DEFINITION OF TERMS

Section 1. Title. This DAO shall be known as "Guidelines on the Recognition of Consumer Organizations", hereinafter referred to as Guidelines.

Section 2. Definition of Terms. For purposes of these Guidelines, the following terms shall be defined as follows:

- 2.1 "*Administrative cost*" refers to the amount/fees incurred in connection with the application for recognition as consumer organization such as fees for certification/s or certified true copy of the Certificate of Recognition, and cost of reproduction. These costs are non-refundable.
- 2.2 "*Certificate of Recognition (COR)*" refers to the document issued by the appropriate DTI authority attesting that CO named therein has satisfactorily met all the requirements and qualifications for recognition of COs.
- 2.3 "*Commercial endeavor*" refers to profit-making activities that are not incidental to the CO operations pursuant to their purposes.

- 2.4 "Political endeavor" refers to partisan political activities.
- 2.5 "Consumer" means a person who is a purchaser, lessee, recipient or prospective purchaser, lessor or recipient of consumer products, services or credit.
- 2.6 "Consumer Assistance Facility (CAF)" refers to any facility through which the CO can provide assistance to members or non-members on consumer-related concerns.
- 2.7 "Consumer Organization (CO)" means an organized and independent group that represents a substantial number of consumers where membership is voluntary and whose primary objective is to protect the consumer rights and promote their interests and welfare. These are domestic organizations or associations, duly registered with the Securities and Exchange Commission (SEC) or Cooperative Development Authority (CDA).
- 2.8 "DTI" refers to the Department of Trade and Industry.
- 2.9 "DTI-CPAB" refers to Consumer Protection and Advocacy Bureau which shall be the Project Manager under these Guidelines.
- 2.10 "DTI-FTEB" refers to the Fair Trade and Enforcement Bureau.
- 2.11 "DTI-PO" refers to the DTI Provincial Office that has jurisdiction over the place of business of the applicant CO as indicated in its Articles of Incorporation.
- 2.12 "DTI-RO" refers to the DTI Regional Office that has supervision over the concerned DTI-PO.
- 2.13 "Director" refers to any DTI Regional/Provincial/CPAB/FTEB Director or Officer-in-Charge.
- 2.14 "Members" refer to the individual members of the CO.
- 2.15 "Project Assistance" refers to assistance granted to a qualified RCO.
- 2.16 "Recognition" refers to the determination made by DTI that COs comply with the requirements set in these Guidelines, as expressly stated in a corresponding attestation or certification to that effect.
- 2.17 "Recognition Assessment Report (RAR)" refers to the report or findings of the appropriate DTI office on the application for recognition of the CO.
- 2.18 "Recognized Consumer Organization" (RCO) refers to a consumer organization that has met the requirements set under this Order and has been issued a COR.
- 2.19 "Secretary" refers to the Secretary of the Department of Trade and Industry.

ARTICLE III CATEGORIES OF RCOs

Section 1. Categories of Consumer Organizations. A consumer organization may be categorized as:

1.1 Local Consumer Organization.

A CO based in a municipality with at least seven (7) individual members or based in a city with at least twenty (20) individual members at the time of filing of application for recognition.

To be recognized as local CO, it must have complied with the requirements set forth in this Order and should have a proven track record and actively operated as such, for the last two (2) years prior to the date of application with DTI-CPAB or DTI-PO.

1.2 National Consumer Organization.

A CO, recognized by DTI, based either in Luzon, Visayas or Mindanao, with at least forty (40) individual members, and with at least one (1) active affiliated chapter located in each of the other two (2) major geographical areas.

The national CO may nominate its local CO to participate in meetings, workshops, trainings and other consumer related activities of DTI.

ARTICLE IV REQUIREMENTS FOR RECOGNITION

Section 1. Documentary Requirements. The consumer organization shall submit/comply with all the following documentary requirements:

1.1 New Applicant

A. Currently DTI-accredited CO

- 1.1.1 Completely filled-out application form with each page signed by the CO President or its authorized officer and duly notarized or attested by the DTI-CPAB/DTI-PO Director;
- 1.1.2 Certificate of Accreditation issued by the DTI; and
- 1.1.3 Copy of audited financial statements for the last two (2) years stamped received by SEC/CDA; or
Affidavit on the current financial position of the CO signed by the President and the Treasurer stamped received by SEC/CDA.
- 1.1.4 Other pertinent documents which the DTI may require.

B. No Previous Accreditation with DTI

- 1.2.1 Completely filled-out application form with each page signed by the CO President or its authorized officer and duly notarized or attested by the DTI-CPAB/DTI-PO Director;
- 1.2.2 Certified true copy of the SEC/CDA certificate of registration, articles of incorporation or articles of cooperation, and its by-laws;
- 1.2.3 List of trustees, officers and members of the CO, and their contact details;
- 1.2.4 Certificate of no derogatory record or its equivalent issued by SEC or CDA;
- 1.2.5 Proof of active participation for the cause of the consumers for at least two (2) years (certificate of participation, clippings, photos, videos, publications, public consultations attended);
- 1.2.6 Copy of audited financial statements for the last two (2) years stamped received by SEC/CDA; or
Affidavit on the current financial position of the CO signed by the President and the Treasurer stamped received by SEC/CDA; and
- 1.2.7 Undertaking by the CO applicant of their independence from business, industry and/or political party.
- 1.2.8 Other pertinent documents which the DTI may require.

2.1 Renewal

- 2.1.1 Completely filled-out application form with each page signed by the CO President or its authorized officer and duly notarized or attested by DTI-CPAB/DTI-PO Director;
- 2.1.2 Latest General Information Sheet (GIS) duly issued by SEC or CDA;
- 2.1.3 List of trustees, officers and members of the CO, and their contact details;
- 2.1.4 Certificate of no derogatory record or its equivalent issued by SEC or CDA;
- 2.1.5 Copy of the recent audited financial statements stamped received by SEC/CDA; and
- 2.1.6 Undertaking by the CO applicant of their independence from business, industry and/or political party.

Section 2. Where to File Application for Recognition.

- 2.1 DTI-CPAB
 - For application of COs based in NCR
 - For application as NCO
- 2.2 DTI-PO
 - For application of COs based in the provinces

Application for Recognition of CO may also be filed through the DTI website or Consumers' Portal, once available.

Section 3. Fees. - No processing fee, except administrative fees, shall be collected in the filing of application for Recognition of Consumer Organization. Schedule of fees is attached as "Annex A".

ARTICLE V PROCESSING OF APPLICATION FOR RECOGNITION OF CONSUMER ORGANIZATION

Section 1. Application for Recognition whether new or renewal, shall only be considered filed upon submission of all documentary requirements.

Section 2. Validation of Documentary Requirements and Ocular Inspection. Within five (5) working days, upon receipt of the application form together with complete documentary requirements, the DTI-CPAB or DTI-PO shall validate the submitted documentary requirements and conduct ocular inspection in the presence of any of the officers or members of the CO to confirm the existence and operation of the applicant CO.

Section 3. Recognition Assessment Reports (RAR). After the ocular inspection, the DTI-PO shall prepare and submit the RAR together with all the documentary requirements to their respective RDs for his/her evaluation and appropriate action. DTI-CPAB shall prepare the RAR for NCOs and NCR-based applicants.

Section 4. Processing Time. The application for recognition shall be processed within fifteen (15) working days, provided no extensions have been requested in writing or that no interruption of the period has occurred in accordance with the immediately succeeding section, from the date the application was filed with DTI-CPAB or DTI-PO.

Section 5. Interruption of Processing Time. In the event that DTI shall require additional documents to supplement earlier submission, the processing time of fifteen (15) working days shall be interrupted by not more than five (5) working days. For meritorious reasons and upon express written request, DTI may grant an extension of another five (5) working days to submit supplemental documents. Upon compliance, the processing time shall resume. Failure or refusal of the CO applicant to submit the required supplemental documents within the 5-day period shall result in the disapproval or abandonment of the application immediately upon the expiration of the said 5-day period. Notice of disapproval shall be issued to the CO applicant in accordance with Section 7 hereof.

Section 6. Automatic Recognition. After the lapse of the processing time specified herein and no action has been taken by the appropriate DTI office, the application shall be deemed approved, provided that all the documentary requirements have been complied with.

Section 7. Appeal from the Disapproval of the Application. The concerned DTI Office shall inform the applicant CO in writing of the action taken on their application for Recognition. In case the application for recognition is disapproved, the applicant may file a Motion/Letter for Reconsideration with the DTI-CPAB Director, in case of NCOs and NCR-based applicants, or DTI-Regional Director, in case of LCOs outside of NCR, within ten (10) working days from receipt of disapproval. The disapproval of an application shall provide in detail the basis and grounds for disapproval. If the said Motion/Letter is denied, such denial may be appealed to the Office of the Secretary within fifteen (15) working days from receipt of the notice of such denial. The decision of the Secretary shall be final and executory.

The appeal shall be accompanied by a verified Memorandum which shall contain concise statement of facts, the grounds for appeal, as well as supporting documents. The grounds for appeal shall be limited to grave abuse of discretion and serious errors in the findings of fact. Failure to file the appeal within the prescribed period shall render the decision of the DTI-CPAB/DTI-RO Director final and executory.

ARTICLE VI CERTIFICATE OF RECOGNITION

Section 1. Issuance of Certificate of Recognition (COR). When the applicant meets all the requirements for recognition, the DTI-CPAB or DTI-RO shall approve the application and issue a system-generated Certificate of Recognition (COR) electronically signed by the DTI Secretary, endorsed by the appropriate DTI Director.

The COR shall consist of the following:

- 1.1 Name of the recognized consumer organization and its complete address;
- 1.2 Date and place of issue;
- 1.3 Validity period of the Certificate of Recognition;
- 1.4 Consumer Organization Recognition Number (CORN); and
- 1.5 Statement that the Certificate of Recognition is non-transferable.

If there is a change in corporate name of the RCO, a new COR will be issued for the remaining validity period. The CO shall advise DTI, by furnishing a copy of the Certificate of Approval issued by SEC/CDA, of any amendment on its company profile, within five (5) working days from receipt of the Certificate of Approval issued by SEC/CDA.

The CO has the option whether to pick up or have the COR delivered to their principal business office.

If the CO opted to have it delivered, the CO shall provide a self-addressed pouch or envelope upon submission of the application form and documentary requirements.

Section 2. Validity Period of the Certificate of Recognition. The Certificate of Recognition shall be valid for a period of three (3) years unless sooner cancelled or suspended on grounds under Article VIII hereof. In case the applicant is a currently accredited CO under previous rules and guidelines, the 3-year validity period shall reckon on the date of issuance of the Certificate of Recognition.

Section 3. Renewal of Certificate of Recognition. The recognized CO shall apply for renewal of its COR in accordance with Article IV and Article V of these Guidelines at least thirty (30) days prior to the expiration of the COR to:

- 3.1 DTI-CPAB
 - For application of COs based in NCR
 - For application as NCO
- 3.2 DTI-PO
 - For application of COs based in the provinces

Application for Recognition of CO may also be filed through the DTI website or Consumers' Portal, once available.

ARTICLE VII RESPONSIBILITIES OF RCOs

Section 1. Responsibilities of the Recognized Consumer Organization. As recognized CO, the following are their responsibilities:

- 1.1 Participate in government hearing/consultation programs and activities in formulating policies regarding consumer welfare and protection and recommend amendments, if any, on existing consumer-related laws or policies.
- 1.2 Promote equality among its members or non-members regardless of gender, race, religion, or background.
- 1.3 Timely advise DTI, other concerned government agencies and the consumers about any pressing issue/s that violate/s the Consumer Act of the Philippines, Fair Trade Laws (FTLs) and other consumer related laws.
- 1.4 Establish a Consumer Assistance Facility (CAF) to provide assistance on consumer-related concerns.
- 1.5 Initiate consumer-related activities and conscientiously advocate respect for consumer rights including consumer education activities and dissemination of consumer-related information materials.
- 1.6 Submit highlights of accomplishments, in narrative, photo/video or media release, to DTI-CPAB or DTI-PO every semester. For January-June, reports shall be submitted not later than July 30. For July-December, reports shall be submitted not later than January 30 of the following year.
- 1.7 Submit copy of the yearly audited financial statements and General Information Sheet (GIS) duly stamped received by SEC/CDA.
- 1.8 Submit price monitoring reports/data of basic necessities and prime commodities and compliance of business establishments on Fair Trade Laws (FTLs) to populate the data by DTI in its price monitoring activities, subject to the execution of a MOA with concerned DTI Office.
- 1.9 Participate actively in the annual celebration of the World Consumer Rights Day every 15th day of March and the Consumer Welfare Month every October.

The concerned DTI Office shall ensure compliance of RCOs' responsibilities.

ARTICLE VIII SUSPENSION, CANCELLATION AND REINSTATEMENT OF CERTIFICATE OF RECOGNITION

Section 1. Grounds for Suspension of the Certificate of Recognition. After due notice and hearing, the concerned DTI Director shall suspend the CO's Recognition for non-compliance of the responsibilities of recognized COs provided in Article VII of this Order.

A CO may be suspended for a period of one (1) month to six (6) months depending on the number of non-performance of responsibilities they incur as specified in Article VII:

Period of Suspension	Non-performance committed
1 month	Any 2
2 months	Any 3
3 months	Any 4
4 months	Any 5
5 months	Any 6
6 months	All items from 1.1 to 1.7

After the lapse of the period of suspension, a Notice of Reinstatement shall be issued and the Certificate of Recognition shall be reinstated for the remaining period of its validity.

Section 2. Cancellation of the Certificate of Recognition. After due notice and hearing, the concerned DTI Director may cancel the Certificate of Recognition on any of the following grounds:

- 2.1 Material misrepresentation or falsehood in the documentary requirements submitted in the application for recognition or renewal;
- 2.2 Commission or omission of any act by the CO which are inimical or prejudicial to the interest of its members and or the consumers in general;
- 2.3 Promoting business enterprises that engage in activities that violate the provisions of the Consumer Act or any other consumer-related laws, rules and regulations or endorsing a product of or granting awards to said business enterprises;
- 2.4 Receiving any monetary or material support that may compromise the COs independence.
- 2.5 Divulging confidential information that may be detrimental to consumer interest;
- 2.6 Incurring of at least two (2) suspensions within 12 months; and
- 2.7 Engaging primarily in commercial activities, not incidental to their operations, and/or political endeavors or analogous circumstances.

RCOs, whose certificate of recognition was cancelled due to the preceding reasons, may apply for recognition after one (1) year from the date of cancellation.

In case the SEC/CDA Certificate of Registration has been cancelled, the CO shall furnish DTI a copy of the SEC/CDA Certificate of Cancellation. The cancellation of the CO's SEC/CDA Certificate of Registration shall automatically result in the cancellation of its Certificate of Recognition.

ARTICLE IX COMPLAINTS HANDLING

Section 1. Complaints Handling. Complaints handling shall only commence upon filing online or before the nearest DTI Office, of a sworn or verified report or complaint against the CO by any individual/organization, or by DTI-CPAB/RO in the form of a formal charge. Complaints shall be filed within 30 days from discovery of violation. Except for the said prescriptive period, the rules and procedure concerning complaints, petitions, or formal charges for suspension or cancellation of Certificate of Recognition shall be governed by Department Administrative Order No. 7, Series of 2006, including all future amendments, modifications, or revisions thereof, and the penalties under Executive Order No. 913, series

of 1983, as amended. The filing of a complaint, petition, or formal charge for suspension or cancellation of recognition in accordance with these Rules shall not bar the filing of appropriate civil and/or criminal action in the proper court.

Sworn or verified complaints against local COs shall be handled by DTI-ROs while complaints against local COs in NCR and those against National CO, shall be handled by DTI-FTEB.

ARTICLE X

PARTICIPATION OF RECOGNIZED CONSUMER ORGANIZATION IN ADMINISTRATIVE PROCEEDINGS

Section 1. Participation of Recognized Consumer Organization. Only recognized consumer organizations shall be endorsed by DTI in any administrative, legislative, or quasi-judicial bodies including national, and local special bodies as specified in the Local Government Code (RA 7160).

ARTICLE XI

BENEFITS OF RECOGNIZED CONSUMER ORGANIZATIONS

Section 1. Benefits for Recognized Consumer Organizations. These Guidelines also aim to recognize the valuable work that the consumer organizations have been doing. In order to motivate RCOs and sustain their activities/undertakings, DTI grants them benefits enumerated in Annex B.

Section 2. Project Assistance for Qualified RCOs. In order to further their activities and programs, DTI may provide project assistance to RCOs, subject to existing government budgeting, procurement, and auditing rules and regulations. All RCOs may apply for available project assistance provided they meet the qualifications and criteria set forth in the Guidelines to be prepared by DTI.

Towards this end, DTI will publish in the website or in the Consumers' Portal Notice/Call for Nomination for Project Assistance. Thereafter, the RCOs may submit their application for Project Assistance to the respective DTI Office.

Section 3. Sources of Project Assistance. Project assistance maybe granted to qualified RCOs subject to availability of funds whether sourced locally or internationally.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1. Transitory Provision. Upon the effectivity of this Order, all current DTI accredited Consumer Organizations are encouraged to apply for Recognition in accordance with the provisions of this Order. All certificates of accreditation issued in accordance with previous rules and guidelines shall remain valid until the expiration of the said certificates, without prejudice to the submission of new application for recognition in accordance with these Guidelines prior to or after the expiration thereof.

Section 2. Repealing Clause. All orders, issuances, rules and regulations or parts thereof pertaining to the accreditation of consumer organization inconsistent herewith are hereby repealed or amended accordingly.


Section 3. Effectivity. This Order shall take effect thirty (30) days after its publication in two (2) newspapers of general circulation.

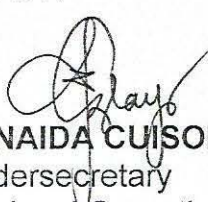
Signed this 29th day of December 2017. Makati City, Philippines.

APPROVED BY:


RAMON M. LOPEZ
Secretary of Trade and Industry

RECOMMENDED BY:


ATTY. TEODORO C. PASCUA
Undersecretary
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ZENAIDA CUISON MAGLAYA
Undersecretary
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ANNEX A

**SCHEDULE OF ADMINISTRATIVE FEES FOR
RECOGNITION OF CONSUMER ORGANIZATIONS (COs)**

Document	Amount of Fee
Certificate of Recognition (COR) Fee	P300.00
For the issuance of a substitute certified copy of a lost or destroyed Certificate of Recognition (COR)	P300.00
For the issuance of certificate that a certain recognized CO has no pending case with DTI	P200.00
For the issuance of any other certification	P200.00

BENEFITS FOR RECOGNIZED CONSUMER ORGANIZATIONS (RCOs)

The following benefits shall be granted to all DTI Recognized Consumer Organizations (RCOs):

1. Legal personality to represent “the sector or segment of society it purports to represent”, i.e. consumers.
2. Feature article at the DTI website or the Consumers’ Portal, once available.
3. Priority to participate in trainings/workshops on consumer-related laws or policies and other Fair Trade Laws (FTLs).
4. Partnership with DTI in the conduct of consumer education and other consumer protection related activities.
5. Represent the consumers’ in bodies/forum/activities, upon endorsement of DTI.
6. Capacity to disseminate consumer information, education and communication (IEC) materials.
7. Technical assistance by DTI in the preparation and facilitation in its conduct of consumer programs and activities.

Philippine Delegate to International Consumer Protection Related Forums

In addition to the above benefits for RCOs, a Recognized National Consumer Organization/s shall be nominated by DTI, upon request/invitation by the international body, as the official Representative of the Philippines in international consumer protection related forums, meetings, or trainings.