



**DEPARTMENT ADMINISTRATIVE ORDER NO. 09-08
Series of 2009**

SUBJECT: GUIDELINES ON WARRANTIES ON ENERGY EFFICIENT LAMPS AND BALLASTS

WHEREAS, Republic Act No.7394, otherwise known as 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;

WHEREAS, under Republic Act No. 7394, the Department of Trade and Industry (DTI) is mandated to, among others, strictly enforce the provision on consumer product and service warranties;

WHEREAS, Ministry Order No. 69, Series of 1983 implementing Executive Order No. 913, as amended, is amended by Department Administrative Order No. 14, Series of 1990 to include the warranty provisions of Republic Act No. 386 otherwise known as the New Civil Code of the Philippines, as amended, particularly Articles 1546-1547 ("*Law on Conditions and Warranties*") and Articles 1561-1564, 1566-1569 ("*Law on Warranty against Hidden Defects of, or Encumbrances upon the Thing Sold*") as "trade and industry law" making it subject to the rule-making and adjudication powers of the DTI;

WHEREAS, the Philippines as a signatory and party to the United Nations Framework Convention on Climate Change (UNFCCC) is undertaking a project, through the Department of Energy (DOE), aimed to address the barriers to widespread utilization of energy efficient lighting (EEL) systems in the Philippines and one of its strategies is to help transform the market to the use of EELs in the country;

WHEREAS, the adoption of this Guidelines will enhance consumer protection from substandard and defective lighting products while at the same time better warranty provisions can boost consumer confidence in EELs and ultimately effect its widespread use in the country.

WHEREAS, in view of the foregoing premises there is an imperative to amplify the provisions on warranties being implemented by the DTI specific to energy efficient lamps and ballasts;

1

OFFICE OF THE SECRETARY

4F Industry & Investments Building, 385 Sen. Gil J. Puyat Avenue, 1200 Makati City, Philippines
Telephone: (632) 899.7450 • Fax (632) 896.1166 • E-mail: PBFavila@boi.gov.ph
www.dti.gov.ph

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

Section 1. Scope and Coverage

This Administrative Order shall be applicable to all manufacturers, importers, distributors, traders, dealers, wholesalers, retailers and consumers of energy efficient lighting products, particularly fluorescent lamps (linear, circular and compact), high intensity discharge (HID) lamps and ballasts (electromagnetic and electronic) as defined in this Order.

Section 2. Definition of Terms

For purposes of these Guidelines, the term

2.1" *Energy efficient lighting products*" shall mean the use of artificial light to receive the optimal level of light for the lowest energy consumption such as fluorescent lamps, and high intensity discharge lamps including low-loss electromagnetic and electronic ballasts.

Also, these "*Energy efficient lighting products*" shall pass the mandatory performance and safety requirements implemented by the government.

- a) "*Fluorescent lamps*" are discharge lamps of low pressure mercury type, in which most of the light is emitted by one or several layers of phosphors excited by the ultra-violet radiation from the discharge. These include compact, linear, and circular lamps; widely used for general lighting in home and offices.
 - b) "*High intensity discharge (HID) lamps*" are electric discharge lamps where the light producing arc is stabilized by wall temperature and the arc has a bulb wall loading in excess of three (3) watts per square centimeter. These include the group of lamps known as high pressure mercury, metal halide and high pressure sodium lamps.
 - c) "*Ballasts*" are devices connected between the supply and one or more discharge lamps which serve mainly to limit the current of the lamp(s) to the required value. These may include means for transforming the supply voltage, correcting the power factor and, either alone or in combination with a starting device, provides the necessary conditions for starting device, and provides the necessary conditions for starting the lamp(s).
- 2.2 "*Warrantor*" shall include the manufacturers, importers, distributors, traders, dealers and wholesalers/retailers of energy efficient lighting products.
- 2.3 "*Warranty*" shall mean a contract, whether express or implied, between the buyer and the warrantor of energy efficient lighting products concerning the rights and obligations of both parties in a consumer sale.
- a) "*Express Warranty*" means any affirmation of fact or any promise by the seller relating to the energy efficient lighting products if the natural tendency of such affirmation or promise is to induce the buyer to purchase the same, and the buyer purchases the same relying thereon.

- b) *"Implied Warranty"* means rights and obligations of the parties in a contract or sale proceeding from the nature of the contract or from the law.

Section 3. Terms of Express Warranties

- 3.1 Express warranties on energy efficient lighting products shall be written in clear language, either in English or Filipino.
- 3.2 Express warranties shall, among others:
 - a) set forth the terms of warranty and clearly identify the warrantor;
 - b) state that the warrantor warrants that the lighting products comply with the mandatory performance (e.g., average life) and safety requirements stipulated in the existing Philippine National Standards (PNS) and its future revision;
 - c) state what the warrantor will do, in the event of a defect, malfunction or failure, to conform to the written warranty and at whose expense;
 - d) state what the consumer must do to avail of the rights which accrue to the warranty; and
 - e) stipulate the period within which, after notice of defect, malfunction or failure to conform to the warranty, the warrantor will perform any obligation under the warranty.
- 3.3 Express warranties issued by the warrantor shall be operative from the moment of sale.

Section 4. Duration of Warranties

- 4.1 In case of express warranty, the seller and the consumer may stipulate the period within which it shall be enforceable. If the implied warranty on merchantability accompanies an express warranty, both will be of equal duration.
- 4.2 Any other implied warranty shall not be less than one (1) year following the sale of new energy efficient lighting products.

Section 5. Minimum Standards for Warranty

- 5.1 The warrantor of energy efficient lighting products shall allow the consumer to replacement of such lighting products or part, as the case may be, within a reasonable time and without charge in case of defect, malfunction or failure to conform to such written warranty.
- 5.2 The warrantor will not be required to perform the above duties if he can show that the defect, malfunction or failure of the energy efficient lighting product to conform to a written warranty was caused by damage due to unreasonable use thereof.

Section 6. Enforcement of Warranty Rights

- 6.1 The warranty rights can be enforced by presentment of a claim. To this end the buyer needs only to present to the immediate seller the following proof of purchase, namely, official receipt, or warranty card along with the lamps and ballasts to be returned or replaced. No other documentary requirement shall be demanded from the purchaser.
- 6.2 In case of breach of express warranty, the buyer shall be entitled to have the goods replaced.
- 6.3 The retailer shall subsidiarily be liable under the warranty in case of failure of both the manufacturer and distributor to honor the warranty. In such case, the retailer shall shoulder the expenses and costs necessary to honor the warranty. Nothing therein shall prevent the retailer from proceeding against the distributor or manufacturer. Specifically,
- a) If the immediate seller is the manufacturer's factory or showroom, the warranty shall immediately be honored.
 - b) If the product was purchased from a distributor, he shall likewise immediately honor the same.
 - c) In the case of a retailer other than the distributor, the former shall take responsibility without cost to the buyer of presenting the warranty to the distributor in the consumers' behalf.

Section 7. Prohibited Acts

- 7.1 The following acts are prohibited:
- a) Refusal without any valid legal reason by the local manufacturer or any person required under the warranty or guarantee issued;
 - b) Unreasonable delay by the local manufacturer or any person required under the warranty or guarantee in honoring the warranty;
 - c) Removal by any person of a product's warranty information for the purpose of evading said warranty obligation;
 - d) Any false representation in an advertisement as to the existence of a warranty or guarantee.

Section 8. Sanctions. Findings of violation of any provision of this Administrative Order, after due process/hearing, shall subject the violator to administrative sanctions or penalties provided under the Consumer Act, Department Administrative Order No. 7, Series of 2006, and Department of Trade and Industry's schedule of fines.

Section 9. Repealing Clause. All orders and issuances which are inconsistent with this Order are hereby repealed or amended accordingly.

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

Issued this 3rd of November 2009 at Makati City, Philippines.

Approved:



PETER B. FAVILA
Secretary

Recommending Approval:



Asst. Dir. JAIME LASARO L. OLMOS
Director-in-Charge
Bureau of Trade Regulation and
Consumer Protection



ZENAIDA QUISON MAGLAYA
Undersecretary
Consumer Welfare and
Trade Regulation Group