

**[ DEPARTMENT ADMINISTRATIVE ORDER NO. 17-07, February 07, 2018 ]**

**GUIDELINES ON THE RECOGNITION OF CONSUMER ORGANIZATIONS (COS)**

*Adopted: 29 December 2017*

*Date Filed: 07 February 2018*

**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 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;