

**[DTI-DOH-DA JOINT ADMINISTRATIVE ORDER
NO. 1 Series of 1993, December 27, 1993]**

**RULES AND REGULATIONS IMPLEMENTING THE PROVISIONS OF
CHAPTER III TITLE V OF REPUBLIC ACT NO. 7394 OTHERWISE
KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES**

Pursuant to the provisions of Title X, Book IV of the Administrative Code of 1987 and to more effectively implement Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, the following rules and regulations are hereby promulgated.

**RULE I
COMMENCEMENT OF ACTION**

SECTION 1. Commencement of Investigation of Consumer Complaint - The concerned department, Departments of Trade and Industry, Health and Agriculture, may commence an investigation upon petition or upon letter complaint under oath from any consumer for violation/s of Republic Act 7394, within their respective jurisdiction.

SECTION 2. Contents - The complaint shall state among other things, the following:

- A. The names and addresses of the complainant and respondent;
- B. A brief statement of the facts giving the background and the particular act/s and/or omission/s complained of, the approximate time of the commission of the offense or the approximate time of the discovery of such commission;
- C. Sworn statement/s of witness and/or documentary evidence, if any;
- D. The relief prayed for, and preliminary or preventive measures or orders sought; and
- E. Such other matters or details that shall guide the Arbitration Officer in appraising the nature of the complaint and the extent of the violation/s committed.

SECTION 3. Where to File Complaint - The complaint shall be filed in duplicate with the provincial office of the department having jurisdiction over the subject of the complaint. In areas where there are no provincial offices, the complaint shall be filed in the Regional Office.

In cases where the complainant and respondent are situated in different provinces, the complainant has the option to choose the place where to file the complaint.

In the National Capital Region, the complaints shall be filed in the following offices:

For the Department of Trade and Industry - DTI-NCR

For the Department of Health - Bureau of Food and Drugs

For the Department of Agriculture - Legal Department, Department of Agriculture

SECTION 4. Consumer Complaint, Received - As soon as the complaint is instituted, the Arbitration Officer shall notify the parties to appear before him for purposes of mediating/conciliating the controversy.

The notice shall indicate the date, time and place of hearing together with a copy of the complaint.

SECTION 5. When to File Complaint - The complaint shall be filed within two (2) years from the time the consumer transaction was consummated or the deceptive or unfair and unconscionable act or practice was committed and in the case of hidden defects, from the discovery thereof.

RULE II JURISDICTION/POWERS AND DUTIES OF CONSUMER ARBITRATION OFFICERS

SECTION 1. Jurisdiction of Consumer Arbitration Officers - The Consumer Arbitration Officers shall have original and exclusive jurisdiction to mediate, conciliate, hear and adjudicate all consumer complaints. Provided, however, that this does not preclude the parties from pursuing the proper judicial action.

In consumer complaints, the complainant must be a natural person and the subject of the complaint is a consumer product or service as defined under the Consumer Act.

SECTION 2. Powers and Duties of Consumer Arbitration Officers - The Consumer Arbitration Officers shall exercise the following powers and duties.

- A. Summon witnesses
- B. Administer oaths and affirmation
- C. Conduct the mediation/arbitration hearing as scheduled
- D. Regulate the proceedings and maintain order during the hearing
- E. Issue subpoena/s or sub-poena-duces tecum when requested to compel attendance of witnesses or production of documents during the hearing
- F. Receive all relevant evidence which may help in giving a fair award
- G. Rule upon offers of proofs
- H. Take or cause deposition to be taken whenever the end of justice would be served thereby
- I. Rule on any procedural request on similar matters
- J. Promulgate award/decision within fifteen (15) days from the time the investigation was terminated.

RULE III MEDIATION/CONCILIATION OF CONSUMER COMPLAINT

SECTION 1. Procedure for Mediation/Conciliation - In mediating/conciliating consumer complaint the Arbitration Officer shall:

- A. Explain to complainant, the concerned department's jurisdiction under the Consumer Act, the available remedies and ask from complainant the relief sought;

B. Explain to Respondent, the nature of the complaint, inquire whether he (respondent) is willing to settle complaint amicably and if so, ask for his best offer to settle complaint;

C. The Arbitration Officer shall:

C.1 Exert effort to convince both parties to settle case amicably by explaining the advantages of mediating/conciliating the complaint, e.g. less expense and speedy recourse to redress (for the complainant) and protect/create goodwill of the company (for the respondent);

C.2 Propose alternative solution/s to offers and counter-offers of parties in order to make the term more reasonable and acceptable.

SECTION 2. Mediation Period - the Arbitration Officer has fifteen (15) working days from the time the complaint was filed within which to mediate the case. The time during which the Notice of Mediation is in the mail and/or the complaint is being amended, shall be deducted in the computation of the said period.

SECTION 3. Compromise/Mediation Agreement - If the parties agree on an amicable settlement of the complaint, they shall sign an agreement indicating the terms and conditions thereof. The agreement shall not be contrary to law, morals, good customs, public order and policy. The Arbitration Officer shall order a decision based on the compromise agreement.

SECTION 4. Right of the Aggrieved party in case of failure or refusal to abide by the Compromise/Mediation Agreement - If one of the parties to the compromise/mediation agreement fails to abide by the said agreement, the other party may file a motion for execution of judgment.

RULE IV ARBITRATION OF CONSUMER COMPLAINT

SECTION 1. Sending of Summons and Notice of Hearing - If after mediation/conciliation of the complaint, there was no amicable settlement agreed upon, the Arbitration Officer shall prepare and serve summons to the respondent by personal service, mail or publication as the case maybe. Upon receipt of answer, the parties shall be notified of the date, time and place of hearing.

SECTION 2. Summons and Answers - The summons shall require respondent to answer the complaint (and not file a Motion to Dismiss) within ten (10) days from service thereof. The Respondent shall answer the complaint in writing, together with his sworn statement and those of his witnesses and his documentary evidence and serve copies thereof upon the complainant.

The voluntary appearance of the Respondent in the action is equivalent to service of summons.

SECTION 3. Dismissal and Default - if the complainant does not appear at the time and place designated in the Notice of Hearing or in a subsequent order, the complaint may be dismissed for failure to prosecute. For this purpose, the Arbitration Officer shall send two (2) notices before an order to dismiss shall be issued.