

DEPARTMENT ADMINISTRATIVE ORDER NO. \_\_\_\_ Series of 2024

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SUBJECT: OPERATIONALIZING THE BLANKET APPROVAL MECHANISM OF SALES PROMO PERMIT, AMENDING FOR THE PURPOSE DAO NO. 10-02, S. 2010 (DAO 10-02) AND DTI-DOH JOINT ADMINISTRATIVE ORDER NO. 01, S. 2000

**WHEREAS**, Republic Act (RA) 7394 provides that "No person shall conduct any sales campaigns, including beauty contest, national in character, sponsored and promoted by manufacturing enterprises without first securing a permit from the concerned department";

WHEREAS, due to the effect of COVID-19 pandemic, and to expedite the issuance of Sales Promotion Permits in accordance with the mandate under RA 11032, otherwise known as "Ease of Doing Business and Efficient Government Service Delivery Act of 2018," the DTI Fair Trade Enforcement Bureau (FTEB) has transitioned to online automated filing and processing of applications pertaining thereto through the Integrated Registration System (IRegIS). Thus, applications for sales promotion permits conducted within the National Capital Region and those of nationwide in scope have been shifted to online automated process via IRegIS;

**WHEREAS**, consistent with Good Regulatory Practice, the Department is committed to reviewing, amending or modifying its rules and regulations or guidelines in order to balance the interest of the stakeholders without compromising consumer protection;

**WHEREAS**, the DTI has recognized as early as 1993 that companies employ recurring schemes of promotions and that a blanket approval mechanism may be implemented under specific conditions as contemplated under DAO 10-02;

WHEREAS, DTI and the Department of Health (DOH) issued Joint Administrative No. 01, S. 2010 or Prescribing A Schedule of Fees and Charges for Sales Promotion Activities which provided the fees to be paid by sales promotion applicants, including those applying for blanket approval;

**WHEREAS**, very few applicants avail of the said blanket approval as it only allows a change in promotion dates even if all other mechanics are unchanged and therefore there is a need to revisit the said mechanism, including the fee structure;

WHEREFORE, foregoing premises considered, this Department Administrative Order is hereby issued for the information and guidance of all concerned.

OFFICE OF THE SECRETARY

**Section 1. Scope** – This Department Administrative Order (DAO) shall apply to all sponsors and/or duly-authorized agents who file applications for Sales Promotion Permits Involving Recurring Discounts via the DTI-IRegIS Portal.

**Section 2. Eligibility**. Only sponsors without any administrative or criminal case for violation of any Fair Trade Law, which are final and executory, shall be eligible to avail of the blanket approval mechanism.

**Section 3. Blanket Approval of Recurring Discount Promotions.** Sponsors who intend to conduct recurring promotions involving discounts have the option to apply for a blanket approval, which shall be valid for (2) calendar years upon issuance, *provided that*: promotion activities conducted pursuant to this blanket approval shall have substantially the same terms and conditions, with minor to no changes; *provided further that:* the blanket approval shall be subject to the following conditions:

- a. The sponsor shall submit a Sworn Undertaking (attached as Annex "A") for the protection of consumers;
- That in case the applicant is an agent, the agent shall be duly-authorized by the sponsor and that the blanket approval shall be issued in the name of the sponsor;
- c. The sponsor and agent shall ensure full and continuing compliance with the Consumer Act of the Philippines (Republic Act No. 7394) and its IRR, and other pertinent laws and regulations;
- d. That the sponsor and agent shall respond, address and resolve consumer complaints in relation to the promotional activities within seven (7) calendar days from receipt of such complaint from the consumer or DTI;
- e. The sponsor/and or agent shall be required to notify to DTI each promotion activity conducted under the blanket approval seven (7) working days before the start of the promotion activity and attach the ad material;
- f. The sponsor or agent shall submit a list of products involved in the promotion during that 2-year period;
- g. Each sales promotion activity conducted may be subject to post-conduct review within one (1) year from its termination or conclusion.

Minor changes shall refer to the period covered as long as within the two-year period and prizes as long as of the same kind and are compliant with the mandatory certification scheme, if applicable.

**Section 4. Payment of Fees.** Applicants of sales promotion under the blanket approval mechanism, regardless of scope and amount of prizes, shall pay a permit fee of PHP20,000.00 for every scheme applied. No other fee shall be collected from the applicant.

This amends Section 2 of DTI-DOH JAO 01 S. 2010 in so far as applications under the jurisdiction of the DTI are concerned.

91 92 93 94	<b>Section 5. Reconfiguration of the I-Regis</b> . The DTI shall reconfigure the IRegIS to allow the submission of application for blanket approval. The permit to be issued under this mechanism shall be denominated separately.
95	Section 6. Suspension of the Promotion or Revocation of the Blanket
96	<b>Approval.</b> A sales promotion campaign may be suspended or the blanket
97	approval revoked, motu proprio or upon sworn complaint, by the DTI for violation
98	of any provision of the Consumer Act of the Philippines or other Fair Trade Laws.
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100 101 102	<b>Section 7.</b> Effectivity – This Order shall be effective immediately upon publication.
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104	Issued this day of 2024 in Makati City, Philippines
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107	Approved:
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110	MA. CRISTINA A. ROQUE
111	Acting Secretary
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114	Recommending Approval:
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117	ATTY. AMANDA MARIE F, NOGRALES
118	Undersecretary
119	Consumer Affairs and Legal Services Group
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122	ATTY AGATON O UNEDO
123	ATTY. AGATON O. UVERO
124	Assistant Secretary/Supervising Head
125	Fair Trade Group
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