

1 **IMPLEMENTING RULES AND REGULATIONS**
2 **OF THE**
3 **INTERNET TRANSACTIONS ACT OF 2023**

4
5 **Republic of the Philippines**
6 **Department of Trade and Industry**
7 **Department of Information and Communications Technology**
8 **National Privacy Commission**
9 **Department of Agriculture**
10 **Department of Health**
11 **Bangko Sentral ng Pilipinas**
12

13 Pursuant to the provisions of Section 31 of Republic Act No. 11967, otherwise
14 known as the Internet Transactions Act of 2023 (the “Act”), the following implementing
15 rules and regulations (the “Rules”) are hereby promulgated:
16

17 **PART I**

18
19 **DECLARATION OF POLICY AND COVERAGE**
20

21 Section 1. *Declaration of Policy.* - It is the policy of the State to promote and
22 maintain a robust electronic commerce (e-commerce) environment in the country by building
23 trust between digital platforms, online merchants, and online consumers. The State
24 recognizes the value and potential of the digital economy to increase competition, boost
25 economic growth, and improve productivity. Toward this end, the State shall guarantee
26 effective regulation of e-commerce to protect consumer rights and data privacy, encourage
27 innovation, promote competition, secure internet transactions, uphold intellectual property
28 rights, ensure product standards and safety compliance, and observe environmental
29 sustainability.
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31 Section 2. *Definition of Terms.* - As used in the Rules:
32

33 (a) *Business-to-business Transaction* refers to internet transactions between
34 businesses, such as between a manufacturer and a wholesaler, or a wholesaler
35 and a retailer, whether the transacting parties are natural or juridical persons.
36

37 (b) *Business-to-consumer Transaction* refers to internet transactions between
38 businesses and end-users.
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40 (c) *Consumer-to-consumer (C2C) Transaction* refers to transactions between end-
41 users done for personal, family, or household purposes and not done in the
42 ordinary course of business, regardless of the platform used. What constitutes C2C
43 Transactions depends on the value, frequency, and volume of sale. For purposes
44 of the Act and these Rules, C2C Transactions shall include the sale of products,
45 services, and sale of personal items, for a limited period ; *Provided*, however,
46 That the following shall not constitute C2C Transactions:

- 1 (1) When a person sells or offers for sale more than ten (10) items in any calendar
2 year;
- 3 (2) When a person provides or offers to provide a service to more than five (5)
4 persons in any calendar year;
- 5 (3) When a person's personal mode of payment, such as a personal banking
6 account or e-wallet, is used more than ten (10) times in connection with the
7 sale of goods and services in any calendar year;
- 8 (4) When a person engages in e-commerce by "doing business" as defined in the
9 Foreign Investments Act of 1991 or any case law; or
- 10 (5) When a person engages in transactions not for personal, family, or
11 household purposes.
- 12
- 13 (d) *Digital Platforms* refer to information and communication technology-enabled
14 mechanisms that connect and integrate producers and users in online
15 environments where goods and services are requested, developed, and sold, and
16 data is generated and exchanged such as, but not limited to, e-commerce, digital
17 financial services, food delivery, transport, travel, education, healthcare, and
18 logistics.
- 19
- 20 (e) *E-Commerce* shall mean any commercial transaction conducted through
21 electronic, optical and similar medium, mode, instrumentality and technology. The
22 transaction includes the sale or purchase of physical or digital goods and services,
23 between individuals, households, businesses and governments conducted over
24 computer-mediated networks through the Internet, mobile phones, electronic data
25 interchange (EDI) and other electronic channels through open and closed
26 networks. These may be digitally ordered, digitally delivered or platform-enabled
27 transactions. E-Commerce includes business-to-business, business-to-consumer,
28 and peer-to-peer transactions.
- 29
- 30 (f) *E-Commerce Philippine Trustmark* refers to an electronic symbol, image, or badge
31 issued or awarded by the agency to be used by the accredited trustmark provided
32 to indicate their accredited status, ensuring that the website of businesses has
33 been shown to be trustworthy.
- 34
- 35 (g) *E-marketplace* refers to digital platforms whose business is to connect online
36 consumers with online merchants, facilitate and conclude the sales, process the
37 payment of the products, goods or services through the platform, or facilitate the
38 shipment of goods or provide logistics services and post-purchase support within
39 such platforms, and otherwise retains oversight over the consummation of the
40 transaction. These shall include social media or other platforms insofar as they
41 retain oversight over the consummation of the transaction.
- 42
- 43 (h) *E-retailer* refers to a natural or juridical person selling goods or services directly to
44 online consumers through its own website, webpage or application.

- 1 (i) *Goods* refer to physically or digitally produced items over which ownership or
2 proprietary rights may be established and transferred from one (1) institutional unit
3 to another by entering into a transaction.
4
- 5 (j) *Internet Transaction* refers to the sale or lease of digital or non-digital goods and
6 services over the internet. For purposes of the Act and these Rules, internet
7 transactions shall also refer to e-commerce.
8
- 9 (k) *Minimum Contacts* refers to any touchpoint or interaction with any potential or
10 actual customer (whether an individual, partnership, corporation or business)
11 located in the Philippines, regardless of residence or citizenship. A person who
12 engages in e-commerce shall be deemed to establish minimum contacts in the
13 Philippines if it allows users in the Philippines to use its platform and permit the
14 said users to exchange information, goods or services in the Philippines.
15
- 16 (l) *Online Consumer* refers to a natural or juridical person who purchases, leases,
17 receives, or subscribes to goods or services over the internet for a fee.
18
- 19 (m) *Online Merchant* refers to a person selling non-financial goods or services to online
20 consumers through an e-marketplace or third-party digital platform. An e-retailer
21 shall also be considered an online merchant if it offers the same goods or services
22 outside its own website through a third-party digital platform and the online
23 consumer purchases, leases, subscribes to, or obtains the service of the e-retailer
24 through the said third-party platform.
25
- 26 (n) *Oversight over the transaction* refers to participating over or providing facilities that
27 lead to the perfection, consummation or execution of all or a part of any internet
28 transaction, including but not limited to, providing online shopping carts, payment
29 facilities or delivery services to online merchants.
30
- 31 (o) *Producer* refers to the manufacturer or importer of goods, or any person purporting
32 to be a manufacturer, who places its name, trademark, or other distinctive sign on
33 goods.
34
- 35 (p) *Purposeful availment* refers to any action or conduct that leads to, or indicates the
36 intention to transact with persons or businesses located in the Philippines
37 including, but not limited to, advertising directed to the Philippine market, soliciting,
38 allowing or receiving within the Philippines orders, payments and deliveries,
39 (soliciting orders, allowing or receiving payments, making deliveries), contracting
40 with third parties to fulfill orders, providing technical or customer support to
41 customers in the Philippines, and procuring telecommunications services,
42 bandwidth, or infrastructure.
43
- 44 (q) *Regulated goods* refers to items of commerce that are subject of any mandatory
45 rules imposed by any national or local authority in relation to their sale, marketing,
46 advertising, trade, offer for sale, and related activities including but not limited to

1 permits, disclosure of pertinent information, marking with official seals, and use of
2 stamps.

- 3
4 (r) *Transitory Period* refers to the eighteen (18) month period from the effectivity of the
5 Act as referred to under Section 53 of the Act.
6

7 Section 3. *Scope and Coverage.* - These Rules shall apply to the following:
8

- 9 (a) All business-to-*business* internet transactions where at least one (1) of the parties
10 is situated in the Philippines;
11 (b) All business-to-*consumer* internet transactions where at least one (1) of the parties
12 is situated in the Philippines; or
13 (c) All business-to-*business* internet transactions where the digital platform, e- retailer,
14 or online merchant is availing of the Philippine market and has minimum contacts
15 therein; or
16 (d) All business-to-*consumer* internet transactions where the digital platform, e-
17 retailer, or online merchant is availing of the Philippine market and has minimum
18 contacts therein.
19

20 Section 4. *Exclusions.* - These Rules shall not apply to the following:
21

- 22 (a) Consumer-to-consumer (C2C) internet transactions, as defined above;
23 (b) Transactions that do not constitute e-commerce such as those solely executed,
24 consummated, and perfected offline;
25 (c) The regulation of content or the censorship of online media content on the basis
26 of violations of other laws or regulations, without prejudice to the authority of the
27 Department of Trade and Industry (DTI) to enforce the Act or these Rules including,
28 but not limited to, the enforcement of compliance orders, takedown orders; the
29 maintenance of the online business blacklist; the obligations of all digital platforms,
30 e-retailers or online merchants; the Code of Conduct; and, the Online Business
31 Database (OBD); or the enforcement of duly promulgated orders of the courts or
32 by other government departments or agencies in the exercise of their primary
33 regulatory authority; *Provided*, however, that for purposes of the Act and these
34 rules, live-selling shall be considered advertising and the monitoring of live-selling
35 by the DTI shall not be considered regulation of content nor censorship of online
36 media;
37 (d) An offshore entity that does not engage in e-commerce nor avail of the Philippine
38 market to the extent of establishing minimum contacts herein.
39

40 **PART II**

41 **REGULATION OF INTERNET TRANSACTIONS AND E-COMMERCE**

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44 Section 5. *Regulatory Jurisdiction of the DTI.* – For purposes of the Act and these
45 Rules, the DTI shall exercise regulatory jurisdiction as to the use of the internet for conducting

1 e-commerce by e-marketplaces, online merchants, e-retailers, digital platforms, and third-
2 party platforms.

3
4 *Provided*, however, That the regulatory authority of the DTI shall be ancillary to any duly
5 constituted regulatory jurisdiction granted to an agency by existing laws such as, but not
6 limited to, the DICT, BSP, and NPC: *Provided, further*, That reasonable notice to, and
7 coordination with the appropriate regulatory agency shall be made by the DTI prior to the
8 enforcement of the provisions of the Act or these Rules. Unless expressly specified, nothing
9 in the Act or these Rules shall be construed as to diminish or deprive the regulatory jurisdiction
10 conferred by law upon other government agencies concerning the products and services that
11 they regulate, notwithstanding an e-commerce aspect or feature in such products and
12 services.

13
14 In the exercise of the authority granted herein, the DTI, through the Bureau, shall issue rules
15 and regulations in collaboration with regulatory agencies on all matters and activities that
16 encompass Internet transactions or e-commerce consistent with the policy of the State, as
17 above-provided. Such rules shall not stifle innovation, restrict competition, create barriers to
18 entry in trade, or impede the ease of doing business, as provided for in laws or regulations in
19 force as of the enactment of these Rules

20
21 During the Transitory Period, the exercise of such authority by the DTI under this Section to
22 compel compliance with this Act by e-marketplaces, online merchants, e-retailers, digital
23 platforms, and third-party platforms shall be subject to such restraints under Section 53 of this
24 Act.

25
26 Section 6. *Extraterritorial Application.* - A person who engages in e-commerce,
27 who avails of the Philippine market to the extent of establishing minimum contacts herein,
28 shall be subject to applicable Philippine laws and regulations and cannot evade legal liability
29 in the Philippines despite lack of legal presence in the country.

30
31 Section 7. *Equal Treatment of Online and Offline Commercial Activities.* - Unless
32 otherwise specified, the Act and these Rules shall be construed to ensure that those who
33 engage in e-commerce shall not enjoy any beneficial treatment in law that is more favorable,
34 nor be placed at a disadvantage, in relation to other enterprises that offer goods and services
35 offline in the Philippines.

36
37 Section 8. *Online Business Database (OBD).* - Within one (1) year from the
38 effectivity of the Act, the Bureau shall establish a database of digital platforms, e-
39 marketplaces, e-retailers, and online merchants engaged in e-commerce in the Philippines
40 that will provide the government and online consumers access to contact information of online
41 businesses.

42
43 In establishing the OBD, the DTI shall utilize existing business databases and coordinate with
44 other agencies that already maintained the same or similar database. It is understood that all
45 data necessary to implement the OBD shall be excluded from the operation of the Data Privacy
46 Act in accordance with Section 4(e) of such law.

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The DTI, in consultation with the Department of Information and Communications Technology (DICT), the National Privacy Commission (NPC), the Philippine Competition Commission (PCC), the Securities and Exchange Commission (SEC), the Cooperative Development Authority (CDA), and other concerned agencies shall issue the regulations to govern the development, management, operation, and maintenance of the OBD, consistent with Republic Act No. 11032 or the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018".

The entry of false or misleading information in the OBD may result in a prosecution for Data Interference, Computer-related Fraud or Computer-related Forgery under Republic Act No. 10175, otherwise known as the "Cybercrime Prevention Act of 2012".

Section 9. *E-Commerce Philippine Trustmark.* - To provide assurance of safety and security in internet transactions, the DTI shall encourage the development of an E-Commerce Philippine Trustmark, hereinafter referred to as the "Trustmark," which may be established and operated by an industry-led private sector governance body.

The Trustmark shall signify that the products, goods or services sold online can be trustworthy, provided that symbol, image, or badge issued or awarded are accredited by the concerned agencies. The Trustmark operates as a co-regulation mechanism and is subject to guidelines, rules, or regulations. The DTI will issue the minimum requirements and operation criteria for the industry-led private sector governance body or bodies. The DTI may offer benefits, incentives, such as the attenuation of sanctions, facilitation of registration/accreditation, or recognition to entities displaying the Trustmark, encouraging compliance with standards, and fostering a culture of trust in e-commerce.

The governance body's responsibilities will include setting minimum criteria, designing the Trustmark, overseeing compliance with established standards, and providing an alternative dispute resolution system in the case of non-compliance.

The DTI shall create an E-Commerce Promotion Council that will establish a co-regulatory mechanism through the issuance of separate rules.

Section 10. *Code of Conduct.* - The DTI, in consultation with relevant government agencies, shall provide a Code of Conduct for all businesses engaged in e-commerce consistent with international trends, developments, standards, and best practices and when necessary, issue guidelines, rules and regulations including voluntary and binding co-regulation mechanisms considering their role, size, and impact in internet transactions.

To build trust in internet transactions and to protect and uphold the interest of consumers at all times, all businesses engaged in E-Commerce are expected to act responsibly, consistent with the following principles:

- (a) Consumers shall be treated with honesty, integrity, and fairness at all times;
- (b) The rights of consumers shall be applied equally;

- 1 (c) Business entities shall refrain from engaging in illegal, fraudulent, unethical, or unfair
2 business practices that harm consumers and shall comply with applicable laws and
3 regulations, especially the protection of intellectual property rights;
- 4 (d) Accurate information about goods and services marketed and sold online to Philippine
5 consumers shall be given and made available to consumers;
- 6 (e) Goods and services sold online must conform to Philippine regulatory standards;
- 7 (f) The safety of goods and services marketed or sold online must not be compromised
8 and products that have been recalled in the offline retail market must not be marketed
9 or sold online;
- 10 (g) Goods and services must be easily accessible, accurately described, and promoted
11 through fair advertising and marketing practices;
- 12 (h) Consumers must be given the correct and complete information about costs through a
13 sales invoice or an official receipt detailing the particular costs of the good or service
14 purchased, including shipping or delivery charges. Hidden charges or additional costs
15 such as customs duties or currency conversion charges must b;
- 16 (i) The tracking of deliveries must be provided as part of services of online merchants or
17 digital platforms and goods purchased must be delivered within the promised time and
18 in described condition to the address provided by the consumer;
- 19 (j) A cancellation option must be provided wherein consumers are given the opportunity
20 to review their online purchases before finally confirming their purchase or withdrawal;
- 21 (k) Data privacy laws and regulations, including Republic Act No. 10173, otherwise known
22 as the "Data Privacy Act of 2012," and other similar laws and regulations shall be
23 strictly complied with;
- 24 (l) The safety and security of online payments and sensitive data shall be safeguarded
25 through the use of secure technology and protocols including those evidenced by
26 visible trust certificates or any appropriate similar certification as may emerge in the
27 future;
- 28 (m) The transmission of unsolicited commercial email or bulk email, except those subject
29 to the control and discretion of the consumer through readily accessible configurations
30 that allow the consumer to choose whether they wish to receive or opt- out from
31 commercial messages by email or electronic means, must be avoided;
- 32 (n) The production of fake online reviews or spreading wrong information about
33 competitors is improper and must be avoided;
- 34 (o) Consumers must be educated about the risks of transacting through the internet and
35 shall be provided competent and professional advice; and
- 36 (p) Digital platforms must ensure online supplier protection by avoiding anti-competitive
37 agreements and abuse of dominance practices.
- 38 (q) Competing fairly with other businesses and adherence to competition principles and
39 all applicable competition laws and regulations, including Republic Act No. 10667,
40 otherwise known as the "Philippine Competition Act", shall ensure the robust
41 development of eCommerce and the economy.

42
43 Whenever appropriate, the DTI shall issue rules and regulations corresponding to international
44 trends, developments and best practices that it may adopt and implement.

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46 A Code of Conduct for online consumers shall likewise be formulated and issued in
47 collaboration with digital platforms, online merchants.

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PART III
E-COMMERCE BUREAU

Section 11. *Creation and Composition of the E-Commerce Bureau.* - Within six (6) months after the effectivity of the Act, the E-Commerce Bureau, hereinafter referred to as the Bureau, shall be created under the DTI.

The Bureau shall be headed by a Director and at least one (1) Assistant Director who must possess competencies in e-commerce and online transactions, and all the laws and processes related thereto.

The DTI Secretary shall determine the organizational structure and staffing pattern of the Bureau, subject to the approval of the Department of Budget and Management and consistent with the civil service laws, rules and regulations.

Section 12. *Functions of the E-Commerce Bureau.* – The Bureau shall have the following powers and functions:

- (a) Formulate policies, plans, and programs to ensure the robust and dynamic development of e-commerce;
- (a) Implement, monitor, and ensure strict compliance with the provisions of the Act and these Rules;
- (b) Exert efforts to enforce the registration of digital platforms and online merchants with the Bureau and to require the submission of information necessary for policy-making and program development purposes, consistent, however, with the principles of minimization and proportionality in data privacy;
- (c) Identify regulatory gaps affecting the e-commerce and recommend appropriate executive or legislative measures that foster the growth of the sector;
- (d) Receive and refer business and consumer complaints on internet transactions to the appropriate government agency, consistent with the no-wrong door policy of the DTI;
- (e) Coordinate with or petition, through the DTI Secretary, whenever appropriate, any entity, government agency, or instrumentality to take action on any matter that may impede e-commerce;
- (f) Investigate, *motu proprio*, and recommend the filing of the appropriate case for violations of the Act, subject to limitations as may be applicable during the Transitory Period;
- (g) Monitor the implementation of the Act and these Rules for policy-making and program development purposes;

- 1 (h) Develop consumer education and information programs for consumers of different
2 ages, incomes and literacy, giving special attention to the needs of vulnerable and
3 disadvantaged consumers, by raising awareness on rights, responsibilities, and
4 red flags in internet transactions, with the goal of enabling consumers to make
5 informed choices and preventing them from falling prey to online frauds and scams;
6
- 7 (i) Collaborate with Bangko Sentral ng Pilipinas (BSP) and other government
8 agencies to develop frameworks to incentivize the use of digital payments and
9 promote their education and adoption among businesses and consumers; and
10
- 11 (j) Engage with law enforcement and other relevant government agencies in a
12 formalized inter-regulator cooperation mechanism to address all cross-cutting
13 issues and concerns that affect online consumers and the general public.
14

15 The powers of the Bureau shall not be exercised in a manner that stifles innovation, restricts
16 competition, creates barriers to entry in trade, or impedes the ease of doing business, as
17 provided for in laws or regulations in force as of the enactment of these Rules.
18

19 Section 13. *Referral and Tracking of Complaints.* – The Bureau shall refer any
20 complaint it receives involving violations of other laws committed in the course of e-commerce
21 activities to the appropriate regulatory authority for action. In appropriate cases, the DTI may
22 initiate a formal complaint with the appropriate regulatory authorities. The Bureau shall track
23 any such complaint or referral and coordinate the speedy resolution thereof.
24

25 **PROCEEDINGS BEFORE THE BUREAU**

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27 Section 14. *Preliminary Investigation.* — An investigation for possible violation of
28 the Act, its implementing rules, or other relevant laws (collectively, “ITA Regulations”) may be
29 commenced by the Bureau either: (a) *motu proprio*; (b) by directive of the DTI Secretary; (c)
30 upon receipt of a complaint from the public; (d) a referral from a government instrumentality
31 or a self-regulatory organization; or (e) an anonymous tip.
32

33 In case of a referral, the government instrumentality must have conducted the preliminary
34 investigation pursuant to its own rules of procedure, if applicable.
35

36 Section 15. *Commencement of Preliminary Investigation.* — Except when
37 commenced *motu proprio* by the Bureau, the Preliminary Investigation hearing shall be
38 scheduled at least within ten (10) days from receipt of a verified complaint or referral by a
39 government instrumentality, or the latest amended, supplemental, or related complaint or
40 referral, if any, unless the Bureau resolves to deny due course to the said complaint or referral.
41

42 During the conduct of the Preliminary Investigation, the Bureau may apply for the issuance of
43 summons, subpoena ad testificandum, and subpoena duces tecum before the DTI Secretary
44 to aid its investigation. The Bureau may also hold conferences and interviews with the
45 complainant, possible witnesses, persons being investigated, and other relevant persons;
46 conduct surveillance, ocular inspection, audit, and perform other visitorial powers; and/or seek

1 assistance from other government agencies and instrumentalities in the conduct of such
2 investigation or proceedings.

3
4 The Preliminary Investigation shall, in all cases, be completed and resolved by the Bureau
5 within sixty (60) days from the commencement thereof.

6
7 Section 16. Confidentiality of Investigation Proceedings. — Any information,
8 document or records obtained by the Bureau in the course of any investigation or examination
9 shall be deemed non-public, unless otherwise required by any other pertinent law or by the
10 DTI Secretary.

11
12 Section 17. Actions that may be taken after Preliminary Investigation. — The
13 Bureau may, in its discretion, take one or more of the following actions after resolution of the
14 Preliminary Investigation:

- 15
16 (a) File an ex parte application before the DTI Secretary for the (1) issuance of a
17 compliance order and/or takedown order, or (2) the blacklisting of websites, webpages,
18 online applications, social media accounts, or other similar platforms.

19
20 The ex parte application shall contain a sworn statement of the facts and issues
21 involved and the grounds relied upon for the remedy sought.

- 22
23 (b) Issue rules for the effective enforcement of the ITA Regulations.

- 24
25 (c) File a verified complaint before the DTI Secretary for violations of ITA Regulations.

- 26
27 (d) Continuously monitor compliance with the ITA Regulations.

- 28
29 (e) Issue a resolution ordering the termination of the Preliminary Investigation if no
30 violation or infringement of the Act, its implementing rules, or other relevant laws is
31 found, without prejudice to any other action that the Bureau may consider proper or
32 necessary under the circumstances.

33
34 Appropriate notice shall be given to the Complainant or referring agency, as the case
35 may be, within fifteen (15) days from the termination of the Preliminary Investigation.

- 36
37 (f) Refer the matter to the appropriate government agency for further action.

38
39 **PART IV**

40
41 **ENFORCEMENT POWERS OF THE SECRETARY OF**
42 **TRADE AND INDUSTRY**

43
44 Section 18. *Subpoena*. - In the exercise of its powers under the Act, the DTI
45 Secretary, or *motu proprio*, shall have the power to issue summons, subpoena *ad*
46 *testificandum*, and *subpoena duces tecum* to alleged violators or witnesses to compel

1 attendance and the production of documents in investigations or proceedings before the
2 Bureau. Failure to comply with the *subpoena ad testificandum* and *subpoena duces tecum*
3 shall authorize the Bureau to file a case for contempt under the Rules of Court.
4

5 A subpoena *duces tecum* is valid if it:

- 6 (a) is issued on matters within the jurisdiction of the DTI under the Act,
- 7 (b) is reasonably relevant to the subject matter under investigation, and
- 8 (c) designates or describes the information or document sought to be produced,
9 allowing it to be identified.

10
11 Section 19. *Authority to Issue Compliance Order.* – The DTI Secretary shall have
12 the power to issue a compliance order to require conformity with the Act, these Rules, Republic
13 Act No. 7394 or the "Consumer Act of the Philippines", or any other applicable trade and
14 consumer protection issuances promulgated by the DTI; provided, that the issuance of any
15 compliance order against an online merchant, e-retailer, e-marketplace or digital platform
16 requiring conformity with Parts II, III, IV, and V of Chapter 2 of these Rules shall be subject to
17 the Transitory Period.
18

19 Section 20. *Authority to Issue Takedown Order.* - The DTI Secretary, after
20 investigation or verification, may issue an *ex parte* takedown order directing the removal of a
21 listing or offer on a webpage, website, platform or application, regardless of the intended
22 nature of the transaction, when any of the following is present:
23

- 24 (a) Sale or lease of goods or services which are prohibited or regulated under existing
25 laws such as endangered animals, illicit drugs, fireworks and other explosives, and
26 counterfeit goods: Provided, That the prohibited nature of the goods and services
27 is apparent from the photo or description in the post;
- 28
- 29 (b) Sale or lease of goods or services subject of a cease and desist order issued by
30 an appropriate government agency;
- 31
- 32 (c) Sale or lease of goods or services online previously subject of a takedown order
33 but which are subsequently reposted and proliferated online by the seller under
34 investigation; and
- 35
- 36 (d) Such other transactions or activities online, within the jurisdiction of the DTI,
37 purporting to sell or lease goods or services that otherwise threaten public or
38 personal safety, compromises financial or personal information.
39

40 Such takedown order may be issued *motu proprio* or upon the application of other regulatory
41 government agencies seeking the removal of an online listing or offer in violation of laws, rules
42 or regulations under their jurisdiction.
43

44 The takedown order shall be directed against the e-retailer or online merchant, and the owner
45 or operator of the e-marketplace or digital platform. Copies of the order shall likewise be
46 served on entities whose cooperation would be required for its enforcement such as, but not

1 limited to, the duly registered internet service provider involved, related payment gateways,
2 and other government agencies.

3
4 The order shall remain in effect for a maximum period of thirty (30) days unless otherwise
5 extended or made permanent by a judicial order or decision.

6
7 Nothing herein shall preclude the appropriate agency from exercising its regulatory authority,
8 including the issuance of orders directly to the erring person or entity, to prevent or stop the
9 sale of goods or services under its jurisdiction.

10
11 The violating entity shall be given an opportunity to be heard within forty-eight (48) hours from
12 the issuance of a takedown order; Provided, such entity has the burden of proving before the
13 Secretary that there is substantial admissible evidence that the grounds for the issuance of
14 the takedown order are not present.

15
16 Section 21. *Blacklisting of Online Business.* - The DTI Secretary, upon the
17 application of the Bureau or *motu proprio*, shall have the authority to establish a publicly
18 accessible list of websites, webpages, online applications, social media accounts, or other
19 similar platforms that:

- 20
21 (a) fail to comply with a compliance order, or
22 (b) are subject of a takedown order issued hereunder
23 (c) are subject of a cease and desist order issued by an appropriate government
24 agency, indicating the specific violation incurred; Provided, however, that such
25 agency shall provide the Secretary a statement to support the application for the
26 issuance of the blacklist order.

27
28 Should the violation consist in failure to abide by a compliance order, entry in the blacklist shall
29 indicate the act or requirement subject of the compliance order.

30
31 The blacklist shall be made publicly available and shall be furnished to digital platforms and
32 financial regulators. After the person in charge of the website, webpage, online application,
33 social media account other similar platforms or any interested person provides substantial,
34 admissible evidence that fulfillment with the compliance order or correction of the violation
35 subject of the takedown or cease and desist order has been accomplished, the DTI, *motu*
36 *proprio* or upon request, shall promptly remove the entry from the list, without the necessity of
37 a hearing.

38
39 Section 22. *Online Dispute Resolution (ODR).* – The DTI shall develop a platform
40 to facilitate an alternative mode of dispute resolution for online consumers, online merchants,
41 e-retailers, e-marketplaces, and other digital platforms. The DTI, in consultation with other
42 concerned agencies, shall issue the implementing rules and regulations on ODR procedure
43 and the development, management, operations, and maintenance of the platform. Nothing in
44 the implementing rules and regulations shall be interpreted to diminish, limit, or restrict the
45 rights of consumers, as may be provided by law.

1 Section 31. *Comment.* — Any interested party may file its comment/opposition to
2 the verified complaint/answer within fifteen (15) days from notice thereof.

3
4 Section 32. *Preliminary Conference.* — Upon motion by a party, or *motu proprio*,
5 the DTI Secretary may call for oral arguments of the parties subject to such limitation of time
6 and issues as the DTI Secretary may prescribe. In lieu of oral arguments, the parties may be
7 allowed to submit their respective memoranda within fifteen (15) days from notice thereof.

8
9 Section 33. *Period for Rendering Decision.* — Any case brought to the DTI
10 Secretary shall be decided within sixty (60) days from the date it is submitted for decision or
11 resolution.

12
13 Section 34. *Decision of the Secretary.* — The decision of the DTI Secretary shall
14 become final and executory fifteen (15) calendar days after receipt of a copy by both parties.
15 One motion for reconsideration may be filed, which shall suspend the running of the said
16 period. Any appeal from the Decision shall be to the proper courts, in accordance with law and
17 rules.

18
19 Section 35. *Suppletory Application of the Rules of Court.* — The pertinent
20 provisions of the Rules of Court may, in the interest of expeditious dispensation of justice and
21 whenever practicable, be applied by analogy or in a suppletory character and effect.

22
23 **PART V**

24
25 **RIGHTS, OBLIGATIONS, AND LIABILITIES**
26 **OF PARTIES IN INTERNET TRANSACTIONS**

27
28 **Chapter 1**
29 **ONLINE CONSUMERS**

30
31 Section 36. *Online Consumers Duty of Diligence.* - The online consumer shall
32 exercise ordinary diligence in any internet transaction.

33
34 Section 37. *Non-cancellable Confirmed Orders.* If the transaction includes the
35 delivery of the purchased goods, the online consumer shall not cancel confirmed orders when
36 the said items have already been paid for by the consumer, or the goods are perishable in
37 nature and are already in the possession of a third-party delivery service, or otherwise in transit
38 to the online consumer unless:

- 39
40 (a) The online consumer uses electronic or digital payment services and the latter
41 authorized the crediting of the amount in favor of the vendor despite cancellation;
42
43 (b) The online consumer reimburses third-party delivery service as a pre-condition for
44 the cancellation of the order;
45
46 (c) The transaction allows cancellation for a fee; or

1 (d) The parties agree otherwise.
2

3 Section 38. *Remedies of Online Consumers Under the Consumer Act.* – In case of
4 defect, malfunction, or loss without the fault of the online consumer, or failure to conform with
5 warranty or any liability of the online merchant or e-retailer arising from the contract, the online
6 consumer shall have the right to pursue repair, replacement, refund or other remedies
7 provided under Republic Act No. 7394 or any existing relevant laws.
8

9 Section 39. *Online Consumer Right to Refunds.* When the online consumer avails
10 replacement or refund as a remedy, the online merchant or e-retailer is entitled to the return
11 of the original goods delivered, without any cost to the online consumer, within a reasonable
12 period from the receipt thereof, unless otherwise agreed upon by the parties. In case the
13 refund is already paid, but the goods were not returned due to the sole fault of the online
14 consumer, the amount received shall be immediately returned to the online merchant or e-
15 retailer subject to a proportionate reduction in price, if appropriate.
16

17 **Chapter 2**
18 **E-MARKETPLACES**

19
20 Section 40. *Obligations of E-marketplaces.* -
21

22 (a) *Compliance with the Act and Philippine Laws.* E-marketplaces shall ensure that it
23 shall at all times comply with the provisions of the Act and these Rules, and shall
24 only transact with online merchants in compliance with any of the foregoing laws
25 or rules.
26

27 (b) *Minimum Information for Internet Transactions.* E-marketplaces shall ensure that
28 the internet transactions on their platform:

- 29 (1) Are clearly identifiable as an e-commerce transaction;
30 (2) Identify the person or persons on whose behalf the e-commerce transaction is
31 made; and
32 (3) Identify any promotional offer including any discount, premium, or gift, and that
33 conditions required to qualify for it are accessible, clear, and unambiguous.
34

35 (c) *Registration Requirements for Online Merchants.* E-marketplaces shall require, as
36 far as practicable, all online merchants, whether foreign or Filipino, to submit the
37 following, prior to listing with their platforms:

- 38 (1) Name of the online merchant accompanied by at least one (1) valid government
39 identification card for individuals or business registration documents for juridical
40 entities;
41
42 (2) Geographic address where the online merchant is located;
43
44 (3) Contact details of the online merchant which must include a mobile or landline
45 number and a valid e-mail address; and
46

1 (4) In instances when the services offered by an online merchant is connected with
2 the exercise of a regulated profession, the details of membership in any
3 professional body or similar relevant institution with which the online merchant
4 is registered or otherwise is a member of.
5

6 Except for the government identification cards or registration documents
7 mentioned under Section 40(c)(1) and the contact details of the online merchant
8 as required under Section 40(c)(3), the information required under this paragraph
9 shall be published or posted in a prominent location on the e-marketplace or digital
10 platform for transparency, unless the e-marketplace or digital platform establishes
11 means to facilitate communication between online merchants and online
12 consumers or provides a link to the OBD on their platform.
13

14 (d) *List of Online Merchants.* E-marketplaces shall maintain a list of all online
15 merchants registered under their platform, containing the information provided in
16 Section 40(c) of these Rules. The list shall be accessible to all consumers via a
17 prominent link on its homepage, updated regularly and verified on a continuing
18 basis.
19

20 (e) *Compliance with Subpoenas.* E-marketplaces shall be required to provide specific
21 information upon the issuance of a subpoena by competent authority pursuant to
22 an investigation based on a sworn complaint, stating that the e-marketplace or e-
23 retailer is being used in the commission of a crime or that it was utilized as a means
24 to commit a malicious, fraudulent, or unlawful act, and that the complaint is unable
25 to ascertain the identity of the perpetrator.
26

27 (f) *Protection of Data Privacy Rights of Consumers.* E-marketplaces shall take the
28 necessary precautions to protect the data privacy of consumers, at all times, in
29 accordance with Republic Act No. 10173 or the "Data Privacy Act of 2012", and
30 comply with the minimum information security standards set by the Bureau, NPC,
31 and other issuances of relevant government agencies. Digital platforms and e-
32 marketplaces shall be covered by the provisions of Republic Act No. 10173 and
33 issuances by the NPC.
34

35 (g) *Regulated Goods.* E-marketplaces shall prohibit the sale of regulated goods unless
36 they provide the necessary permits and license information, including the import
37 commodity clearance mark, if applicable, and contractually obligating their
38 compliance with sale procedures and limitations, and other relevant conditions for
39 the sale as may be imposed by any law or local government regulation.
40

41 (h) *Internal Redress Mechanisms.* E-marketplaces shall provide an effective and
42 responsive redress mechanism for online consumers and online merchants to
43 report a user or information posted on the platform that are deemed in violation of
44 relevant laws.
45

- 1 (i) *Minimum Information for Goods or Services Offered by Online Merchants.* Require
2 all online merchants to clearly indicate the following in their product offers online,
3 regardless of the nature of the goods and services:
4 (1) Name and brand of the goods or services;
5 (2) Price;
6 (3) Description; and
7 (4) Condition.
8

9 In performing their obligations under this section, e-marketplaces and other digital platforms
10 are required to observe ordinary diligence. Failure to do so will subject them to penalties under
11 Section 50 of these Rules.
12

13 **Chapter 3** 14 **OTHER DIGITAL PLATFORMS** 15

16
17 Section 41. *Obligations of Other Digital Platforms That Do Not Retain Oversight*
18 *Over the Consummation of the Transaction.* - Other digital platforms that do not retain
19 oversight over the consummation of the transaction shall have the following obligations:
20

- 21 (a) *Compliance with the Act and Philippine Laws.* Ensure that it shall at all *times*
22 comply with the provisions of the Act and these Rules; nor shall it transact with any
23 online merchant not in compliance with any of the foregoing laws or rules.
24
25 (b) *Information on Commercial Accounts.* Enable consumers to distinguish between
26 commercial and non-commercial or private accounts;
27
28 (c) *Regulated Goods.* Prohibit the sale and advertisement of regulated goods unless
29 they provide the necessary permits and license information, and contractually
30 obligating their compliance with sale procedures and limitations, and other relevant
31 conditions for the sale as may be imposed by any law or local government
32 regulation;
33
34 (d) *Minimum Information for Goods or Services Offered by Online Merchants.* Require
35 online merchants to indicate the following in their product offers online, regardless
36 of the nature of the goods and services:
37 (1) Name and brand of the goods or services;
38 (2) Location of where the goods are produced or manufactured;
39 (3) Price;
40 (4) Description;
41 (5) Condition; and
42 (6) Contact information of the online merchant;
43
44 (e) *Internal Redress Mechanism.* Provide an effective and responsive redress
45 mechanism for online consumers and online merchants to report a user or
46 information posted on the platform that are deemed in violation of relevant laws;

1 (f) *List of Online Merchants.* Maintain, as far as practicable, an updated list of
2 accounts that make use of the platform for e-commerce. The platform shall be
3 required to provide specific information upon the issuance of a subpoena by
4 competent authority pursuant to a *motu proprio* investigation or an investigation
5 based on a sworn complaint, stating that the platform covered under this section is
6 being used in the commission of a crime or that it was utilized as a means to commit
7 a malicious, fraudulent, or unlawful act, and that the complaint is unable to
8 ascertain the identity of the perpetrator; and
9

10 (g) *Protection of Data Privacy Rights of Consumers.* Take the necessary precautions
11 to protect the data privacy of consumers, at all times, in accordance with Republic
12 Act No. 10173 or the “Data Privacy Act of 2012”, and comply with the minimum
13 information security standards set by the Bureau, NPC, and other issuances of
14 relevant government agencies. Digital platforms and e-marketplaces shall be
15 covered by the provisions of Republic Act No. 10173 and issuances by the NPC.
16

17 In performing their obligations, platforms covered under this section are required to observe
18 ordinary diligence. Failure to do so will subject them to penalties under Section 50 of these
19 Rules.
20

21 Chapter 4

22 E-RETAILERS AND ONLINE MERCHANTS

23
24 Section 42. *Obligations of E-retailers and Online Merchants.* - An e-retailer or online
25 merchant of digital or non-digital goods and services shall exercise the following
26 responsibilities:
27

28 (a) *Compliance with the Act and Philippine Laws.* Ensure that it shall at all times
29 comply with the provisions of the Act and these Rules; nor shall it transact with any
30 platform not in compliance with any of the foregoing laws or rules.
31

32 (b) *Price Disclosure.* Indicate the price of goods and services offered consistent with
33 Article 81 of Republic Act No. 7394;
34

35 (c) *Condition of Goods.* Ensure that the goods are received by the online consumer:
36

37 (1) In the same condition, type, quantity, and quality as described and stated and,
38 in applicable circumstances, possess the functionality, compatibility,
39 interoperability, and fitness for the purpose for which they were intended;
40

41 (2) In the same condition, type, quantity, and quality of a sample, picture, or model
42 of the goods shown by the e-retailer or online merchant upon request of the
43 online consumer, or of additional descriptions or specifications provided by the
44 e-retailer or online merchant upon inquiries made by the online consumer; and
45

1 (3) It must also be fit for the particular purpose for which the online consumer
2 requires them, as communicated to the e-retailer or online merchant at the time
3 of the perfection of the contract, and which the e-retailer or online merchant
4 has accepted;

5
6 (d) *Conformity with Advertising and Functionality*. All the goods shall:

7
8 (1) Be delivered together with its accessories, including all other packaging,
9 installation inclusions, any user manual, or other instructions as advertised or
10 described, it applicable, with the relevant information stated in the packaging,
11 printed or written in Filipino and/or English; and

12
13 (2) Possess qualities and performance capabilities, including functionality,
14 compatibility, and interoperability, that are standard and normal in goods of the
15 same type, which the online consumer may expect given its nature and
16 considering any public statement or testimonial made by or on behalf of the e-
17 retailer, online merchant, or other persons in earlier links of the chain of
18 transactions, including the producer, unless the e-retailer or online merchant
19 shows that:

- 20 i. The e-retailer or online merchant was not, and could not have been,
21 reasonably aware of the statement in question;
- 22 ii. By the time of the conclusion of the contract, the statement had already
23 been corrected; or
- 24 iii. The decision to buy the goods could not have been influenced by the
25 statement.

26
27 (e) *Digital Goods or Services Provider*. Where the e-retailer or online merchant is a
28 digital goods or services provider, it shall ensure that the digital goods or services
29 have the qualities and performance features, in relation to functionality,
30 compatibility, interoperability, accessibility, continuity, and security, which are
31 standard and normal for digital goods or services of the same type as advertised
32 or described.

33
34 (f) *Duty of E-Retailer or Online Merchant vis-a-vis Digital Platforms*. Where the
35 transaction involves a digital platform that offers a performance of a service, the e-
36 retailer or online merchant shall ensure the complete performance of the same in
37 accordance with the contract and as advertised.

38
39 (g) *Special Rules for E-Retailers*. An e-retailer shall:

40
41 (1) Publish on its homepage the following:

- 42 i. Its corporate and trade or business name, as may be appropriate;
- 43 ii. Address of the physical shop or place of business;
- 44 iii. Contact details of the e-retailer, which must include a mobile or landline
45 number and a valid e-mail address to ensure direct and efficient
46 communication with online consumers; and

1 The liability of the e-marketplace or digital platform shall be treated as one and the same as
2 the online merchant upon a finding that both are the same entity.

3
4 Section 45. *Subsidiary Liability of E-marketplaces or Digital Platforms.* – The e-
5 marketplace or digital platform that facilitated the internet transaction subject of a civil action
6 or administrative complaint shall be subsidiarily liable to the online consumer if any of the
7 following circumstances are present:

- 8
9 (a) The digital platform or e-marketplace failed to exercise ordinary diligence in
10 complying with its obligations under Sections 40 and 41 of these Rules, resulting
11 in loss or damage to the online consumer;
12
13 (b) If the digital platform or e-marketplace failed, after notice, to act expeditiously in
14 removing or disabling access to goods or services that either infringe on another's
15 intellectual property rights or is subject to a takedown order by any appropriate
16 government agency; or
17
18 (c) If the online merchant has no legal presence in the Philippines and the digital
19 platforms or e-marketplace failed to provide the contact details thereof despite
20 notice.
21

22 The subsidiary liability of digital platforms or e-marketplaces shall be limited only to the extent
23 of damages suffered by the online consumer as a direct result of the transaction, without
24 prejudice to other liabilities that may be incurred under the Act or other laws.
25

26 Digital platforms or e-marketplaces shall not be held liable for their reliance in good faith on
27 an online merchant's representations, warranties, or submitted registration documents if such
28 information or documents are submitted in good faith and that reasonable effort was exerted
29 to ascertain and maintain the accuracy, authenticity and veracity of the documents or
30 information submitted. Reliance on false legal analyses, conclusions or representations, shall
31 not exempt such digital platforms or e-marketplaces from liability under this provision.
32

33 Section 46. *Solidary Liability of E-marketplace or Digital Platform.* - The e-
34 marketplaces or digital platforms shall be solidarily liable with the online merchant or e-retailer
35 if it fails, after notice, to act expeditiously to remove, or disable access to goods or services
36 appearing on its platform that are prohibited by law, imminently injurious, unsafe, or
37 dangerous. Liability under this section shall be without prejudice to the imposition of
38 appropriate penalties under Section 50 of these Rules or other laws.
39

40 Section 47. *Damages.* - The consumer may: (a) claim damages by filing a case
41 before the court or; (b) seek the imposition of administrative penalties by filing with the DTI,
42 within two (2) years from the time the cause of action arose. The right to damages under this
43 section shall be governed by the Civil Code, Republic Act No. 7394, and other existing laws.
44

1 Section 48. *Applicability of the Civil Code.* - In construing the rights and
2 responsibilities of the parties, the Civil Code provisions on sales, and obligations and contracts
3 shall apply.
4

5 Chapter 6

7 PENALTIES

8
9 Section 49. *Procedure in Administrative Penalties.* - Department Administrative
10 Order No. 07, Series of 2006, otherwise known as the Simplified and Uniform Rules of
11 Procedure for Administrative Cases Filed with the Department of Trade & Industry (DTI) for
12 Violations of the Consumer Act of the Philippines and Other Trade and Industry Laws, shall
13 govern the procedure in the imposition of administrative fines as penalties.
14

15 Section 50. *Penalties.* - The DTI shall impose the following administrative fines as
16 penalty against:
17

18 (a) An online merchant or e-retailer that sells, leases or allows the sale or lease of
19 goods or services, whether digital or not, that are imminently injurious, unsafe,
20 dangerous, or illegally done through the internet shall be punished under the laws,
21 rules and regulations that prohibit or regulate such acts.
22

23 (b) An online merchant or e-retailer found guilty of any deceptive, unfair or
24 unconscionable sales act or practice, done through the internet, shall be, in
25 addition to the penalties imposed under Republic Act No. 7394, punished with:
26

27 (1) A fine ranging from Twenty thousand pesos (P20,000.00) to One hundred
28 thousand pesos (P100,000.00) for the first offense.

29 (2) A fine ranging from One hundred thousand pesos (P100,000.00) to Five
30 hundred thousand pesos (P500,000.00) for the second offense.

31 (3) A fine ranging from Five hundred thousand pesos (P500,000.00) to One million
32 pesos (P1,000,000.00) for the third and subsequent offenses.
33

34 (c) An online merchant, e-retailer, e-marketplace or digital platform, who shall willfully
35 or unreasonably refuse to comply with the takedown order issued under Section
36 20(a), (c), and (d) of these Rules, shall be punished with:

37 (1) A fine ranging from Twenty thousand pesos (P20,000.00) to One hundred
38 thousand pesos (P100,000.00) for the first offense.

39 (2) A fine ranging from One hundred thousand pesos (P100,000.00) to Five
40 hundred thousand pesos (P500,000.00) for the second offense.

41 (3) A fine ranging from Five hundred thousand pesos (P500,000.00) to One million
42 pesos (P1,000,000.00) for the third and subsequent offenses.
43

44 (d) Any person found in violation of Sections 36, 37, 38, or 39 of these Rules shall be
45 punished, in addition to the value of the goods or services subject of the
46 transaction, with:

- 1 (1) A fine not less than One hundred pesos (P100.00) but not more than Five
2 thousand pesos (P5,000.00) for goods or services amounting to not more than
3 One hundred pesos (P100.00).
- 4 (2) A fine not less than One thousand pesos (P1,000.00) but not more than Ten
5 thousand pesos (P10,000.00) for goods or services amounting to more than
6 One hundred pesos (P100.00) but less than One thousand pesos (P1,000.00).
- 7 (3) A fine not less than the value of the goods or services but in no case shall
8 exceed Twenty thousand pesos (P20,000.00) for goods or services which price
9 exceeds One thousand pesos (P1,000.00).

10
11 (e) An online merchant, e-retailer, e-marketplace or digital platform found in violation
12 of Sections 40, 41(c), (d), or (e), and 42 (b), (g) or (j) of these Rules shall be
13 punished with:

- 14 (1) A fine ranging from Five thousand pesos (P5,000.00) to Ten thousand pesos
15 (P10,000.00) for the first offense.
- 16 (2) A fine ranging from Ten thousand pesos (P10,000.00) to Fifty thousand pesos
17 (P50,000.00) for the second offense.
- 18 (3) A fine ranging from Fifty thousand pesos (P50,000.00) to One hundred
19 thousand pesos (P100,000.00) for the third and subsequent offenses.

20
21 For every day of continuing violation, the amount of not more than One Thousand Pesos
22 (P1,000.00) shall be imposed over and above the administrative fine to be reckoned from the
23 date when the writ of execution is served. The amount of fine for each day shall be equivalent
24 to ten percent (10%) of the actual administrative fine but not less than One Hundred Pesos
25 (P100.00) and not more than One Thousand Pesos (P1,000.00).

26
27 These penalties are without prejudice to the imposition of damages and other penalties that
28 may be imposed under existing laws.

29
30 Section 51. *Schedule of Fines.* – The DTI Secretary shall increase the schedule of
31 fines indicated in the preceding section every five (5) years from the effectivity of the Act to
32 maintain their real value from the time it was set.

33
34 In fixing the amount of the fine, the DTI Secretary shall have regard to both the gravity and the
35 duration of the violation.

36
37 The payment of fines shall be made in lump sum, in cash or in manager's check, and not later
38 than fifteen (15) days from the date of receipt of the decision or from the service of the writ of
39 execution, whichever is earlier. However, if the respondent is not financially capable to pay
40 the fine in full, a sworn undertaking to pay the same in three (3) months enclosed with three
41 (3) postdated checks shall be submitted by the respondent within five (5) days from the date
42 of receipt of the decision or from the service of the writ of execution. The penalty of takedown
43 shall be imposed, whenever applicable, in addition to the abovementioned penalties, by
44 permanently removing any listing or offer on any website, webpage, online application, social
45 media post, or on any similar platform.

1 The application of these penalties shall be without prejudice to the civil or criminal liability of
2 the offending party under other laws or regulations.

3
4 **PART VI**

5
6 **FINAL PROVISIONS**

7
8 Section 52. *Congressional Oversight Committee.* – A Congressional Oversight
9 Committee, hereinafter referred to as the Internet Transactions Act Congressional Oversight
10 Committee (ITA-COC), shall be constituted to monitor and ensure the proper implementation
11 of the Act. It shall be composed of five (5) members from the Senate, which shall include the
12 Chairpersons of the Committees on Trade, Commerce and Entrepreneurship, Science and
13 Technology, and Finance, and five (5) members from the House of Representatives, which
14 shall include the Chairpersons of the Committees on Trade and Industry, Information and
15 Communications Technology, and Appropriations. The Chairpersons of the Senate
16 Committee on Trade, Commerce and Entrepreneurship, and the House of Representatives
17 Committee on Trade and Industry shall jointly chair the Committee. The ITA-COC shall cease
18 to exist after five (5) years from the effectivity of the Act.

19
20 Section 53. *Transitory Provisions.* - A Transitory Period of eighteen (18) months
21 from the effectivity of the Act shall be provided to all affected online merchants, e-retailers, e-
22 marketplaces, and digital platforms to comply with their obligations under Parts II, III and IV,
23 and Chapter V of these Rules. The enforcement of these Rules during the Transitory Period
24 against online merchants, e-retailers, e-marketplaces, and digital platforms shall likewise be
25 stayed in such instances as otherwise expressly stated in these Rules. Nothing in these Rules
26 shall stay the enforcement of other applicable laws involving affected online merchants, e-
27 retailers, e-marketplaces, and digital platforms, or the exercise of authority of the Department
28 or the Bureau as conferred under this Act, or otherwise suspend the applicability of the Act or
29 these Rules unless otherwise stated in these Rules.

30
31 Section 54. *Interpretation.* - In case of doubt, the provisions of the Act and these
32 Rules shall be construed in a manner that accords the highest respect for human dignity,
33 consumer rights, and individual privacy.

34
35 Section 55. *Separability Clause.* - If any provision of these Rules is declared
36 unconstitutional, the remainder thereof not otherwise affected shall remain in full force and
37 effect.

38
39 Section 56. *Effectivity.* - These Rules shall take effect after fifteen (15) days
40 following the completion of its publication in the Official Gazette or in a newspaper of general
41 circulation.

42
43
44
45 Done this ____ day of ____, 2024.