

**DEPARTMENT ADMINISTRATIVE ORDER NO. 20-07
SERIES OF 2020**

SUBJECT: REVISED GUIDELINES ON THE RECOGNITION OF CONSUMER ORGANIZATIONS (COs)

WHEREAS, Section 23 Article II of the 1987 Philippine Constitution declares that the State shall encourage the formation of non-governmental, community-based, or sectoral organizations that promote the welfare of the nation;

WHEREAS, under the Letter of Instructions No. 1337 issued on 29th day of June 1983, all consumer organizations are required to register with the Ministry of Trade and Industry, now known as Department of Trade and Industry;

WHEREAS, 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 and 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, in recognition of the role and valuable contributions of consumer organizations, in the area of consumer protection, the DTI conducted a 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 on 09 October 2000;

WHEREAS, the DTI issued Department Administrative Order No. 17-07, Series of 2017 (DAO No. 17-07, S2017), otherwise known as the "Guidelines on the Recognition of Consumer Organizations";

WHEREAS, in order to revitalize the involvement of consumer organizations in consumer-related activities and programs, there is a need of to revisit and revise the existing guidelines on the recognition of consumer organizations;

NOW, THEREFORE, the following Guidelines is hereby prescribed and promulgated for the information, guidance and compliance of all concerned.

RULE I GENERAL PROVISIONS

Section 1. Objectives. This Department Administrative Order (DAO) shall have the following objectives:

- 1.1 Encourage consumers to establish active COs;
- 1.2 Rationalize the guidelines and procedures for the recognition and availing of benefits to sustain programs or projects that positively contribute to the promotion of consumers' interests;
- 1.3 Ensure recognition of COs that actively advocate, promote and advance consumer's interests and welfare;
- 1.4 Empower COs to champion the welfare of consumers; and
- 1.5 Promote effective partnership between government and COs.

Section 2. Scope and Coverage. The following Guidelines shall apply to group of individuals who organized themselves for a common cause of promoting the welfare and protecting the rights of consumers.

Section 3. Definition of Terms. For purposes of these Guidelines, the following terms shall be defined as follows:

- 3.1 "Affiliated chapter" – refers to a consumer organization attached or connected to an organization similar in nature which thereby becomes its parent organization.
- 3.2 "*Certificate of Recognition (COR)*" refers to the document issued by the DTI attesting that the CO named therein has satisfactorily met all the requirements and qualifications as prescribed herein;
- 3.3 "*Consumer Assistance Facility (CAF)*" refers to any facility whether physical or online through which the CO can provide assistance to members or non-members on consumer-related concerns;
- 3.4 "*ConsumerNet*" refers to the network of government agencies tasked by their respective mandate to deliver basic essential services to the public in general and to the consumer in particular;
- 3.5 "*Consumer Organization (COs)*" refer to a group of individuals who organized themselves for a common cause of promoting the welfare and protecting the rights of consumers;
- 3.6 "*Consumer related activities*" refer to the plans, activities and programs for the welfare of the consumers;
- 3.7 "*Federation*" refers to a consumer organization, comprised of at least three (3) smaller organizations of similar nature, purposely organized for dealing with consumer related concerns;
- 3.8 "*Recognition*" refers to the attestation by DTI that a CO complies with the requirements or meets the qualifications as provided by this Guidelines;

RULE II CONSUMER ORGANIZATION

Section 1. Classification of Consumer Organizations (COs). Consumer organizations are classified as follows:

- 1.1 **Enlisted Consumer Organization (ECO).** A consumer organization that voluntarily enlisted in the DTI Register of Consumer Organizations which, if qualified, may be recognized by DTI either as a local CO or National CO.
- 1.2 **Recognized Consumer Organization (RCO).** An enlisted consumer organization that is recognized by the DTI, having met all the qualifications as provided herein.

Section 2. Categories of Consumer Organizations. Consumer organizations are categorized as follows:

- 2.1 **Local Consumer Organization (LCO).** A consumer organization whose programs, activities and affairs directly affect the consumers of a city, municipality, province or region where it is based.
- 2.2 **National Consumer Organization (NCO).** A consumer organization whose programs, activities and affairs directly affect the consumers all over the Philippines.

Section 3. Enlistment of Consumer Organizations. Consumer organizations may have themselves voluntarily enlisted with DTI by filling out a form intended for such purpose and after payment of one hundred fifty pesos (P150.00) at the DTI Cashier's Office concerned.

Currently recognized COs shall be automatically enlisted in the DTI Register of Consumer Organizations and shall be exempted from the fee prescribed herein.

DTI shall maintain and update the list of consumer organizations.

RULE III RECOGNITION OF CONSUMER ORGANIZATIONS

Section 1. Minimum Qualifications of a Local Consumer Organization (LCO). To qualify for recognition as LCO, a consumer organization shall meet the following:

- 1.1 Enlisted as a consumer organization;
- 1.2 Has at least five (5) individual members including its officers, majority of which are Filipino citizens;
- 1.3 Possesses good standing as certified by the city, municipality, province or region where the declared address of the CO is located; and
- 1.4 At least one (1) year of proven track record as a local consumer organization supported with actual record of relevant activities or programs undertaken as certified by at least a Barangay Chairman.

Section 2. Minimum Qualifications of a National Consumer Organization (NCO). To qualify for recognition as NCO, a consumer organization shall meet the following:

- 2.1 Enlisted as a consumer organization;
- 2.2 A Securities and Exchange Commission (SEC) or a Cooperative Development Authority (CDA) registered consumer organization; and

- 2.3 Have at least thirty (30) individual members including its officers, majority of which are Filipinos. If its total membership is below thirty (30), the CO shall have at least two (2) affiliates or federation from each of the major island other than that of the NCO, provided that the combined number of members shall not be less than thirty (30).

Section 3. Requirements for Recognition.

- 3.1 For LCO, the following shall be submitted:
 - 3.1.1 Names, postal address, e-mail address, contact numbers and citizenship of all members;
 - 3.1.2 Certificate of good standing issued by the city, municipality, province or region where the declared address of the CO is located;
 - 3.1.3 Proof of relevant track record; and
 - 3.1.4 Other documents that may be deemed necessary.
- 3.2 For NCO, a copy of the SEC/CDA Certificate of Registration shall be submitted as an additional requirement.

Section 4. Procedure for Recognition. The recognition of COs shall be in accordance with the following:

- 4.1 Upon voluntary enlistment, a consumer organization shall be informed of DTI's recognition program;
- 4.2 Interested enlisted COs shall submit the requirements personally, via e-mail, registered mail or through courier within office hours on or before December 31 and on or before June 30, at DTI-CPAB for NCOs and LCOs located in NCR and at DTI-RO/PO for LCOs under their jurisdiction;
- 4.3 The DTI-CPAB or DTI-RO/PO shall evaluate the completeness of documents within three (3) working days from receipt;
 - 4.3.1 For incomplete submission, inform the CO of any deficiency and to complete or rectify the same within five (5) working days from receipt of notice;
 - 4.3.2 For complete submission, inform the CO of the next steps.
- 4.4 The concerned DTI Office shall conduct necessary verification or validation of information, authenticity of documents through ocular inspection, interview or other available method;
- 4.5 A report on the result of verification and validation shall be documented and submitted for the approval of the DTI Director concerned;
- 4.6 The CO shall be notified of the result within three (3) working days from the approval thereof. Qualified COs shall be required to submit an Undertaking duly signed by its president or duly authorized officer, and sworn to before a notary public or the Director of DTI-CPAB/DTI-RO/DTI-PO at least fifteen (15) days from notice. Copy of the Undertaking is hereto attached as Annex A;
- 4.7 The Certificate of Recognition shall, upon the recommendation of the Undersecretary for CPG or ROG, be signed by the DTI Secretary.

**RULE IV
THE CERTIFICATE OF RECOGNITION**

Section 1. Contents of the Certificate of Recognition (COR). The Certificate of Recognition shall contain the following:

- 1.1 Name of the recognized consumer organization and its complete address;
- 1.2 Category of the recognized CO;
- 1.3 Validity period;
- 1.4 Date and place of issue;
- 1.5 COR Number or Quick Response (QR) Code;
- 1.6 Statement that the Certificate of Recognition is non-transferable; and
- 1.7 Name and signature of the DTI recommending and approving authority

Section 2. Validity Period of the COR. The Certificate of Recognition shall be valid for a period of three (3) years unless sooner suspended or cancelled on grounds prescribed in this Guidelines.

Section 3. Awarding of COR. The COR shall be awarded every March and October of each year, during the celebration of the World Consumer Rights' Day and Consumer Welfare Month, respectively.

Section 4. Random Monitoring of Activities. The DTI CPAB or RO/PO shall conduct random monitoring of recognized COR twice a year, to verify compliance with Undertaking submitted.

**RULE V
RESPONSIBILITIES, BENEFITS AND PRIVILEGES OF
CONSUMER ORGANIZATIONS**

Section 1. Minimum Responsibilities of Enlisted Consumer Organizations (COs). All enlisted COs are expected to perform the following:

- 1.1 Initiate consumer-related activities and conscientiously advocate respect for consumer rights including consumer education activities and dissemination of consumer-related information materials.
- 1.2 Participate in the annual celebration of the World Consumer Rights Day every 15th day of March and the Consumer Welfare Month every October.
- 1.3 Promote equality among its members or non-members regardless of gender, race, religion, or background.
- 1.4 Advise the DTI, other concerned government agencies and the consumers about any pressing issue/s that violate/s the Consumer Act of the Philippines, Fair Trade Laws (FTLs) and other consumer related laws.

Section 2. Mandatory Responsibilities of Recognized Consumer Organizations (RCOs). In order to maintain their status as RCOs, the latter shall perform the following:

- 2.1 Participate actively in local consumer related seminars/webinars, info sessions, workshops and the like, initiated by the members of the ConsumerNet;

- 2.2 Represent consumers in public consultations or hearings on the formulation of consumer laws and policies;
- 2.3 Initiate consumer-related plans, activities, and programs;
- 2.4 Establish a Consumer Assistance Facility (CAF), whether physical or online, to provide assistance on consumer-related concerns;
- 2.5 Submit highlights of accomplishments, in narrative, photo/video or media release, to DTI-CPAB or DTI-PO every semester. For January-June, reports shall be submitted not later than July 30. For July-December, reports shall be submitted not later than January 30 of the following year;
- 2.6 Report to the DTI or other government agencies any observation on potential violation/s of the Consumer Act of the Philippines, Price Act and other Trade and Industry Laws, with supporting documents, and coordinate, and cooperate with the latter for case build up purposes.

**RULE VI
PRIVILEGES AND BENEFITS OF
RECOGNIZED CONSUMER ORGANIZATIONS**

Section 1. Privileges of Recognized Local and National Consumer Organizations. Recognized Consumer Organizations are entitled to the following:

- 1.1. Assist consumer or group of consumers in consumer-related issues and concerns.
- 1.2. Endorsement by DTI to represent the consumer in bodies/forum/activities.
- 1.3. Feature article of RCO's programs, accomplishments and projects at the DTI website and social media accounts.
- 1.4. Technical assistance through training/workshop/capability building and the like conducted by DTI.
- 1.5. Inclusion in the list of RCOs to be published in the DTI website.
- 1.6. Provision of consumer information materials for dissemination to their respective members and consumers.

Section 2. Benefits of SEC/CDA Registered RCOs. In addition to the above privileges, Recognized Consumer Organizations may upon request avail of any of the following:

- 2.1. Represent a consumer or group of consumers in public hearings/consultations, consumer-related issues and concerns.
- 2.2. Conduct of consumer education and other related-activities with the assistance of DTI.
- 2.3. Nomination as official representative of the Philippines in international consumer protection related fora/meetings or trainings.
- 2.4. Endorsement by DTI to attend/participate in consumer related local fora/ meetings or trainings.
- 2.5. Membership to a relevant committee with honorarium subject to availability of funds and existing COA and DBM auditing rules and regulations.

RULE VII
SUSPENSION, CANCELLATION, RECALL AND
REINSTATEMENT OF THE CERTIFICATE OF RECOGNITION

Section 1. Suspension of the Certificate of Recognition (COR). If based on the assessment of reports submitted, there is a finding of non-performance of any of the RCOs' mandatory responsibilities, the DTI Office concerned shall notify the RCO of such finding and shall be given a certain period within which to implement corrective and/or preventive action. If despite receipt of such notice, the RCO fails to comply therewith, the DTI Director may suspend the COR for a period of not less than one (1) month but not more than three (3) months from date of issuance.

Section 2. Reinstatement of Suspended COR. After the lapse of the period of suspension, a Notice of Reinstatement shall be issued to the RCO by the DTI Office concerned. The COR shall be reinstated for the remaining period of its validity.

Section 3. Cancellation and Recall of the COR. After due notice and hearing, the concerned DTI Director may cancel and recall the Certificate of Recognition on any of the following grounds:

- 3.1 Material misrepresentation or falsehood in the documentary requirements submitted in support of the recognition;
- 3.2 Conduct inimical or prejudicial to the interest of its members, the consumers in general, to the DTI Office that granted its Certificate of Recognition and to the DTI as a whole, such as but not limited to:
 - 3.2.1 Promoting business enterprises or endorsing a product of or granting awards to business enterprises that engage in activities that violate the provisions of the Consumer Act or any other consumer-related laws, rules and regulations or endorsing a product of or granting awards to said business enterprises;
 - 3.2.2 Receiving any monetary or material support that may compromise the CO's independence.
 - 3.2.3 Divulging confidential information that may be detrimental to consumer interest.
- 3.3 Incurring of at least two (2) consecutive suspensions within the validity period of the COR;
- 3.4 Engaging primarily in profit making activities not incidental to their operations, or political endeavors or analogous circumstances.
- 3.5 Cancellation by SEC or CDA of the Certificate of Registration.

RULE VIII
MISCELLANEOUS PROVISIONS

Section 1. Transitory Provision. All Certificates of Recognition previously issued in favor of Consumer Organizations, shall remain valid until its expiration unless sooner cancelled or revoked.

Section 2. Separability Clause. If any clause, provision, paragraph or part thereof shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate or impair any other part hereof but such judgment shall be merely confined to the clause,

provision, paragraph or part directly involved in the controversy in which such judgment has been rendered.

Section 3. Repealing Clause. All administrative orders, rules, regulations, memoranda, circulars, resolutions, and other issuances that are contrary to or inconsistent with the provisions of this Order are hereby modified, superseded, or repealed accordingly.

Section 4. Effectivity. This Order shall take effect fifteen (15) days after its publication in the Official Gazette or in a major daily newspaper of general circulation in the Philippines and filing with the Office of the National Administrative Register (ONAR) of the UP Law Center.

Signed this 9th day of October 2020 in Makati City, Philippines.



RAMON M. LOPEZ
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RECOMMENDING APPROVAL:



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