

**IMPLEMENTING RULES AND REGULATIONS
OF THE
INTERNET TRANSACTIONS ACT OF 2023**

**Republic of the Philippines
Department of Trade and Industry
Department of Information and Communications Technology
National Privacy Commission
Department of Agriculture
Department of Health
Bangko Sentral ng Pilipinas**

Pursuant to Section 31 of Republic Act No. 11967, or the Internet Transactions Act of 2023 (Act), the following Implementing Rules and Regulations (Rules) are hereby promulgated:

PART I

DECLARATION OF POLICY AND COVERAGE

Section 1. Declaration of Policy. – It is the policy of the State to promote and maintain a robust electronic commerce (e-commerce) environment in the country by building trust between digital platforms, online merchants, and online consumers. The State recognizes the value and potential of the digital economy to increase competition, boost economic growth, and improve productivity. Toward this end, the State shall guarantee the effective regulation of e-commerce to protect consumer rights and data privacy, encourage innovation, promote competition, secure internet transactions, uphold intellectual property rights, ensure product standards and safety compliance, and observe environmental sustainability.

Section 2. Definition of Terms. – As used in the Rules:

- a. **Availment of the Philippine Market.** – any action or conduct that leads to, or indicates the intention to transact with persons or businesses located in the Philippines including, but not limited to, advertising directed to the Philippine market, soliciting, allowing or receiving within the Philippines orders, payments and deliveries (i.e., soliciting orders, allowing or receiving payments, making deliveries), contracting with third parties to fulfill orders, providing technical or customer support to customers in the Philippines, or procuring telecommunications services, bandwidth, or infrastructure.
- b. **Business-to-Business (B2B) Transaction.** – internet transactions between businesses, such as between a manufacturer and a wholesaler, or a wholesaler and a retailer, whether the transacting parties are natural or juridical persons.
- c. **Business-to-Consumer (B2C) Transaction.** – internet transactions between businesses and end-users.
- d. **Consumer-to-Consumer (C2C) Transaction.** – transactions between end-users done for personal, family, or household purposes and not done in the ordinary course of business, regardless of the platform used.

The following shall be presumed as B2C transactions:

1. When a person sells or offers to sell a product or service through an organized business entity (e.g., business name other than the seller's real name, with a barangay or Local Government Unit permit, issues a Bureau of Internal Revenue registered receipt, uses a logo, etc.);
2. When a person sells or offers to sell a product or service as a continuous business activity to generate income;
3. When a person engages in e-commerce by "doing business" as defined by Republic Act No. 7042, or the Foreign Investments Act of 1991, as amended; or
4. When a person engages in transactions not for personal, family, or household purposes.

The value, frequency and volume of sale or offer for sale of products, goods, and services may be considered in determining the existence of a C2C transaction.

- e. Digital Platforms. – information and communication technology-enabled mechanisms that connect and integrate producers and users in online environments where goods and services are requested, developed, offered, or sold, and data is generated and exchanged such as, but not limited to, e-commerce, food delivery, transport, travel, education, healthcare, and logistics.
- f. E-Commerce. – any commercial transaction conducted through electronic, optical, and similar medium, mode, instrumentality and technology. The transaction includes the sale or offer for sale, or purchase of physical or digital goods and services, or lease or offer for lease of the same, between individuals, households, businesses, and governments conducted over computer-mediated networks through the Internet, mobile phones, electronic data interchange (EDI), or other electronic channels through open or closed networks. These may be digitally ordered, digitally delivered or platform-enabled transactions.
- g. E-Commerce Bureau. – the E-Commerce Bureau provided in Part III of these Rules.
- h. E-Commerce Philippine Trustmark. – an electronic symbol, image, or badge issued to a holder ensuring that the e-commerce activity is trustworthy, safe, and secure.
- i. E-Marketplace. – digital platforms the business of which is to connect online consumers with online merchants, facilitate and conclude the sales, process the payment of the products, and goods or services through the platform, or facilitate the shipment of goods or provide logistics services and post-purchase support within such platforms, and otherwise retains oversight over the consummation of the transaction. These shall include social media or other platforms insofar as they retain oversight over the consummation of the transaction.
- j. E-Retailer. – a natural or juridical person selling or offering for sale goods or services directly to online consumers through its own website, webpage, or application although the e-retailer may have transactions that are not online.
- k. Goods. – digitally or non-digitally produced items over which ownership or proprietary rights may be established and transferred from one (1) institutional unit to another by entering into a transaction.

- l. Internet Transaction. – the sale or offer for sale, or lease or offer for lease, of digital or non-digital goods and services over the internet. For purposes of the Act and these Rules, internet transactions shall also refer to e-commerce.
- m. Minimum Contacts. – any touchpoint or interaction with any potential or actual customer, whether an individual, partnership, corporation or business, located in the Philippines, regardless of residence or citizenship. Minimum contact is deemed established if users in the Philippines are allowed to access and use a digital platform, and permit the users to exchange information, goods or services while in the Philippines.
- n. Online Consumer. – a natural or juridical person who purchases, leases, receives, or subscribes to goods or services over the internet for a fee.
- o. Online Merchant. – a natural or juridical person selling or offering for sale non-financial goods or services to online consumers through an e-marketplace or third-party digital platform. An e-retailer shall also be considered an online merchant if it offers the same goods and services outside its own website through a third-party digital platform and the online consumer purchases, leases, subscribes to, or obtains the services of the e-retailer through the said third-party platform.
- p. Oversight Over the Transaction. – participating over or providing facilities that lead to the perfection, consummation or execution of all or a part of any internet transaction, including but not limited to, providing online shopping carts, or delivery services to online merchants.
- q. Producer. – the manufacturer or importer of goods, or any person purporting to be a manufacturer, who places its name, trademark, or other distinctive sign on goods.
- r. Regulated Goods. – items of commerce that are subject of any mandatory rules imposed by any national or local authority in relation to their sale, marketing, advertising, trade, offer for sale, and related activities including but not limited to permits, disclosure of pertinent information, marking with official seals, and use of stamps.
- s. Services. – work offered, engaged or transacted through e-commerce.
- t. Transitory Period. – the eighteen (18) month period from the effectivity of the Act as referred to under Section 48 of these Rules.

Section 3. Scope and Coverage. – These Rules shall apply to all B2B or B2C e-commerce where:

- a. At least one (1) of the parties is situated in the Philippines; or,
- b. The digital platform, e-retailer, or online merchant is availing of the Philippine market, and has minimum contacts therein.

Section 4. Exclusions. – These Rules shall not apply to the following:

- a. C2C internet transactions, as defined and qualified herein;
- b. Transactions that do not constitute e-commerce such as those solely and exclusively executed, consummated, and perfected offline;

- c. A foreign entity that does not avail of the Philippine market through e-commerce;
- d. A domestic entity that does not avail of the Philippine market through e-commerce; and
- e. Online media content; *Provided*, however, that for purposes of the Act and these Rules, live-selling shall be considered advertising, and the monitoring of live-selling by the DTI shall not be considered regulation of content nor censorship of online media.

PART II

REGULATION OF INTERNET TRANSACTIONS AND E-COMMERCE

Section 5. Regulatory Jurisdiction of the DTI. – For purposes of the Act and these Rules, the DTI shall exercise regulatory jurisdiction as to the use of the internet for conducting e-commerce by e-marketplaces, online merchants, e-retailers, digital platforms, and third-party platforms; *Provided*, that the regulatory authority of the DTI shall be ancillary to any duly constituted regulatory jurisdiction granted to an agency by applicable laws such as, but not limited to, the Department of Information and Communications Technology (DICT), Bangko Sentral ng Pilipinas (BSP), and the National Privacy Commission (NPC); *Provided*, further, that reasonable notice to, and coordination with the appropriate regulatory agency shall be made by the DTI prior to the enforcement of the provisions of the Act or these Rules on matters under their jurisdiction; *Provided*, finally, that unless expressly specified, nothing in the Act or these Rules shall be construed as to diminish or deprive the regulatory jurisdiction conferred by law upon other government agencies concerning the products and services that they regulate, notwithstanding an e-commerce aspect or feature in such products and services. Aligned with the foregoing rule, it is understood that payment-related activities of entities conducting e-commerce transaction as defined herein shall be subject to the regulation and supervision of the BSP pursuant to Republic Act No. 11127 or the National Payment Systems Act, Republic Act No. 7653, as amended, or the New Central Bank Act, and other relevant laws, rules, and regulations.

In the exercise of the authority granted herein, the DTI shall issue rules and regulations, and if necessary, in collaboration with regulatory agencies on all matters and activities that encompass e-commerce consistent with the policy of the State, as above provided. In no case shall such rules stifle innovation, restrict competition, create barriers to entry in trade, or impede the ease of doing business.

During the Transitory Period, the exercise of such authority by the DTI under this Section to compel compliance with the Act by e-marketplaces, online merchants, e-retailers, digital platforms, and third-party platforms shall be subject to Section 48 of these Rules.

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

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

PART III

E-COMMERCE BUREAU

Section 8. Creation the E-Commerce Bureau. – Pursuant to Section 7 of the Act, the E-Commerce Bureau (Bureau) is hereby created under the DTI.

Section 9. Organizational and Staffing Pattern. – The Bureau shall be headed by a Director, and such number of Assistant Directors necessary to efficiently and competently carry out the bureau's functions, all of whom must possess competencies in e-commerce and online transactions, and all the laws and processes related thereto, *Provided*, that the DTI Secretary shall determine the offices and divisions that shall function under the Bureau Director and Assistant Directors subject to the approval of the Department of Budget and Management (DBM), and consistent with the civil service laws, rules and regulations.

Section 10. Functions of the E-Commerce Bureau. – Within the DTI, 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;
- b. Implement, monitor, and ensure strict compliance with the provisions of the Act and these Rules;
- c. Establish and maintain the Online Business Database (OBD) and subject to the rules/guidelines to be issued by the DTI, the Bureau will maintain an online complaints system;
- d. Exert efforts to enforce the registration of digital platforms, e-retailers, e-marketplaces, 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;
- e. Identify regulatory gaps affecting the e-commerce and recommend appropriate executive or legislative measures that foster the growth of the sector;
- f. 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;
- g. Coordinate with or petition, through the DTI Secretary, whenever appropriate, any entity, government agency, or instrumentality to act on any matter that may impede e-commerce;
- h. Investigate *motu proprio*, and recommend the filing of the appropriate case for violations of the Act;
- i. Monitor the implementation of the Act and these Rules for policy-making and program development purposes;
- j. Develop consumer education and information programs for consumers of different ages, incomes, and literacy, giving special attention to the needs of vulnerable and disadvantaged consumers, by raising awareness on rights, responsibilities, and red

flags in internet transactions, with the goal of enabling consumers to make informed choices and preventing them from falling prey to online frauds and scams;

- k. Encourage the development of the E-Commerce Philippine Trustmark, which may be established and operated by an industry-led private sector governance body;
- l. Collaborate with the BSP and other government agencies to develop frameworks to incentivize the use of digital payments and promote their education and adoption among businesses and consumers;
- m. Engage with law enforcement and other relevant government agencies in a formalized inter-regulator cooperation mechanism to address all cross-cutting issues and concerns that affect online consumers and the general public; and
- n. Collaborate with BSP to ensure that matters falling within its supervision and/or regulations, such as consumer protection and payment-related matters, arising from the implementation and/or operationalization of this Act shall be resolved in accordance with existing BSP regulations and/or related laws.

The powers of the Bureau shall not be exercised in a manner that stifles innovation, restricts competition, creates barriers to entry in trade, or impedes the ease of doing business.

Section 11. Referral and Tracking of Complaints. – The Bureau shall refer any complaint and/or appeal it receives involving violations of other laws committed through e-commerce activities to the appropriate regulatory authority or office for action. In appropriate cases, the DTI may initiate a formal complaint with the appropriate regulatory authorities. Subject to the rules, regulations, or guidelines to be issued by the DTI, the Bureau shall request progress/status reports from the concerned agencies from referral to resolution of the subject complaint.

PART IV

AUTHORITY OF THE DEPARTMENT OF THE TRADE AND INDUSTRY

Section 12. Subpoena. – In the exercise of its powers under this Act, the DTI Secretary shall have the power to issue summons, *subpoena ad testificandum*, and *subpoena duces tecum* to alleged violators or witnesses to compel attendance and the production of documents in investigations or proceedings before the Bureau. Failure to comply with the *subpoena ad testificandum* and *subpoena duces tecum* shall authorize the filing of a case for contempt under the Rules of Court.

A *subpoena duces tecum* is valid if issued on matters within the jurisdiction of the DTI, is reasonably relevant to the subject matter under investigation, and designates or describes the information or document sought to be produced, allowing it to be identified.

Further, the Bureau or other regulatory agencies based on their respective investigations may recommend the issuance of a *subpoena*.

Section 13. Compliance Order. – The DTI Secretary shall have the power to issue a Compliance Order to require conformity with the Act, these Rules, Republic Act No. 7394

or the “Consumer Act of the Philippines”, or any other applicable trade and consumer protection issuances promulgated by the DTI.

Further, the Bureau or other regulatory agencies based on their respective investigations may recommend the issuance of a Compliance Order.

Section 14. Takedown Order. – The DTI Secretary, after investigation or verification, may issue an *ex parte* Takedown Order directing the removal of a listing or offer on a webpage, website, platform or application, regardless of the intended nature of the transaction, when any of the following is present:

- a. The sale or lease of goods or services which are prohibited or regulated under applicable laws such as, but not limited to, endangered animals, illicit drugs, fireworks and other explosives, and counterfeit goods, *Provided*, that the prohibited nature of the goods and services is apparent from the photo or description in the online post;
- b. The sale or lease of goods or services is subject of a Cease and Desist Order or the like issued by an appropriate government agency;
- c. The sale or lease of goods or services online previously subject of a Takedown Order but which are subsequently reposted and proliferated online by the seller under investigation; and
- d. Such other transactions or activities online, within the jurisdiction of the DTI, purporting to sell or lease goods or services that otherwise threaten environmental sustainability, public or personal safety, and/or compromises financial or personal information.

Other regulatory government agencies may request the DTI to issue a Takedown Order for the removal of an online listing or offer in violation of laws, rules or regulations under their jurisdiction. Nothing herein shall preclude the appropriate agency from exercising its regulatory authority, including the issuance of orders directly to the erring person or entity, to prevent or stop the sale of goods or services under its jurisdiction.

The violating entity shall be given an opportunity to be heard within forty-eight (48) hours from the issuance of a Takedown Order.

The Takedown Order shall be directed against the e-retailer or online merchant, and the owner or operator of the e-marketplace or digital platform. Copies of the order shall likewise be served on entities whose cooperation would be required for its enforcement such as, but not limited to, the duly registered internet service provider involved, related payment gateways, and other government agencies.

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

Section 15. Blacklist Order. – The DTI Secretary shall have the authority to establish a publicly accessible list of websites, webpages, online applications, social media accounts, or other similar platforms that fail to comply with a Compliance Order, or are subject of a Takedown Order issued under Part IV hereof or of a cease and desist order issued by an appropriate government agency, indicating the specific violation incurred. Should the violation consist in failure to abide by a Compliance Order, entry in the blacklist shall indicate the act or requirement subject of the compliance order. The blacklist shall be made publicly available and shall be furnished to digital platforms and financial regulators. After compliance or correction, the DTI, *motu proprio* or upon request, shall promptly remove the entry from the list, without the necessity of a hearing.

Further, the Bureau or other regulatory agencies based on their respective investigations may recommend the issuance of a Blacklist Order.

Section 16. Governing Rules on Orders. – The implementation of a *subpoena*, and Compliance, Takedown, and Blacklist Orders shall be subject to the issuance of additional rules, regulations or guidelines to be issued by the DTI.

Section 17. Privacy Impact Assessment. – Whenever the processing of personal data under these Rules is concerned, the DTI shall conduct a privacy impact assessment for systems requiring such processing.

PART V

ONLINE BUSINESS DATABASE

Section 18. Online Business Database (OBD). – To provide the government and online consumers access to contact information of online businesses, the Bureau shall establish within one (1) year from the effectivity of the Act, a database of digital platforms, e-marketplaces, e-retailers, and online merchants engaged in e-commerce in the Philippines or purposely availing of the Philippine market.

Section 19. Establishment of the OBD. – In establishing the OBD, the DTI shall utilize existing business databases and coordinate with other agencies that already maintained the same or similar database.

Upon the establishment of the OBD, all digital platforms, e-marketplaces, e-retailers, and online merchants engaged in e-commerce in the Philippines or purposely availing of the Philippine market shall submit all required information with the Bureau.

To effectively populate and ensure the accuracy of the OBD, consumers are highly encouraged to submit the abovementioned information, subject to further verification.

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, or the Cybercrime Prevention Act of 2012.

Section 20. OBD Data Privacy. – It is understood that all data necessary to implement the OBD shall be lawfully processed in accordance with, and only for the purposes provided for in the Act, and shall be subject to reasonable and appropriate safeguards in accordance with the Data Privacy Act of 2012.

Section 21. OBD Governing Rules. – The DTI, in consultation with the DICT, the 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.

PART VI

E-COMMERCE PHILIPPINE TRUSTMARK

Section 22. E-Commerce Philippine Trustmark (Trustmark). – To provide assurance of safety and security in e-commerce, the DTI shall encourage the development of the E-Commerce Philippine Trustmark, which may be established and operated by an industry-led private sector governance body.

The DTI may issue the minimum requirements and criteria for the industry-led private sector governance body or bodies.

Section 23. Purpose and Benefits of the Trustmark. – The Trustmark shall signify that the products, goods or services sold online are trustworthy. The DTI may offer benefits, incentives, such as, but not limited to, 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 DTI will issue further guidelines on the development and implementation of the Trustmark.

Section 24. E-Commerce Promotion Council. Pursuant to Section 11 of the Act and Section 22 of these Rules, the DTI may create an E-Commerce Promotion Council with the private sector, that may take the lead in establishing a co-regulatory mechanism complementing existing regulatory frameworks, and subject to relevant guidelines, rules, or regulations.

PART VII

ONLINE DISPUTE RESOLUTION SYSTEM (ODRS)

Section 25. Online Dispute Resolution System (ODRS). - Within six (6) months from the effectivity of the Act, the DTI shall develop the ODRS as a platform to facilitate an alternative mode of dispute resolution for online consumers, online merchants, e-retailers, e-marketplaces, and other digital platforms.

Section 26. Agencies with Consumer Protection Mandates. – The ODRS shall be established to be the main point of entry for online consumers to seek redress regarding their complaints. Government agencies with consumer protection mandates shall develop a process to have their consumer complaint mechanism integrated into the ODRS.

Section 27. OBD Integration. – The OBD shall be integrated into the ODRS for the speedy resolution of online disputes.

Section 28. Tracking of Complaints. – The ODRS shall provide a method of tracking and monitoring the handling of complaints, including the generation of reports for use in system enhancements and in policy development.

Section 29. ODRS Implementing Rules. – The DTI, in consultation with other government agencies with consumer protection mandates, shall issue the applicable rules, regulations and guidelines on the development, management, operations, and maintenance of the ODRS.

PART VIII

E-COMMERCE CODE OF CONDUCT

Section 30. E-Commerce Code of Conduct. – Every person engaged in e-commerce is expected to act responsibly, and shall abide by the following Code of Conduct which are consistent with international trends, developments, standards, and best practices in order to build trust in e-commerce, and to protect and uphold the interest of consumers at all times:

- a. Consumers shall be treated with honesty, integrity, and fairness at all times.
- b. The rights of consumers shall be applied equally, without distinction or discrimination.
- c. Business entities shall refrain from engaging in illegal, fraudulent, unethical, or unfair business practices that harm consumers, and shall comply with applicable laws and regulations, especially the protection of Intellectual Property Rights.
- d. Accurate information about goods and services marketed and sold online to Philippine consumers shall be given and made available to consumers before, during, and after an internet transaction.
- e. Goods and services sold online must conform to Philippine regulatory standards.
- f. The safety of goods and services marketed or sold online must not be compromised, and products that have been recalled in the offline retail market must not be marketed or sold online.
- g. Goods and services must be easily accessible, accurately described, and promoted through fair advertising and marketing practices.
- h. Consumers must be given the correct and complete information about costs through a sales invoice or an official receipt detailing the particular costs of the good or service purchased, including shipping or delivery charges. Hidden charges or additional costs such as customs duties or currency conversion charges must be avoided.
- i. When delivery is provided or part of the goods or service purchased, the tracking of deliveries must be provided to the consumer, the delivery must be made within the promised time to the address provided by the consumer, and must conform to the conditions represented by the online merchant or digital platform.
- j. A cancellation option must be provided wherein consumers are given the opportunity to review their online purchases before finally confirming their purchase or withdrawal.
- k. Data privacy laws and regulations shall be strictly complied with.
- l. The safety and security of online payments and sensitive data shall be safeguarded through the use of secure technology and protocols including those evidenced by visible trust certificates or any appropriate similar certification as may emerge in the future.
- m. The transmission of unsolicited commercial email or bulk email, except those subject to the control and discretion of the consumer through readily accessible configurations that allow the consumer to choose whether they wish to receive or opt out from commercial messages by email or electronic means, must be avoided.

- n. The production of fake online reviews or spreading wrong information about competitors is improper and must be avoided.
- o. Consumers must be educated about the risks of transacting through the internet and shall be provided competent and professional advice.
- p. Digital platforms must ensure online supplier protection by avoiding anti-competitive agreements and abuse of dominance practices.
- q. Competing fairly with other businesses and adherence to competition principles and all applicable competition laws and regulations, including Republic Act No. 10667, or the Philippine Competition Act, shall ensure the robust development of the e-commerce and the economy.

Section 31. Non-Exclusive List. – The E-Commerce Code of Conduct is a non-exclusive list. All those engaged in e-commerce must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.

The E-Commerce Promotion Council may issue additional guidelines, rules and regulations including voluntary and binding co-regulation mechanisms considering the role, size, and impact of digital platforms, e-marketplaces, e-retailers, and online merchants in e-commerce.

OBLIGATIONS OF E-MARKETPLACES

Section 32. Obligations of E-Marketplaces. – The DTI, through the Bureau, may issue additional obligations of e-marketplaces in addition to the following obligations:

- a. **Compliance with the Act and Philippine Laws.** – E-marketplaces shall ensure that it shall at all times comply with the provisions of the Act and these Rules, and the relevant rules and regulations issued by DTI and other regulatory agencies, and shall only transact with online merchants in compliance with any of the foregoing laws or rules.
- b. **Minimum Information for Internet Transactions.** – E-marketplaces shall ensure that the internet transactions on their platform:
 - 1. Are clearly identifiable as an e-commerce transaction;
 - 2. Identify the person or persons on whose behalf the e-commerce transaction is made; and
 - 3. Identify any promotional offer including any discount, premium, or gift, and the conditions required to qualify for them are accessible, clear, and unambiguous.
- c. **Registration Requirements for Online Merchants.** – E-marketplaces shall require, as far as practicable, all online merchants, whether foreign or Filipino, to submit the following, prior to listing with their platforms:
 - 1. Name of the online merchant accompanied by the primary, and if applicable, secondary business registration documents for juridical entities, or for individuals, at least one (1) photo-bearing government identification card validly recognized by the BSP, Department of Foreign Affairs (DFA), Government Service Insurance System (GSIS), or the Pag-IBIG Fund;

2. Geographic address where the online merchant is located;
3. Contact details of the online merchant which must include a mobile or landline number, and a valid e-mail address;
4. In instances when the services offered by an online merchant is connected with the exercise of a regulated profession, the details of membership in any professional body or similar relevant institution with which the online merchant is registered or otherwise is a member of; and
5. Certificate of Registration with the BIR.

Except for the government identification cards or registration documents mentioned under Section 32(c)(1) of these Rules, and the contact details of the online merchant as required under Section 32(c)(3) of these Rules, the information required under this paragraph shall be published or posted in a prominent location on the e-marketplace or digital platform for transparency, unless the e-marketplace or digital platform establishes means to facilitate communication between online merchants and online consumers or provides a link to the OBD on their platform.

- d. List of Online Merchants. – E-marketplaces shall maintain a list of all online merchants registered under their platform, containing the information provided in Section 32(c) of these Rules. The list shall be accessible to all consumers via a prominent link on the e-marketplace homepage, updated regularly and verified on a continuing basis.
- e. Compliance with *Subpoenas*. – E-marketplaces shall be required to provide specific information upon the issuance of a *subpoena* by competent authority pursuant to an investigation based on a sworn complaint, stating that the e-marketplace or e-retailer is being used in the commission of a crime, or that it was utilized as a means to commit a malicious, fraudulent, or unlawful act, and that the complaint is unable to ascertain the identity of the perpetrator.
- f. Protection of Data Privacy Rights. – E-marketplaces shall take the necessary precautions to protect the data privacy of consumers, and individual e-retailers or online merchants, at all times, in accordance with the Data Privacy Act of 2012, and comply with the minimum information security standards set by the Bureau, the NPC, and other issuances of relevant government agencies. E-marketplaces shall be covered by the provisions of the Data Privacy Act of 2012 and issuances by the NPC.
- g. Regulated Goods. – E-marketplaces shall prohibit the sale of regulated goods unless the necessary permits and license information are provided, including, but not limited to, the Import Commodity Clearance certificate, if applicable, and any instrument contractually obligating the compliance with sale procedures and limitations, and other relevant conditions for the sale as may be imposed by any law or local government regulation.
- h. Internal Redress Mechanisms. – E-marketplaces shall provide an effective and responsive redress mechanism for online consumers and online merchants to report a user or information posted on the platform that are deemed in violation of relevant laws.
- i. Minimum Information for Goods or Services Offered by Online Merchants. Require all online merchants to clearly indicate the following in their product offers online, regardless of the nature of the goods and services:

1. Name and brand of the goods or services;

2. Price (inclusive of taxes and other charges);
3. Description; and
4. Condition.

In performing their obligations under this Section, e-marketplaces and other digital platforms are required to observe ordinary diligence. Failure to do so will subject them to penalties under Section 44 of these Rules.

OBLIGATIONS OF OTHER DIGITAL PLATFORMS

Section 33. Obligations of Other Digital Platforms That Do Not Retain Oversight Over the Consummation of the Transaction. – Other digital platforms that do not retain oversight over the consummation of the transaction shall have the following obligations:

- a. Compliance with the Act, these Rules, and other applicable laws, rules, and regulations. – At all times, ensure compliance with the provisions of the Act and these Rules, and the relevant rules and regulations issued by DTI and other regulatory agencies. Transactions with online merchants that are not in compliance with any of the foregoing laws or rules are not allowed.
- b. Information on Commercial Accounts. – Consumers must be able to distinguish between commercial and non-commercial or private accounts in the digital platforms.
- c. Regulated Goods. – Digital platforms must prohibit the sale and advertisement of regulated goods unless the necessary permits and license information are provided, and any instrument contractually obligating the compliance with sale procedures and limitations, and other relevant conditions for the sale as may be imposed by any law or local government regulation.
- d. Minimum Information for Goods or Services Offered by Online Merchants. – Require online merchants to indicate the following in their product offers online, regardless of the nature of the goods and services:
 1. Name and brand of the goods or services;
 2. Location of where the goods are produced or manufactured;
 3. Price;
 4. Description;
 5. Condition; and
 6. Contact information of the online merchant;
- e. Internal Redress Mechanism. – Digital platforms must provide an effective and responsive redress mechanism for online consumers and online merchants to report a user or information posted on the platform that are deemed in violation of relevant laws.
- f. List of Online Merchants. – Digital platforms shall, as far as practicable, maintain an updated list of accounts that make use of the platform for e-commerce. The platform shall be required to provide specific information upon the issuance of a *subpoena* by

any competent authority pursuant to a *motu proprio* investigation or an investigation based on a sworn complaint, stating that the digital platform covered under this Section is being used in the commission of a crime, or that it was utilized as a means to commit a malicious, fraudulent, or unlawful act, and that the complaint is unable to ascertain the identity of the perpetrator; and

- g. **Protection of Data Privacy Rights.** – Digital platforms shall take the necessary precautions to protect the data privacy of consumers, and individual e-retailers or online merchants, at all times, in accordance with the Data Privacy Act of 2012, and comply with the minimum information security standards set by the Bureau, NPC, and other issuances of relevant government agencies. Digital platforms shall be covered by the provisions of the Data Privacy Act of 2012 and issuances by the NPC.

In performing their obligations, digital platforms covered under this Section are required to observe ordinary diligence. Failure to do so will subject them to penalties under Section 44 of these Rules.

OBLIGATIONS OF E-RETAILERS AND ONLINE MERCHANTS

Section 34. Obligations of E-Retailers and Online Merchants. – An e-retailer or online merchant of digital or non-digital goods and services shall exercise the following responsibilities:

- a. **Compliance with the Act and Philippine Laws.** – Ensure that it shall at all times comply with the provisions of the Act and these Rules, nor shall it transact with any platform not in compliance with any applicable law or rule.
- b. **Price Disclosure.** – Indicate the price of goods and services offered consistent with Article 81 of the Consumer Act of the Philippines, and other relevant laws, rules or regulations.
- c. **Condition of Goods.** Ensure that the goods are received by the online consumer:
 - 1. In the same condition, type, quantity, and quality as described and stated and, in applicable circumstances, possess the functionality, compatibility, interoperability, and fitness for the purpose for which they were intended;
 - 2. In the same condition, type, quantity, and quality of a sample, picture, or model of the goods shown by the e-retailer or online merchant upon request of the online consumer, or of additional descriptions or specifications provided by the e-retailer or online merchant upon inquiries made by the online consumer; and
 - 3. The goods must also be fit for the particular purpose for which the online consumer requires them, as communicated to the e-retailer or online merchant at the time of the perfection of the contract, and which the e-retailer or online merchant has accepted.
- d. **Conformity with Advertising and Functionality.** – All the goods shall:
 - 1. Be delivered together with its accessories, including all other packaging, installation inclusions, any user manual, or other instructions as advertised or described, it applicable, with the relevant information stated in the packaging, printed, or written in Filipino and/or English; and
 - 2. Possess qualities and performance capabilities, including functionality, compatibility, and interoperability, that are standard and normal in goods of the

same type, which the online consumer may expect given its nature and considering any public statement or testimonial made by or on behalf of the e-retailer, online merchant, or other persons in earlier links of the chain of transactions, including the producer, unless the e-retailer or online merchant shows that:

- a. The e-retailer or online merchant was not, and could not have been, reasonably aware of the statement in question;
 - b. By the time of the conclusion of the contract, the statement had already been corrected;
 - c. The decision to buy the goods could not have been influenced by the statement.
- e. Digital Goods or Services Provider. – Where the e-retailer or online merchant is a digital goods or services provider, it shall ensure that the digital goods or services have the qualities and performance features, in relation to functionality, compatibility, interoperability, accessibility, continuity, and security, which are standard and normal for digital goods or services of the same type as advertised or described.
- f. Duty of E-Retailer or Online Merchant vis-à-vis Digital Platforms. – Where the transaction involves a digital platform that offers a performance of a service, the e-retailer or online merchant shall ensure the complete performance of the same in accordance with the contract and as advertised.
- g. Special Rules for E-Retailers. – An e-retailer shall:
1. Publish on its homepage the following:
 - a. Its corporate and trade or business name, as may be appropriate;
 - b. Address of the physical shop or place of business;
 - c. Contact details of the e-retailer, which must include a mobile or landline number and a valid e-mail address to ensure direct and efficient communication with online consumers; and
 - d. In instances when the services offered by an e-retailer is connected with the exercise of a regulated profession, the details of membership in any professional body or similar relevant institution with which the e-retailer is registered or otherwise is a member of.

The foregoing shall be submitted to the Bureau and must be accompanied by at least one (1) government identification card or registration document as valid proof of identity.

2. Take the necessary precautions to protect the data privacy of consumers, at all times, in accordance with the Data Privacy Act of 2012, and comply with the minimum information security standards set by the Bureau, NPC, and other issuances of relevant government agencies. E-retailers and online merchants shall be covered by the provisions of the Data Privacy Act of 2012 and issuances by the NPC.

- h. **Delivery Service.** – Where the e-retailer or online merchant is engaged in delivery service, it shall have the right to require its online consumers to provide at least a valid e-mail address or mobile phone number before entering into a transaction.
- i. **Sales Invoices.** – E-retailers or online merchants shall issue paper or electronic invoices for all sales.
- j. **Internal Redress Mechanism.** – E-retailers shall have in place an accessible and efficient redress mechanism for handling complaints from their clients.

PART IX

ONLINE CONSUMERS CODE OF CONDUCT

Section 35. Online Consumers Code of Conduct. – Consumers availing of e-commerce goods or services are expected to act responsibly, and shall abide by the following Online Consumers Code of Conduct:

- a. The online consumer shall exercise ordinary diligence in any internet transaction.
- b. The online consumer shall be respectful at all times, and shall not in any way or manner threaten, intimidate, utter or write offensive or discriminatory language, heckle, or offend the other party by the display or expression of any abusive, violent, inappropriate, or sexually explicit language or images.
- c. If the transaction includes the delivery of the purchased goods, the online consumer shall not cancel confirmed orders when the said items have already been paid for by the consumer, or the goods are perishable in nature and are already in the possession of a third-party delivery service, or otherwise in transit to the online consumer unless:
 - 1. The online consumer uses electronic or digital payment services and the latter authorized the crediting of the amount in favor of the vendor despite cancellation;
 - 2. The online consumer reimburses third-party delivery service as a pre-condition for the cancellation of the order;
 - 3. The transaction allows cancellation for a fee; or
 - 4. The parties agree otherwise.
- d. The online orders of food that is cooked or otherwise prepared by quick service restaurants, or goods that are made to order and the materials of which have already been purchased or prepared, shall not be cancelled unless there is an agreement between the online consumer and the digital platform, e-marketplace, e-retailer, or online merchant, whichever is applicable.
- e. The online consumer shall not request or require the performance of illegal acts.
- f. The online consumer shall not make false, fraudulent, or unsubstantiated claims for purposes of justifying or enforcing a consumer right.

Section 36. Non-Exclusive List. – The Online Consumers Code of Conduct is a non-exclusive list. Online consumers must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.

The Bureau, in coordination with consumer organizations, may issue additional guidelines, rules and regulations governing the conduct of online consumers in e-commerce.

RIGHTS AND REMEDIES OF CONSUMERS

Section 37. Remedies of Online Consumers Under the Consumer Act of the Philippines. – In case of defect, malfunction, or loss without the fault of the online consumer, or failure to conform with warranty or any liability of the online merchant or e-retailer arising from the contract, the online consumer shall have the right to pursue repair, replacement, refund or other remedies provided under the Consumer Act of the Philippines or any relevant laws.

When the online consumer avails of replacement or refund as a remedy, the online merchant or e-retailer is entitled to the return of the original goods delivered, without any cost to the online consumer, within a reasonable period from the receipt thereof, unless otherwise agreed upon by the parties. In case the refund is already paid, but the goods cannot be returned due to the fault of the online consumer, the amount received shall be immediately returned by the consumer to the online merchant or e-retailer subject to a proportionate reduction in price, if appropriate.

Section 38. Internal Redress Mechanism and Exhaustion of Remedies. – An aggrieved party shall avail of the internal redress mechanism of the digital platform, e-marketplace or e-retailer prior to the filing of a complaint before any court or appropriate government agency, or resorting to alternative dispute resolution. Such mechanism is deemed exhausted if the complaint remains unresolved after seven (7) calendar days from filing thereof.

PART X

LIABILITIES OF PARTIES IN INTERNET TRANSACTIONS

Section 39. Primary Liability of E-retailers or Online Merchants. – The e-retailer or online merchant shall be primarily liable for indemnifying the online consumer in civil actions or administrative complaints arising from the internet transaction, without prejudice to the imposition of other penalties as may be appropriate under these Rules and other applicable laws.

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

Section 40. Subsidiary Liability of E-Marketplaces or Digital Platforms. – The e-marketplace or digital platform that facilitated the internet transaction subject of a civil action or administrative complaint shall be subsidiarily liable to the online consumer if any of the following circumstances are present:

- a. The digital platform or e-marketplace failed to exercise ordinary diligence in complying with its obligations under Part VIII of these Rules, resulting in loss or damage to the online consumer;
- b. If the digital platform or e-marketplace failed, after notice, to act expeditiously in removing or disabling access to goods or services that either infringe on another's

intellectual property rights or is subject to a takedown order by any appropriate government agency; or

- c. If the online merchant has no legal presence in the Philippines and the digital platforms or e-marketplace failed to provide the contact details thereof despite notice.

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

Digital platforms or e-marketplaces shall not be held liable for their reliance in good faith on an online merchant's representations, warranties, or submitted registration documents if such information or documents are submitted in good faith, and that reasonable effort was exerted to ascertain and maintain the accuracy, authenticity and veracity of the documents or information submitted.

Section 41. Solidary Liability of E-marketplace or Digital Platform. – The e-marketplaces or digital platforms shall be solidarily liable with the online merchant or e-retailer if it fails, after notice, to act expeditiously to remove, or disable access to goods or services appearing on its platform that are prohibited by law, imminently injurious, unsafe, or dangerous. Liability under this Section shall be without prejudice to the imposition of appropriate penalties under Part XI of these Rules or other applicable laws.

Section 42. Applicability of the Civil Code of the Philippines. – In construing the rights and responsibilities of the parties, the provisions on Sales, and Obligations and Contracts of the Civil Code of the Philippines shall apply.

PART XI

PENALTIES

Section 43. Procedure in Administrative Penalties. – DTI Department Administrative Order No. 07 (s.2006), or the Simplified and Uniform Rules of Procedure for Administrative Cases Filed with the DTI for Violations of the Consumer Act of the Philippines and Other Trade and Industry Laws, as amended by DAO No. 20-02 (s. 2020) or the Revised Rules on Mediation and Adjudication in the Department of Trade and Industry, and its future amendments or revisions, shall govern the procedure in the imposition of administrative fines as penalties.

Section 44. Damages and Penalties. – The consumer may: (a) claim damages by filing a case before the court or; (b) seek the imposition of administrative penalties by filing with the DTI, through the Bureau, within two (2) years from the time the cause of action arose. The right to damages under this Section shall be governed by Republic Act No. 386 or the Civil Code of the Philippines, the Consumer Act of the Philippines, and other applicable laws.

The DTI shall impose the following administrative fines as penalty against:

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

- b. An online merchant or e-retailer found guilty of any deceptive, unfair or unconscionable sales act or practice, done through the internet, shall be, in addition to the penalties imposed under the Consumer Act of the Philippines, punished with:
 1. A fine ranging from Twenty Thousand Pesos (PHP20,000.00) to One Hundred Thousand Pesos (PHP100,000.00) for the first offense.
 2. A fine ranging from One Hundred Thousand Pesos (PHP100,000.00) to Five Hundred Thousand Pesos (PHP500,000.00) for the second offense.
 3. A fine ranging from Five Hundred Thousand Pesos (PHP500,000.00) to One Million Pesos (PHP1,000,000.00) for the third and subsequent offenses.
- c. An online merchant, e-retailer, e-marketplace or digital platform, who shall willfully or unreasonably refuse to comply with the Takedown Order issued under Section 14 (a), (c), and (d) of these Rules, shall be punished with:
 1. A fine ranging from Twenty Thousand Pesos (PHP20,000.00) to One Hundred Thousand Pesos (PHP100,000.00) for the first offense.
 2. A fine ranging from One Hundred Thousand Pesos (PHP100,000.00) to Five Hundred Thousand Pesos (PHP500,000.00) for the second offense.
 3. A fine ranging from Five Hundred Thousand Pesos (PHP500,000.00) to One Million Pesos (PHP1,000,000.00) for the third and subsequent offenses.
- d. Any person found in violation of Part IX of these Rules shall be punished, in addition to the value of the goods or services subject of the transaction, with:
 1. A fine not less than One Hundred Pesos (PHP100.00) but not more than Five Thousand Pesos (PHP5,000.00) for goods or services amounting to not more than One Hundred Pesos (PHP100.00).
 2. A fine not less than One Thousand Pesos (PHP1,000.00) but not more than Ten Thousand Pesos (PHP10,000.00) for goods or services amounting to more than One Hundred Pesos (PHP100.00) but less than One Thousand Pesos (PHP1,000.00).
 3. A fine not less than the value of the goods or services but in no case shall exceed Twenty Thousand Pesos (PHP20,000.00) for goods or services which price exceeds One Thousand Pesos (PHP1,000.00).
- e. An online merchant, e-retailer, e-marketplace or digital platform found in violation of Sections 32; 33(c), (d), or (e); and 34 (b), (g) or (j) of these Rules shall be punished with:
 1. A fine ranging from Five Thousand Pesos (PHP5,000.00) to Ten thousand pesos (P10,000.00) for the first offense.
 2. A fine ranging from Ten thousand pesos (P10,000.00) to Fifty thousand pesos P50,000.00) for the second offense.
 3. A fine ranging from Fifty thousand pesos (P50,000.00) to One Hundred Thousand Pesos (PHP100,000.00) for the third and subsequent offenses.

These penalties are without prejudice to the imposition of damages and other penalties that may be imposed under applicable laws.

Section 45. Schedule of Fines. – The DTI Secretary shall increase the schedule of fines indicated in the preceding Section every five (5) years from the effectivity of the Act to maintain their real value from the time it was set.

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

The payment of fines shall be made in lump sum, in cash or in manager's check, and not later than fifteen (15) days from the date of receipt of the decision or from the service of the writ of execution, whichever is earlier. However, if the respondent is not financially capable to pay the fine in full, a sworn undertaking to pay the same in three (3) months enclosed with three (3) postdated checks shall be submitted by the respondent within five (5) days from the date of receipt of the decision or from the service of the writ of execution.

The penalty of takedown shall be imposed, whenever applicable, in addition to the abovementioned penalties, by permanently removing any listing or offer on any website, webpage, online application, social media post, or on any similar platform.

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

PART XII

FINAL PROVISIONS

Section 46. Congressional Oversight Committee. – A Congressional Oversight Committee, hereinafter referred to as the Internet Transactions Act Congressional Oversight Committee (ITA-COC), shall be constituted to monitor and ensure the proper implementation of the Act. It shall be composed of five (5) members from the Senate, which shall include the Chairpersons of the Committees on Trade, Commerce and Entrepreneurship, Science and Technology, and Finance, and five (5) members from the House of Representatives, which shall include the Chairpersons of the Committees on Trade and Industry, Information and Communications Technology, and Appropriations. The Chairpersons of the Senate Committee on Trade, Commerce and Entrepreneurship, and the House of Representatives Committee on Trade and Industry shall jointly chair the Committee. The ITA-COC shall cease to exist after five (5) years from the effectivity of the Act.

Section 47. Regular Review. – Notwithstanding the creation or cessation of the ITA-COC, the DTI shall regularly review the Act, these Rules, and such rules issued pursuant to the Act to keep pace with rapid technological advancements in the information and communications technology (ICT) industry, protect consumer interest, meet the needs of businesses, maintain legal coherence, enhance enforcement and compliance efforts, and foster meaningful stakeholder engagement in the regulation of online transactions.

Section 48. Transitory Provisions. – A Transitory Period of eighteen (18) months from the effectivity of the Act shall be provided to all affected online merchants, e-retailers, e-marketplaces, and digital platforms to comply with their obligations under these Rules. The enforcement of these Rules during the Transitory Period against online merchants, e-retailers, e-marketplaces, and digital platforms shall likewise be stayed in such instances as otherwise expressly stated in these Rules. Nothing in these Rules shall stay

the enforcement of other applicable laws involving affected online merchants, e-retailers, e-marketplaces, and digital platforms, or the exercise of authority of the appropriate agency as conferred under the Act, or otherwise suspend the applicability of the Act or these Rules unless otherwise stated in these Rules.

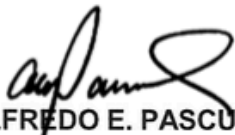
Section 49. Interpretation. – In case of doubt, the provisions of the Act and these Rules shall be construed in a manner that accords the highest respect for human dignity, consumer rights, and individual privacy.

Section 50. Separability Clause. – If any provision of these Rules is declared unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

Section 51. Repealing Clause. – All laws, presidential decrees, executive orders, letters of instruction, and administrative regulations that are inconsistent with the provisions of the Act and these Rules are hereby repealed, amended, or modified accordingly.

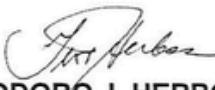
Section 52. Effectivity. – These Rules shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or in a newspaper of general circulation and from the filing of three (3) copies in the University of the Philippines Law Center.

Done this 24th day of May, 2024.


ALFREDO E. PASCUAL
Secretary
Department of Trade and Industry


Digitally signed
by Uy Ivan John
Enrile
IVAN JOHN E. UY
Secretary
Department of Information
and Communications Technology


FRANCISCO P. TIU LAUREL, JR
Secretary
Department of Agriculture


Digitally signed
by Herbosa
Teodoro Javier
TEODORO J. HERBOSA
Secretary
Department of Health


Digitally signed by
Mamerto E. Tangonan
Date: 2024.05.24
13:38:06 +08'00'
ELI M. REMOLONA, JR.
Governor
Bangko Sentral ng Pilipinas


JOHN HENRY D. NAGA
Chairman
National Privacy Commission