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[REPUBLIC ACT No. **11967**]

AN ACT PROTECTING ONLINE CONSUMERS AND MERCHANTS ENGAGED IN INTERNET TRANSACTIONS, CREATING FOR THIS PURPOSE THE ELECTRONIC COMMERCE BUREAU, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

CHAPTER I

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Internet Transactions Act of 2023”.

SEC. 2. *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 online merchants and online consumers. The State

recognizes the value and potential of the digital economy to increase competition and improve productivity. Toward this end, the State shall guarantee 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.

SEC. 3. *Scope and Coverage.* – This Act shall apply to all business-to-business and business-to-consumer internet transactions within the mandate of the Department of Trade and Industry (DTI), where one (1) of the parties is situated in the Philippines or where the digital platform, e-retailer, or online merchant is availing of the Philippine market and has minimum contacts therein: *Provided*, That online media content, and consumer-to-consumer (C2C) transactions shall not be covered under this Act.

SEC. 4. *Definition of Terms.* – As used in this Act:

(a) *Business-to-business Transaction* refers to 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;

(b) *Business-to-consumer Transaction* refers to internet transactions between businesses and end-users;

(c) *Consumer-to-consumer (C2C) Transactions* refer to transactions between end-users done for personal, family, or household purposes and not done in the ordinary course of business;

(d) *Digital Platforms* refer to information and communication technology-enabled mechanisms that connect and integrate producers and users in online environments where goods and services are requested, developed, and sold, and data is generated and exchanged such as, but not limited to, e-marketplace, mobile application platforms, online delivery platforms, social media platforms, and travel platforms;

(e) *E-marketplace* refers to digital platforms whose business is to connect online consumers with online merchants, facilitate and conclude the sales, process the payment of the products, 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;

(f) *E-retailer* refers to a natural or juridical person selling goods or services directly to online consumers through its own website, webpage or application;

(g) *Goods* refer to physically or 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;

(h) *Internet Transaction* refers to the sale or lease of digital or non-digital goods and services over the internet. For purposes of this Act, internet transactions shall also refer to e-commerce;

(i) *Online Consumer* refers to a natural or juridical person who purchases, leases, receives, or subscribes to goods or services over the internet for a fee;

(j) *Online Merchant* refers to a person selling 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 or services outside its own website through a third-party digital platform and the online consumer purchases, leases, subscribes to, or obtains the service of the e-retailer through the said third-party platform; and

(k) *Producer* refers to 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.

SEC. 5. *Extra-territorial 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.

SEC. 6. *Equal Treatment of Online and Offline Commercial Activities.* – Unless otherwise specified, this Act 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.

CHAPTER II

E-COMMERCE BUREAU

SEC. 7. *Creation and Composition of the E-Commerce Bureau.* – Within six (6) months after the effectivity of this 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.

SEC. 8. *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;

(b) Implement, monitor, and ensure strict compliance with the provisions of this Act;

(c) 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;

(d) Identify regulatory gaps affecting the e-commerce and recommend appropriate executive or legislative measures that foster the growth of the sector;

(e) 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;

(f) 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;

(g) Investigate, *motu proprio*, and recommend the filing of the appropriate case for violations of this Act;

(h) Monitor the implementation of this Act for policy-making and program development purposes;

(i) 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;

(j) Collaborate with Bangko Sentral ng Pilipinas (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; and

(k) 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.

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.

SEC. 9. *Referral and Tracking of Complaints.* – The Bureau shall refer any complaint it receives involving violations of other laws committed in the course of e-commerce activities to the appropriate regulatory authority for action. In appropriate cases, the DTI may initiate a formal complaint with the appropriate regulatory authorities. The Bureau shall track any such complaint or referral and coordinate the speedy resolution thereof.

SEC. 10. *Online Business Database (OBD).* – Within one (1) year from the effectivity of this Act, the Bureau shall establish a database of digital platforms, e-marketplaces, e-retailers, and online merchants engaged in e-commerce in the Philippines that will provide the government and online consumers access to contact information of online businesses.

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

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”.

SEC. 11. *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.

CHAPTER III

AUTHORITY OF THE DEPARTMENT OF TRADE AND INDUSTRY

SEC. 12. *Regulatory Jurisdiction of the DTI.* – For purposes of this Act, the DTI shall exercise regulatory jurisdiction as to the use of internet for conducting e-commerce by e-marketplaces, online merchants, e-retailers, digital platforms, and third-party platforms.

Provided, however, That the regulatory authority of the DTI shall be ancillary to any duly constituted regulatory jurisdiction granted to an agency by existing laws such as, but not limited to, the DICT, BSP, and 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 this Act. Unless expressly specified, nothing in this Act shall be construed as to diminish or deprive the regulatory jurisdiction conferred by law upon other government agencies concerning the services that they regulate, notwithstanding an e-commerce aspect or feature in such services.

SEC. 13. *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.

SEC. 14. *Authority to Issue Compliance Order.* – The DTI Secretary shall have the power to issue a compliance order to require conformity with this Act, Republic Act No. 7394 or the “Consumer Act of the Philippines”, or any other applicable

trade and consumer protection issuances promulgated by the DTI.

SEC. 15. *Authority to Issue 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) Sale or lease of goods or services which are prohibited or regulated under existing laws such as 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 post;

(b) Sale or lease of goods or services subject of a cease and desist order issued by an appropriate government agency;

(c) 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 public or personal safety, 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.

SEC. 16. *Blacklisting of Online Business.* – 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 Chapter III 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.

SEC. 17. *Online Dispute Resolution (ODR).* – Within six (6) months from the effectivity of this Act, the DTI shall develop a platform to facilitate an alternative mode of dispute resolution for online consumers, online merchants, e-retailers, e-marketplaces, and other digital platforms. The DTI, in consultation with other concerned agencies, shall issue the implementing rules and regulations on ODR procedure and the development, management, operations, and maintenance of the platform.

CHAPTER IV

RIGHTS, OBLIGATIONS, AND LIABILITIES
OF PARTIES IN INTERNET TRANSACTIONS

SEC. 18. *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.

SEC. 19. *Obligations of Online Consumers.* – The online consumer shall exercise ordinary diligence in any internet transaction.

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, 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:

- (a) The online consumer uses electronic or digital payment and authorized the crediting of the amount despite cancellation;
- (b) The online consumer reimburses third-party delivery service as a pre-condition for the cancellation of the order;
- (c) The transaction allows cancellation for a fee; or
- (d) The parties agree otherwise.

SEC. 20. *Remedies of Online Consumers.* – 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 Republic Act No. 7394 or any existing relevant laws.

When the online consumer avails replacement or refund as a remedy, the online merchant 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 reimbursed to the online merchant or e-retailer subject to proportionate reduction in price, if appropriate.

SEC. 21. *Obligations of E-marketplaces.* – Except as otherwise provided in this Act, e-marketplaces shall:

- (a) 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 that conditions required to qualify for it are accessible, clear, and unambiguous.
- (b) 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 at least one (1) valid government identification card for individuals or business registration documents for juridical entities;
 - (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; and
 - (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.

Except for the government identification cards or registration documents mentioned under Section 21(b)(1) and the contact details of the online merchant as required under Section 21(b)(3), the information required under this paragraph shall be published or posted 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.

(c) Maintain a list of all online merchants registered under their platform, containing the information provided in Section 21(b). The list shall be updated and verified regularly.

An e-marketplace 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.

(d) Take the necessary precautions to protect the data privacy of consumers, at all times, in accordance with Republic Act No. 10173 or 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 and e-marketplaces shall be covered by the provisions of Republic Act No. 10173 and issuances by the NPC.

(e) Prohibit the sale of regulated goods unless they provide the necessary permits and license information, and contractually obligating their compliance with sale procedures and limitations, and other relevant conditions for the sale as may be imposed by any law or local government regulation.

(f) 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.

(g) 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;
- (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 29 of this Act.

SEC. 22. 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) Enable consumers to distinguish between commercial and non-commercial or private accounts;

(b) Prohibit the sale and advertisement of regulated goods unless they provide the necessary permits and license information, and contractually obligating their compliance with sale procedures and limitations, and other relevant conditions for the sale as may be imposed by any law or local government regulation;

(c) 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) Price;
- (3) Description;

- (4) Condition; and
- (5) Contact information of the online merchant;

(d) 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;

(e) Maintain, as far as practicable, 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 competent authority pursuant to an investigation based on a sworn complaint, stating that the 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

(f) Take the necessary precautions to protect the data privacy of consumers, at all times, in accordance with Republic Act No. 10173 and comply with the minimum information security standards set by the Bureau, NPC, and other issuances of relevant government agencies. Digital platforms and e-marketplaces shall be covered by the provisions of Republic Act No. 10173 and issuances by the NPC.

In performing their obligations, platforms covered under this section are required to observe ordinary diligence. Failure to do so will subject them to penalties under Section 29 of this Act.

SEC. 23. *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) Indicate the price of goods and services offered consistent with Article 81 of Republic Act No. 7394;

(b) 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) It 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;

(c) 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, if 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:

(i) The e-retailer or online merchant was not, and could not have been, reasonably aware of the statement in question;

(ii) By the time of the conclusion of the contract, the statement had already been corrected; or

(iii) The decision to buy the goods could not have been influenced by the statement.

(d) 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.

(e) Where the transaction involves a digital platform that offers a performance of a service, the e-retailer or online merchant shall ensure the completion of the same in accordance with the contract and as advertised.

(f) An e-retailer shall:

(1) Publish on its homepage the following:

(i) Its corporate and trade or business name, as may be appropriate;

(ii) Address of the physical shop or place of business;

(iii) 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

(iv) 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 Republic Act No. 10173, 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 Republic Act No. 10173 and issuances by the NPC.

(g) 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.

(h) E-retailers or online merchants shall issue paper or electronic invoices or receipts for all sales.

(i) E-retailers shall have in place an accessible and efficient redress mechanism for handling complaints from their clients.

SEC. 24. Internal Redress Mechanism. – 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.

SEC. 25. 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 Section 29 of this Act and other 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.

SEC. 26. 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 Sections 21 and 22 hereof, resulting in loss or damage to the online consumer; or

(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 this Act or other 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 regardless if such information or documents are later proved to be inaccurate, false, or untrue: *Provided*, That the digital platform or e-marketplace must show evidence of good faith and that reasonable effort was exerted to ascertain and maintain the accuracy, authenticity and veracity of the documents or information submitted.

SEC. 27. Solidary Liability of E-marketplace or Digital Platform. – The e-marketplaces or digital platforms shall be solidarily liable 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 Section 29 of this Act or other laws.

CHAPTER V

FINAL PROVISIONS

SEC. 28. Damages. – The consumer may claim damages by filing a case before the court or the DTI within two (2) years from the time the cause of action arose. The right to

damages under this section shall be governed by the Civil Code, Republic Act No. 7394, and other existing laws.

SEC. 29. Penalties. – 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 Republic Act No. 7394, punished with:

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

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

(3) A fine ranging from Five hundred thousand pesos (P500,000.00) to One million pesos (P1,000,000.00) 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 15(a), (c), and (d) of this Act, shall be punished with:

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

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

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

(d) Any person found in violation of Section 19 or 20 of this Act 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 (P100.00) but not more than Five thousand pesos (P5,000.00) for goods or services amounting to not more than One hundred pesos (P100.00).

(2) A fine not less than One thousand pesos (P1,000.00) but not more than Ten thousand pesos (P10,000.00) for goods or services amounting to more than One hundred pesos (P100.00) but less than One thousand pesos (P1,000.00).

(3) A fine not less than the value of the goods or services but in no case shall exceed Twenty thousand pesos (P20,000.00) for goods or services which price exceeds One thousand pesos (P1,000.00).

(e) An online merchant, e-retailer, e-marketplace or digital platform found in violation of Sections 21, 22(b), (c) or (d), and 23(a), (f) or (i) of this Act shall be punished with:

(1) A fine ranging from Five thousand pesos (P5,000.00) 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 (P100,000.00) for the third and subsequent offenses.

The DTI Secretary shall increase the schedule of fines indicated in this section every five (5) years 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 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.

SEC. 30. *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 this 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 this Act.

SEC. 31. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, a Committee headed by the DTI Secretary and composed of representatives from DICT, NPC, Department of Agriculture (DA), Department of Health (DOH), BSP, and other relevant government agencies as determined by the DTI shall formulate and promulgate the rules and regulations necessary for implementing the law.

SEC. 32. *Transitory Provisions.* – A transitory period of eighteen (18) months from the effectivity of this Act shall be provided to all affected online merchants, e-retailers, e-marketplaces, and digital platforms to comply with the requirements of the law.

SEC. 33. *Applicability of the Civil Code.* – In construing the rights and responsibilities of the parties, the Civil Code provisions on sales, and obligations and contracts shall apply.

SEC. 34. *Interpretation.* – In case of doubt, the provisions of this Act, including its implementing rules and regulations and subsequent issuances by the implementing agency, shall be construed in a manner that accords the highest respect for human dignity, consumer rights, and individual privacy.

SEC. 35. *Appropriations.* – The amount necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act.


SEC. 36. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

SEC. 37. *Repealing Clause.* – All laws, presidential decrees, executive orders, letters of instruction, and administrative regulations that are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.


SEC. 38. *Effectivity.* – This Act shall take effect after fifteen (15) days following the completion of its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,


FERDINAND MARTIN G. ROMUALDEZ
Speaker of the House
of Representatives


JUAN MIGUEL F. ZUBIRI
President of the Senate

This Act was passed by the Senate of the Philippines as Senate Bill No. 1846 on September 25, 2023 and adopted by the House of Representatives as an amendment to House Bill No. 4 on September 27, 2023.


REGINALD S. VELASCO
Secretary General
House of Representatives


RENATO N. BANTUG JR.
Secretary of the Senate

Approved: **DEC 05 2023**


FERDINAND ROMUALDEZ MARCOS JR.
President of the Philippines



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