

Asia Internet Coalition (AIC) Industry Submission on the Internet Transactions Act (ITA), Philippines

21 April 2023

On behalf of the [Asia Internet Coalition \(AIC\)](#) and its members, we would like to submit our updated recommendations on the Philippines “Internet Transactions Act”. More recently, AIC consulted with the USAID’s Strengthening Private Enterprise for the Digital Economy (SPEED) program, Makati Business Club (MBC) and committed to share a position paper on the Internet Transactions Act (ITA) for the Bicam consideration, as well as identify other policy measures that affect e-commerce players.

We understand intention of the “Internet Transactions Act (ITA)” is to focus on promoting the development of e-commerce in the country by building trust between sellers and consumers, stronger online consumer protection, safer e-payment gateways, easier online business registration, and formulating other policies and programs to increase the number of online merchants and consumers.

However, there are key concerns, which we would like to reiterate.

- 1. Having a One-Size-Fits-All Policy creates disproportional responsibilities and liabilities:** By defining “e-commerce platform operators” so broadly, the ITA already attempts to regulate all platforms in the same exact way, even though they vary widely in the manner by which they provide services or participate in the e-commerce space. This overlooks and dismisses the sector’s diverse nature, which is actually what makes e-commerce so full of economic potential in the first place.
- 2. Prescriptive and unnecessary burdens to platforms**—especially where a platform’s primary business is discovery. For this reason, we welcome the Senate suggestion to exclude consumer to consumer transactions from the scope of the ITA as it recognizes that there are activities in the platforms it does not seek to regulate
- 3. A top-down policy approach may neglect on-ground concerns of stakeholders, especially SMBs:** The Organization of Economic Co-operation and Development (OECD) suggests that e-commerce regulation should be responsive to technological changes, encourage multi-stakeholder cooperation, and allow for periodic review of policy to ensure maximum effectiveness. We ask that the ITA account for such review and public-private mechanisms.
- 4. Provisions that impede opportunities for Filipino businesses to expand across borders:** Tapping markets outside one’s home country is one of the main benefits of doing business through e-commerce since it opens up businesses to new markets and a new pool of customers. Imposing extra-territorial application to foreign businesses is not a global practice, thus may put Filipino businesses at a disadvantage since this is applied unilaterally by the Philippine government, and may prompt reciprocal measures from other governments
- 5. Addressing barriers to SMB participation in e-commerce:** The ITA [bills] is an opportunity to mobilize resources focusing on increasing the capacity and knowledge of MSMEs on digital tools, different business models of e-commerce platforms, and regulation (both for offline and online businesses). It could create incentive mechanisms for MSMEs that pivoted to the online arena and already adhere to local laws, such as business registration, tax registration, consumer protection, product certification, etc., to encourage “responsible selling” in the digital economy, instead of imposing restrictions, hence strengthening DTI’s capacity to empower merchants and even consumers.

More importantly, we recommend deleting the following from the ITA:

- 1. Submission of list of sellers to DTI** - Requiring submission of this list without a clear, limited and specific purpose is not in line with international best practices on data privacy.

2. Senate version of the ITA Section 3.n. Deletion of the names of platforms in the definition of e-marketplace.
3. Removal of a website, webpage, online application, social media account, or other similar platforms be changed (Sec.12.a) to only violating content for specificity and due to disproportionate restriction on non-violating content or users.

We submit that over-regulation could disincentivize business operators to make long-term investments as it would make it difficult for business operators to assess the true impact of this Act.

As responsible stakeholders, we appreciate the ability to participate in this discussion and the opportunity to provide inputs into the policy-making process in the Philippines. **As such, please find appended to this letter detailed comments and recommendations, which we would like to respectfully request the Government of the Philippines to consider, which could be a useful feedback for future consultations. Importantly, we would also like to request for a virtual meeting with you and your team to further offer our inputs and go through the submission on industry best practices.**

Should you have any questions or need clarification on any of the recommendations, please do not hesitate to contact me directly at Secretariat@aicasia.org or +65 8739 1490.

Thank you for your time and consideration and we look forward to hearing from you.



Sincerely,

Jeff Paine
Managing Director
Asia Internet Coalition (AIC)

Section Wise Comments and Recommendations

Sec. No.	House Version (HB No. 04)	Senate Version (Committee Report)	Comments	Recommendations
3(d)	(d) Consumer refers to a person who is a purchaser, lessee, recipient or prospective purchaser, lessor or recipient of consumer products, services, credit , technology, advertising or promotion, and other items in eCommerce;	(d) Consumer refers to a person who is a purchaser, lessee, recipient, or prospective purchaser, lessor, or recipient of consumer goods, non-financial services , technology, advertising or promotion, and other items in eCommerce;	Senate version takes into account the enacted Financial Products and Services Consumer Protection Act (Rep. Act No. 11765) by explicitly qualifying that the ITA applies only to a consumer of non-financial services.	We recommend adopting Senate version
3(e)	(e) Consumer-to-consumer transactions (C2Cs) refer to one-off, petty, or occasional low-value transactions of an individual or group of individuals to another that are not made in the ordinary course of business of any party to the transaction;	(e) Consumer-to-consumer transactions (C2Cs) refer to one-off, petty, or occasional low-value transactions of an individual or group of individuals with another that are not made in the ordinary course of business of any party to the transaction, as may be further defined in guidelines to be issued by the Secretary of Trade and Industry ;	Senate version expressly grants to DTI Secretary the rule-making power to further define C2Cs. Such further definition could touch on matters as providing for threshold amounts or illustrative examples of transactions “not made in the ordinary course of business”.	Adopt Senate version. The Senate version will result in less ambiguous application of the C2C exclusion under the ITA.
New 3(f)	No counterpart.	(f) Cross-Border eCommerce refers to a commercial transaction where physical or tangible goods are carried out by parties belonging to different customs borders	New defined term. Under Sec. 18(e) of Senate version, among the obligations of a platform is to provide the relevant Cross-Border eCommerce data	Adopt Senate version. Senate version would supply the BOC with additional information on cross-border entry/exit of goods.

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		through online ordering, sale, communication and if applicable, payment;	as may be required by the Bureau of Customs.	[Recommendation] Platforms which are not involved in the purchase and post-purchase stages of an e-commerce transaction should not be required to provide relevant Cross-Border commerce data and information to the Bureau of Customs for the simple reason that they do not possess such data. Moreover, the instances of when the BOC can request for data and the data requested must be specified, in accordance with the DPA's proportionality principle.
New 3(g), (v), (w), (x)	(w) Ride hailing service refers to the delivery of food, goods or other merchandise, or of personal transport services, contracted through an online platform, application, website, webpage, social media account, or other similar platform operated by the provider, regardless of whether the provider is authorized to engage in eCommerce in the Philippines;	<p>(g) Delivery Carrier refers to any natural or juridical person engaged in the business of providing personal delivery services of food, goods, documents, or any other item from one person to another for compensation;</p> <p>(v) Online delivery partner refers to a delivery carrier that performs delivery services through an online delivery service platform under contract with a digital platform or an E-marketplace;</p>	New defined terms.	Adopt Senate version. House version had regulated ride hailing services, which included personal transport services. Senate version excludes personal transport services and regulates instead only personal delivery of food, goods, and documents, thereby avoiding a potential jurisdictional clash with LTFRB. “Delivery carrier” is now used in lieu of “ride hailing”.

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	<p>(x) Ride hailing service partner refers to third-parties who offer their services to transport or deliver food, parcels or any other item, on behalf of ride hailing service providers;</p> <p>(y) Ride hailing service provider refers to those, who in the ordinary course of trade or business, provide for or facilitate ride hailing services.</p>	<p>(w) Online delivery service refers to the delivery of food, parcels, or any other item, contracted through a digital platform, which may be an application, website, webpage, social media account, or any similar means, operated by an online delivery service platform;</p> <p>(x) Online delivery service platform refers to any natural or juridical person engaged in providing online delivery service for a fee through any digital platform;</p>		
New 3(h)	No counterpart	(h) Devices refer to equipment or mechanisms designed to serve a special purpose or perform a special function;	New definition. However, as the Senate version does not further refer to device/devices, this definition is unnecessary.	Adopt House version
New 3(j)	(l) Goods refer to physically or digitally produced items over which ownership rights may be established and whose economic ownership may be passed from one institutional unit to another by engaging in transactions;	<p>(j) Digital Products refer to goods and services produced and supplied in digital form, such as but not limited to, video, audio, applications, digital games, and any other software that allows the consumer to create, process, download, store, or access digital content, or allows the sharing of the same, or any such other interaction with digital content provided by other users of the service;</p> <p>(r) Goods refer to physically produced items over which ownership rights may be</p>	<ul style="list-style-type: none"> • Digital products, under the Senate version, are more specifically defined. In the House version, such digital products would have fallen under the ambit of “goods”. • Nonetheless, there are no provisions in the Senate version that specifically apply to digital products alone, as opposed to “goods and digital products” 	<p>Adopt Senate version but delete “services” from the definition of digital products</p> <p>[Recommendation] The definition of digital products under the Senate version is broad and ambiguous and lumps together goods and services under one category.</p> <p>For extreme clarity, digital products should only refer to</p>

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		established and whose economic ownership may be passed from one institutional unit to another by engaging in transactions;		goods produced and supplied in digital form, especially considering that "digital services" is already defined under 3(k) in the Senate version.
New 3(k)	<p>(g) Digital service refers to a service that allows the consumer to create, process, store or access data in electronic form or allows the sharing of or any other interaction with data in electronic form uploaded or created by the consumer or other users of that service;</p> <p>(h) Digital financial services refer to services of a financial nature that are made available to the public through the internet, including banking services, insurance and insurance-related services, payment and money transmission services, including remittance services, online lending services, online investment services, and other similar or related services;</p>	(k) Digital service refers to a non-financial service that allows the consumer to create, process, store, or access data in electronic form or allows the sharing of or any other interaction with data in electronic form uploaded or created by the consumer or other users of that service;	Senate version takes into account the enacted Financial Products and Services Consumer Protection Act (Rep. Act No. 11765) by explicitly qualifying that the ITA applies only to a consumer of non-financial services.	Adopt Senate version
New 3(l) and 3(n)	(j) eCommerce platform operator refers to a natural or	(l) Digital platforms refer to internet intermediaries or businesses such as but	<ul style="list-style-type: none"> Senate version distinguishes between “digital platforms” and “e- 	Adopt Senate version but strike out specific names of the

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	<p>juridical person that solicits the purchase of goods and services through digital platforms and marketplaces whose business is to connect consumers and online merchants, facilitating sales of products, goods or services through the internet with the presence and use of monetary transactions. These shall include social media websites and any other similar platforms in so far that it is used for business;</p>	<p>not limited to, e-marketplaces, online delivery enterprises, transportation booking, tourism booking, entertainment websites and services, music products and services, social media, advertising, education, and learning products, health websites, and applications, and labor services, among others, that match, connect or facilitate interactions and transactions by and between any two or more parties to enable them to sell, exchange, share, or transact in any convenient manner, non-financial goods, services, and digital products</p> <p>(n) E-Marketplace refers to a digital platform such as, but not limited to, eBay, Amazon, Shopee, Lazada, Carousell, Facebook Marketplace, Instagram, and Tiktok, among others, whose business is to connect online consumers and online merchants, facilitating the exchange of information regarding products or services for the purpose of entering into an e-commerce transaction such as the purchase of goods and services, tangible or intangible, and which may or may not provide information or services about payments and logistics;</p>	<p>marketplace platforms” (a subset of digital platforms). A digital platform can refer to any website that facilitates online transactions for goods or services. An E-Marketplace refers to a platform whose business model is connecting consumers and merchants.</p> <ul style="list-style-type: none"> Notwithstanding, under the Senate version, the obligations of e-marketplaces and digital platforms are generally the same, with no unique rules applicable to e-marketplaces alone. However, an “online merchant” under the Senate version is one who sells goods or services through an e-marketplace alone (unlike the House version, where an “online merchant” may sell through a platform other than an online marketplace). 	<p>companies in the definition of e-marketplace in recognition of wide variety of digital platform models and prospective new players that will participate in the future.</p> <p>[Recommendation] With modification - “with the presence and use of monetary transactions.”</p> <p>The current way that the business models are defined are overly vague, and do not reflect key differences on their proportionate responsibilities in e-commerce. We propose amending the definition of E-marketplace to reduce ambiguity, and strongly ask that some proportionate implementation be considered in the implementation of the Act, to avoid ineffective, difficult to implement, or inequitable burden given diverse business models.</p>

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				<p>We propose amending the definition of business models to reduce ambiguity:</p> <p>E-Marketplace refers to a digital platform such as, but not limited to, eBay, Amazon, Shopee, Lazada, Carousell, Facebook Marketplace, Instagram, and Tiktok, among others, whose business is to connect online consumers and online merchants, facilitating the exchange of information regarding products or services for the purpose of entering into an e-commerce transaction such as the purchase of goods and services, tangible or intangible, and in which the transaction is processed and/or concluded outside the Platform. may or may not provide information or services about payments and logistics;</p>
New 3(o) and (y)	(q) Online merchant refers to a natural or juridical person,	(o) E-Retailer refers to a natural or juridical person engaged in selling products	<ul style="list-style-type: none"> Unlike House version, Senate version distinguishes between an e-retailer 	Adopt Senate version

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	regardless of location, that directly sells, manufactures goods, or offers for sale, any good or service, either individually or through a platform, in the ordinary course of business, over the internet, through a website, an online marketplace, a social media website or application or through other similar means;	<p>goods, or services, tangible, or intangible, directly to online consumers through his/her own website or any other digital platform;</p> <p>(y) Online merchant – organization or retailer selling non-financial goods or services to customers through an e-marketplace;</p>	<p>(who could sell goods or services through any platform) and an online merchant (who sells goods or services only through an e-marketplace).</p> <ul style="list-style-type: none"> Notwithstanding, the obligations/liabilities of an e-retailer are generally the same under the Senate version as with that of an online merchant. 	
New 3(p)	No counterpart	<p>(p) Financial Regulators – refer to the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), Insurance Commission (IC), and the Cooperative Development Authority (CDA);</p> <p>Sec. 7. xxx "The eCommerce Bureau shall have the following powers and functions: xxx</p> <p>(o) Collaborate with the financial regulators in protecting online consumers, such as but not limited to, facilitating the speedy resolution of complaints of online consumers that involve the use of digital financial services as provided in applicable law, rules, and regulations, such as but not</p>	<p>The specific reference to financial regulators under the Senate version relates to the separately-enacted Financial Products and Services consumer Protection Act, with the new eCommerce Bureau mandated to collaborate and cooperate with such financial regulators.</p>	Adopt Senate version.

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		limited to the Financial Products and Services Consumer Protection Act of 2022. When necessary, other non-financial regulators, such as law enforcement agencies, must also be coopted in a formalized inter-regulator cooperation mechanism to address all cross-cutting issues and concerns that affect online consumers and the general public.		
Former 3(m)	(m) Internet access and service provider refer to an entity that provides households, businesses, and government access to the internet through the physical transport infrastructure;	None	The House definition of “ISP” has not been retained by the Senate version, which has no provisions specific to ISP regulation.	Adopt Senate version
Former 3(n)	(n) Internet retailing of consumer goods refers to engaging in any eCommerce activity other than online travel services, online media, ride hailing services, and digital financial services;	None	A separate definition of “internet retailing” (which was unnecessary even to the House version) has not been retained by the Senate.	Adopt Senate version
Former 3(s)	(o) Internet transaction refers to the sale or purchase of goods or services, whether between businesses, households, individuals, governments, and other public or private organizations, conducted over the internet. At least one point of	(s) Internet transaction refers to the sale or purchase of goods or services over the internet , whether between businesses, households, individuals, governments, and other public or private organizations. At least one point of these transactions is conducted over the internet, but the payment and ultimate delivery of the goods	The revisions to the Senate version are either stylistic or intended to correct apparent typographical errors in the House version.	Adopt Senate version

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	these transactions is conducted over the internet but the payment and ultimate delivery of the goods or service may be conducted on or offline;	or service may be conducted online or offline;		
New 3(u)	(d) Consumer refers to a person who is a purchaser, lessee, recipient or prospective purchaser, lessor or recipient of consumer products, services, credit, technology, advertising or promotion, and other items in eCommerce;	(u) Online Consumer refers to a natural or juridical person who may be a purchaser, lessee, recipient, or a prospective purchaser, lessor, or recipient, of goods and digital products sold, exchanged, leased, or transacted over the internet;	Consistent with the frequent reference in the ITA to an “online consumer”, the Senate version provides a specific definition distinct from that of a “consumer”.	Adopt Senate version
Sec. 4	SEC. 4. Scope and Coverage. — Unless otherwise specified, this Act shall apply to any stage of all business-to-business and business-to-consumer eCommerce and internet transactions including those related to the following activities: (a) Internet retail of consumer goods and services; (b) Online travel services; (c) Online media providers; (d) Ride hailing services; and (e) Digital financial services.	Sec. 4. Scope and Coverage. — Unless otherwise specified, this Act shall apply to any stage of all business-to-business and business-to-consumer internet transactions, including those related to the following activities: a) Internet retail of consumer goods and non-financial services; b) Online travel; c) Online media; and d) Online delivery; Consumer-to-consumer transactions shall be exempt from the operation of this Act, without prejudice to the application of	Revisions are consistent with (a) exclusion of financial services due to Financial Products and Services Consumer Protection Act; (b) reframing of “ride hailing” as “online delivery”.	Adopt Senate version

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	<p>Consumer-to-consumer transactions shall be exempt from the operation of this Act, without prejudice to the application of other laws.</p> <p>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 with respect to regulated services that fall within the scope of eCommerce</p>	<p>other laws. 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 regulated services that fall within the scope of eCommerce. Financial products and services, digital payments, and payment systems covered under Republic Act No. 11765 (The Financial Products and Services Consumer Protection Act), Republic Act No. 11127 (The National Payment Systems Act), and Republic Act No. 7653, as amended (The New Central Bank Act), shall be excluded from the coverage of this Act.</p>		
Sec. 7	<p>SEC. 7. Creation of the eCommerce Bureau. — To ensure the attainment of the objectives of this Act and promote the growth of eCommerce, there is hereby created an Electronic Commerce Bureau under the Department of Trade and Industry (DTI), hereinafter referred to as the Bureau, which shall be organized within six (6) months after the effectivity of this Act.</p>	<p>Sec. 7. Creation of E-commerce Bureau. — To ensure the attainment of the objectives of this Act and promote the growth of eCommerce, the E-commerce Division created by the Department of Budget and Management (DBM) under the competitiveness Bureau of the Department of Trade and Industry (DTI) on 20 January 2020 hereby abolished, and an E-commerce Bureau under the Department of Trade and Industry (DTI) shall be created within six (6) months after the effectivity of this Act. The Bureau shall have the following powers and functions:</p>	<ul style="list-style-type: none"> • The former E-Commerce Division is explicitly abolished under the Senate version, to be replaced by the eCommerce Bureau • The E-Commerce Bureau is tasked to ensure compliance not just with the ITA, but also the E-Commerce Act of 2000 • The E-Commerce Bureau may now require digital platforms to provide information to them for policy 	<p>Adopt Senate version</p> <p>[Recommendation] Adopt Senate version, with modifications:</p> <p>Delete sec 7. (g) Investigate, motu proprio, and file the appropriate cases for violations of any provision of this Act;</p> <p>Reason:</p>

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	<p>The Bureau shall have the following powers and functions:</p> <p>(a) Implement, monitor, and ensure strict compliance by eCommerce stakeholders of the provisions of this Act;</p> <p>(b) Build trust between consumers and sellers by requiring eCommerce platform operators, online merchants, or any other entity who engages in eCommerce to register their business with the eCommerce Bureau;</p> <p>(c) Formulate policies, plans and programs to ensure the robust and dynamic development of eCommerce;</p>	<p>(a) Implement, monitor, and ensure strict compliance with the provisions of this Act and the E-Commerce Act of 2000;</p> <p>(b) Build trust between consumers and sellers by requiring digital platforms, online merchants, or anyone else who engages in eCommerce to register their business with the Bureau and provide information as determined by the DTI e-commerce bureau for policy making and program development purposes;</p> <p>(c) Formulate policies, plans, and programs to ensure the robust and dynamic development of eCommerce, such as but not limited to the e-commerce roadmap;</p> <p>(d) Identify regulatory gaps affecting the eCommerce sector that are not sufficiently addressed by this Act or by existing laws or regulations, and recommend appropriate executive or legislative measures, including those that can be undertaken by the DTI on its own, that foster the growth of the sector;</p> <p>(e) Act as a virtual central unit tasked with receiving and addressing consumer</p>	<p>making and program development purposes.</p> <ul style="list-style-type: none"> • The development of the e-commerce roadmap is explicitly within the functions of the Bureau. • The other changes to Section 7 are matters of style. 	<p>Providing the Bureau with investigative and prosecutorial powers is not necessary, considering that other government agencies (e.g., PNP, NBI, DOJ) already currently performing this function. In accordance with Section 6 of the Bill, those who engage in eCommerce should not be placed at a disadvantage (by increasing the entities which may investigate and prosecute it) compared to those that offer goods and services offline in the Philippines.</p>

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	<p>(d) Identify regulatory gaps affecting the eCommerce sector that are not sufficiently addressed by this Act or by existing laws or regulations, and recommend appropriate executive or legislative measures, including those that can be undertaken by the DTI on its own, that fosters the growth of the sector;</p> <p>(e) Act as a virtual central unit tasked to receive and address consumer complaints on internet transactions, facilitate the speedy resolution of consumer complaints by the respective government agency which has jurisdiction over it, and track complaints referred to or initiated by it to ensure the speedy and appropriate action by the agency to which such matters have been referred to;</p> <p>(f) Coordinate with, compel or petition whenever appropriate, any entity, government agency</p>	<p>complaints on internet transactions, facilitating the speedy resolution of consumer complaints by the respective government agency which has jurisdiction over them, and tracking complaints referred to or initiated by them to ensure speedy and appropriate action by the agency to which such matters have been referred;</p> <p>(f) Coordinate with, compel, or petition, whenever appropriate, any entity, government agency, or instrumentality to take action on any matter that may impede eCommerce;</p> <p>(g) Investigate, motu proprio, and file the appropriate cases for violations of any provision of this Act;</p> <p>(h) Intervene or participate, in a manner as may be appropriate, in cases initiated or pending with other regulatory agencies involving eCommerce or violations of any provision of this Act;</p> <p>(i) Monitor internet transactions and undertake consultation with stakeholders and affected agencies for the purpose of understanding market behavior in order to</p>		

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	<p>or instrumentality to take action on any matter that may impede eCommerce;</p> <p>(g) Investigate, motu proprio, and file the appropriate cases for violations of any provision of this Act;</p> <p>(h) Intervene or participate, in a manner as may be appropriate, in cases initiated or pending with other regulatory agencies involving eCommerce or violations of any provision of this Act;</p> <p>(i) Monitor internet transactions and undertake consultation with stakeholders and affected agencies for the purpose of understanding market behavior in order to update policies relevant to online transactions;</p> <p>(j) Monitor the compliance of other government agencies or instrumentalities on their</p>	<p>update policies relevant to online transactions;</p> <p>(j) Monitor the compliance of other government agencies or instrumentalities with the provisions of this Act and the eCommerce roadmap;</p> <p>(k) Collect, compile, analyze, abstract, and publish eCommerce data for policy formulation and program development;</p> <p>(l) Prepare and conduct periodic studies on eCommerce;</p> <p>(m) Collaborate with departments of the national government including local government units and government-owned or controlled corporations, in implementing programs to promote eCommerce, including information, education, and campaign, as well as in ensuring a proactive policy regime;</p> <p>(n) Ensure that those who engage in eCommerce may not enjoy any benefit that is more favorable, nor be placed at a disadvantage, in relation to other enterprises that offer goods and services offline in the Philippines; and</p>		

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	<p>compliance to the provisions of this Act and the eCommerce roadmap;</p> <p>(k) Collect, compile, analyze, abstract, and publish eCommerce data for policy formulation and program development;</p> <p>(l) Prepare and conduct periodic studies on eCommerce;</p> <p>(m) Collaborate with departments of the National Government including local government units and government-owned or controlled corporations in implementing programs to promote eCommerce, including information, education, and campaign, as well as in ensuring a policy regime that is proactive; and</p> <p>(n) Ensure that those who engage in eCommerce may not enjoy any benefit that is more favorable, nor be placed at a</p>	<p>(o) Collaborate with the financial regulators in protecting online consumers, such as but not limited to, facilitating the speedy resolution of complaints of online consumers that involve the use of digital financial services as provided in applicable law, rules, and regulations, such as but not limited to the Financial Products and Services Consumer Protection Act of 2022. When necessary, other non-financial regulators, such as law enforcement agencies, must also be coopted in a formalized inter-regulator cooperation mechanism to address all cross-cutting issues and concerns that affect online consumers and the general public.</p> <p>In the exercise of the above-stated functions, the Bureau, in coordination with other government agencies, may convene public consultations or inter-agency meetings to ensure multi-stakeholder input in the development of eCommerce policies. Government agencies and instrumentalities involved in the maintenance and development of the internet infrastructure of the Philippines, such as the Department of Information and Communications Technology (DICT) and the National</p>		

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	<p>disadvantage, in relation to other enterprises that offer goods and services offline in the Philippines.</p> <p>In the exercise of the above-stated functions, the eCommerce Bureau, in coordination with other government agencies, may conduct public consultations or inter- agency meetings to ensure multi-stakeholder input in the development of eCommerce policies.</p> <p>Government agencies and instrumentalities involved in the maintenance and development of the internet infrastructure of the Philippines, such as the Department of Information and Communications Technology (DICT) and the National Telecommunications Commission (NTC), shall cooperate with the eCommerce Bureau on issues within their respective regulatory jurisdiction that affect the conduct of eCommerce.</p>	<p>Telecommunications Commission (NTC), shall cooperate with the Bureau on issues within their respective regulatory jurisdiction that affect the conduct of eCommerce.</p>		

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Sec. 8	<p>SEC. 8. Composition of the eCommerce Bureau. — The eCommerce Bureau shall be headed by a Director to be appointed by the President of the Philippines, as recommended by the Secretary of Trade and Industry.</p> <p>The Director shall oversee the day-to-day operations of the eCommerce Bureau and shall be assisted by an Assistant Director.</p> <p>The Secretary of the DTI shall determine the organizational structure and staffing pattern of the eCommerce Bureau in accordance with the existing compensation and position classification system subject to the evaluation and approval of the Department of Budget and Management Secretary.</p>	<p>Sec. 8. Composition of the Bureau. — The Bureau shall be headed by a Director who must have sufficient knowledge and background in e-commerce and online transactions, and all the laws and processes related thereto. The Director shall be assisted by three (3) Assistant Directors: for policy and administration, for enforcement, and for operations.</p> <p>The Director and all Assistant Directors shall be appointed by the President, upon the recommendation of the DTI Secretary, and must be career executive service officers with at least five (5) years of government service and relevant experience in e-commerce development.</p> <p>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 Secretary.</p>	<p>Senate version provides additional qualifications to the Director and Assistant Directors of the Bureau. The number of Assistant Directors is increased from 1 to 3.</p>	<p>Adopt Senate version</p>
Sec. 9	<p>SEC. 9. Subpoena. — In the exercise of its powers under this Act, the Director of the eCommerce Bureau shall have the power to issue summons, subpoena ad testificandum and</p>	<p>Sec. 9. Subpoena. — In the exercise of its powers under this Act, the Director of the Bureau shall have the power to issue summons, subpoena ad testificandum, and subpoena duces tecum to alleged violators or witnesses to compel their attendance and</p>	<ul style="list-style-type: none"> • The deletion of the first sentence, second paragraph of Section 9 has no material effect, as the subsequent sentences make clear that non-compliance with the subpoena 	<p>Adopt Senate version. However, consider additional modifications. For greater enforcement effect, the subpoena powers of the DTI Secretary should be complemented with</p>

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	<p>subpoena duces tecum to alleged violators or witnesses to compel their attendance and the production of documents in investigations or proceedings before the eCommerce Bureau.</p> <p>The failure to comply with a subpoena ad testificandum or subpoena duces tecum shall be a ground for the filing of a case for indirect contempt under the Rules of Court with the Regional Trial Court. A certification duly issued by the eCommerce Bureau that a respondent to the subpoena ad testificandum or subpoena duces tecum refuses to comply with the same, despite due notice, shall be sufficient evidence to authorize the Regional Trial Court to cite the respondent with contempt. The Regional Trial Court shall likewise have the authority to issue any such order or relief, including imprisonment, in order to compel compliance with the subpoena ad testificandum or subpoena duces tecum. The</p>	<p>the production of documents in investigations or proceedings before the Bureau.</p> <p>A certification duly issued by the Bureau that a respondent to the <i>subpoena ad testificandum</i> and <i>subpoena duces tecum</i> refuses to comply with the same, despite due notice, shall be sufficient evidence to authorize the Regional Trial Court to cite the respondent with contempt. The Regional Trial Court shall likewise have the authority to issue any such order or relief, including imprisonment, in order to compel compliance with the <i>subpoena ad testificandum</i> and <i>subpoena duces tecum</i>. The Regional Trial Court may, in addition, issue a subpoena ad testificandum and a subpoena duces tecum addressed to the respondents identical to the subject of the complaint.</p>	<p>authorizes the citation of the respondent by the Regional Trial Court with contempt.</p>	<p>the power to enforce. Options that can be considered:</p> <ul style="list-style-type: none"> Extend contempt not only to subpoenas but also to orders of the Secretary Add a power to enforce the orders directly - this can fall within the enforcement asst director of the bureau, who could hire sheriffs. Consider extending the power of the Secretary to direct LGUs, SEC, BIR, SSS and any other gov't agency to revoke any licenses of noncompliant entities <p>[Recommendation] 1. The Senate version should be revised requiring that the DTI Secretary be given the subpoena powers instead of the Bureau Director as follows:</p>

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	Regional Trial Court may, in addition, also issue a subpoena ad testificandum or subpoena duces tecum addressed to the respondents identical to the one subject of the complaint.			<p>"In the exercise of its powers under this Act, the Secretary of DTI shall have the power to issue summons, subpoena ad testificandum, and subpoena duces tecum to alleged violators or witnesses to compel their attendance and the production of documents in investigations or proceedings before the Department for violations of this Act.</p> <p>An unjustified refusal to comply with a subpoena is punishable by contempt in accordance with the same procedures and penalties prescribed in the Rules of Court.</p> <p>"</p> <p>2. Extending contempt to all orders of the Secretary risks being disproportionate to the imposable penalty of imprisonment, excessively broad, might be subject to abuse, and amount to a</p>

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				<p>deprivation of due process especially if it is extended orders made motu proprio.</p> <p>3. Extending the power of the Secretary to direct LGUs and other agencies to revoke licenses of non-compliant entities also encroaches on the jurisdiction of other agencies over the entities they regulate.</p>
Sec. 10	<p>SEC. 10. Authority to Promulgate Rules and Regulations. — As the focal authority of the National Government for the development of policies and strategies towards the growth of eCommerce, the eCommerce Bureau shall have the authority to promulgate rules and regulations covering areas or activities concerning eCommerce and to impose fines to compel compliance with such rules. The grant of this rule-making authority to the eCommerce Bureau shall be ancillary to any duly constituted regulatory jurisdiction granted or</p>	<p>Sec. 10. Regulatory Jurisdiction of the DTI. — As the focal authority of the National Government for the development of policies and strategies towards the growth of eCommerce, the DTI shall exercise regulatory jurisdiction over e-marketplaces, e- retailers, online merchants, and other digital platforms that sell or allow the sale of exchange of goods, services, or digital content/services, and are purposely availing of the Philippine market. This includes the authority to promulgate rules and regulations covering these activities and to impose fines to compel compliance with such rules.</p> <p>Provided, however, the regulatory or rule-making authority of the DTI shall be</p>	<ul style="list-style-type: none"> The definition of the DTI’s regulatory jurisdiction and rule-making power under the Senate version is tidier than that of the House version. However, the first sentence, second paragraph of Section 10, particularly the specific reference to DICT, BSP and NPC, may lead to confusion. 	<p>Adopt Senate version, with modification. The intent of qualifying the exercise of DTI jurisdiction as ancillary would be better expressed by revising the first sentence as follows: <i>“Provided, however, the regulatory or rule-making authority of the DTI shall be ancillary to any other duly constituted regulatory jurisdiction granted by law to an executive department such as the Department of Information and Communication Technology (DICT) or to an agency such as the Bangko Sentral ng Pilipinas</i></p>

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	that may be granted to other government agencies by law, including Executive Order No. 292, series of 1987, instituting the “Administrative Code of 1987”, Republic Act No. 7394, otherwise known as the “Consumer Act of the Philippines”, Republic Act No. 7653, as amended, otherwise known as “The New Central Bank Act”, Republic Act No. 8293, as amended, otherwise known as the “Intellectual Property Code of the Philippines”, Republic Act No. 8799, otherwise known as the “Securities Regulation Code”, Republic Act No. 9239, otherwise known as the “Optical Media Act of 2003”, Republic Act No. 9593, otherwise known as the “Tourism Act of 2009”, Republic Act No. 10173, otherwise known as the “Data Privacy Act of 2012”, Republic Act No. 10667, otherwise known as the “Philippine Competition Act”, Republic Act No. 11127, otherwise known as “ The	ancillary to DICT and/or any duly constituted regulatory jurisdiction granted to an agency by law, such as the BSP and NPC. Further, the DTI shall defer the exercise of rule-making or regulatory power to regulatory agencies, unless the agency declines to exercise its jurisdiction, without legal justification or fails to exercise its jurisdiction within a timely manner.		<i>or the National Privacy Commission.”</i>

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	<p>National Payment Systems Act”, and Republic Act No. 11232, otherwise known as the “Revised Corporation Code”.</p> <p>The eCommerce Bureau shall defer the exercise of rule-making power conferred by law to the above-mentioned authorized government agencies with regulatory jurisdictions over eCommerce providers or platforms, unless such agencies decline to exercise their jurisdiction or do not act within a timely manner.</p>			
Sec. 11	<p>SEC. 11. Registry of Online Business (ROB). — Within a 1 period of one (1) year from the effectivity of this Act, the eCommerce Bureau shall, in coordination with the DICT, establish, manage and maintain a ROB which shall provide consumers access to data and information of registered online business entities for purposes of verifying the validity, existence of and other relevant information pertaining to business entities.</p>	<p>Sec. 11. Online Business Registry (OBR). — Within a period of one (1) year from the effectivity of this Act, the Bureau shall, in coordination with the DICT, establish, manage and maintain an OBR that shall provide government and consumers access to data and information of registered online business entities for purposes of verifying the validity, the existence of and other relevant information pertaining to such business entities.</p> <p>The DTI, in consultation with the DICT, the National Privacy Commission (NPC),</p>	<ul style="list-style-type: none"> • Under the Senate version, the purpose of the Online Business Registry is somewhat expanded in that it is also intended to provide government access to the data about online business entities. • The SEC and the CDA are also now expressly involved in the development of the rules and regulations for the OBR. 	Adopt Senate version

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	The DICT, in consultation with the DTI, the National Privacy Commission (NPC), the Philippine Competition Commission (PCC) and other concerned agencies, shall issue the rules and regulations to govern the development, management, operation, and maintenance of the ROB.	the Philippine Competition Commission (PCC), the Securities and Exchange Commission, the Cooperative Development Authority, and other concerned agencies, shall issue the rules and regulations to govern the development, management, operation, and maintenance of the OBR.		
Sec. 12	SEC. 12. Authority to Issue Take Down Order — The Secretary of Trade and Industry, upon due notice and hearing regarding violations of this Act, the Consumer Act of the Philippines, or any other related trade or consumer laws, operating to the grave and irreparable prejudice of a consumer or a rights holder, shall have the power to issue an order directing that a website, webpage, online application, social media account, or other similar platform, be taken down, made inaccessible in the Philippines, or that no entity	<p>Sec. 12. Authority to Issue Take Down Order — By its own initiative or upon petition of a consumer or other concerned party, that the online sale of goods, services, or digital products is violative of this Act, the “Consumer Act of the Philippines”, or any other related laws, the DTI Secretary, to abate any further violations, shall, after due notice and hearing, have the power to:</p> <p>(a) Issue an order, directing that a website, webpage, online application, social media account, or other similar platforms, be taken down, made inaccessible in the Philippines, or otherwise be rendered commercially inoperative, to abate any further violations.</p>	<ul style="list-style-type: none"> ● Basis in Senate version for take-down order is that the online sale violates the ITA, Consumer Act, and other related laws. Under House version, the violation need not be related to online selling. The Senate version is more specific in application. ● Senate version qualifies that for websites with payment portals, only the e-commerce features of the platform (and not the website itself) shall be the subject of the takedown. ● Under House version, the take-down order may be immediately issued and 	<p>Adopt Senate version with the recommended modification below:</p> <p><i>Section 12. a. Issue an order, directing that <u>a content or listing</u> on a website, webpage, online application, social media account, or other similar platforms, be taken down, made inaccessible in the Philippines...</i></p> <p>Removal of an entire website, webpage, online application, social media account or other similar platform due to a violating piece of content may amount to a disproportionate</p>

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	<p>shall process any payment to any of those entities, or otherwise be rendered commercially inoperative, in order to abate any further violations.</p> <p>The said provisional take down order shall be directed against the owner or operator of the website, webpage, online application, social media account, as well as duly registered internet service provider, as well as payment gateways or channels. Copies of the order shall likewise be served on other government agencies whose cooperation would be required for the enforcement of the same.</p> <p>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.</p>	<p>Provided that for websites, webpage, online applications, or similar platforms with payment portals, only the e-commerce features of the platform shall be the subject of the takedown order; and</p> <p>(b) Issue an advisory on the takedown order of any violating entity to ensure that the latter shall be rendered commercially inoperative.</p> <p>Provided that, the DTI Secretary may immediately issue a provisional take-down order to prevent grave and irreparable injury to the public when the following conditions are present:</p> <p>(a) When the DTI Secretary finds that a good, service, or digital product is imminently injurious, unsafe, or dangerous; or</p> <p>(b) When the seller under investigation has been previously penalized under this section.</p> <p>Whenever the DTI Secretary orders the take-down, recall, ban, or seizure of an illegal product from public online sale or distribution, the seller, distributor, manufacturer, or producer thereof shall be</p>	<p>implemented, even without prior notice and hearing. Under Senate version, prior notice and hearing is required as a general rule before the take-down order may be issued. The immediate (“provisional”) takedown order under the Senate version can only be justified if the DTI Secretary finds imminent danger, or if the seller had been previously penalized. However, even under a provisional take-down, the affected seller is entitled to be heard within 48 hours.</p>	<p>restriction on other content which is not violating / not unlawful or on other users of the platform. This might take away business opportunities for micro- and small businesses that violate policy but are not familiar with consumer and other related laws and will be restricted from the platforms. Thus, we urge that instead of removing an entire website, webpage, social media account, and the like, only the violating content be removed, where applicable</p>

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		<p>given an opportunity to be heard within forty- eight (48) hours from the issuance of such provisional order.</p> <p>The take-down order, whether imposed as a penalty or provisionally granted, shall be directed against the e-retailer or online merchant, and a copy shall be furnished to 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.</p> <p>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</p>		
Sec. 13	SEC. 13. Cease and Desist Order. — The Secretary of Trade and Industry, upon due notice and hearing, shall have the power to issue an order directing a website, webpage, online application, social media account, or other similar platform operating to the grave	Sec. 13. Cease and Desist Order. — The Secretary of Trade and Industry, upon due notice and hearing, shall have the power to issue an order directing a website, webpage, online application, social media account, or other similar platform operating, in violation of this Act, the Consumer Act of the Philippines, or any other applicable trade or consumer	<ul style="list-style-type: none"> • The House version provided as basis for the CDO, that the online platform is operating “to the grave and irreparable prejudice of a consumer or rights holder”. The basis under the Senate version is not the violation of individual rights, but 	<p>Adopt Senate version, with modification.</p> <p>The Congress may want to consider introducing an intermediate measure – a compliance order, that the DTI Secretary can issue in less serious cases (such as petty</p>

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	<p>and irreparable prejudice of a consumer or a rights holder, to desist from marketing or offering goods or services that are accessible in the Philippines, and directing that no payments shall be made to any entity which is marketing or offering such goods or services in violation of this Act, the Consumer Act of the Philippines, or any other related trade or consumer laws.</p> <p>The cease and desist order shall remain in effect for a maximum of thirty (30) days unless otherwise extended or made permanent by a judicial order or decision.</p>	<p>protection laws to desist from marketing or offering non-financial goods or services that are accessible in the Philippines. Provided, that the Cease and Desist Order shall not apply to the payment portal connected to the website, webpage, online application, or similar portal of the violating entity. The cease-and-desist order shall remain in effect for a maximum of thirty (30) days unless otherwise extended or made permanent by a judicial order or decision.</p>	<p>the violation of trade and consumer protection laws.</p>	<p>violations of the Code of Conduct)</p>
Sec. 14	<p>SEC. 14. Referral of Complaints. — The eCommerce Bureau shall refer any complaint it receives involving violation of other laws committed in the course of eCommerce activities to the appropriate regulatory authority for action. If the complaint or violation pertains to the violation of the provisions of Republic</p>	<p>Sec. 14. Referral of Complaints. — The Bureau shall refer any complaint it receives involving violations of other laws committed in the course of eCommerce activities to the appropriate regulatory authority for action. If the complaint or violation pertains to a violation of the provisions of Republic Act No. 10175, otherwise known as the “Cybercrime Prevention Act of 2012,” the matter shall</p>	<p>Referral of complaints under Senate version is with “law enforcement agencies” (such as PNP, NBI, etc.), and not with the DOJ alone (as it is in the House version)</p>	<p>Adopt Senate version</p>

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	Act No. 10175, otherwise known as the “Cybercrime Prevention Act of 2012”, the matter shall be referred to the Department of Justice (DOJ) for appropriate investigation. In cases where appropriate, the DTI may itself initiate the formal complaint with the appropriate regulatory authority or the DOJ. The eCommerce Bureau shall track any such complaint or referral made to other authorities and coordinate with them to ensure that the said matters are duly resolved within a reasonable period.	be referred to law enforcement agencies for an appropriate investigation. In cases where appropriate, the DTI may initiate the formal complaint with the appropriate regulatory authority or the DOJ. The Bureau shall track any such complaint or referral made to other authorities and coordinate with them to ensure that the said matters are duly resolved within a reasonable period.		
Sec. 15	<p>SEC. 15. Qualifications to Engage in eCommerce. — The following are presumed legally authorized to engage in eCommerce in the Philippines in the ordinary course of their trade or business:</p> <p>xxx</p> <p>(d) A foreign corporation that is duly licensed by the SEC</p>	<p>Sec. 15. Qualifications to Engage in eCommerce. — The following are presumed legally authorized to engage in eCommerce in the Philippines in the ordinary course of their trade or business:</p> <p>xxx</p> <p>(d) A foreign corporation that is duly licensed by the SEC or a non-resident single proprietor registered with the DTI to transact business in the Philippines; Provided that all foreign-owned</p>	<ul style="list-style-type: none"> • Senate version expressly authorizes non-resident single proprietors registered with the DTI (as opposed to only duly-licensed foreign corporations) to transact business in the Philippines. • Senate version requires foreign entities registered with the SEC and single-proprietors registered with the DTI to comply with the amended Retail Trade Liberalization Act; it 	Adopt Senate version.

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	<p>to transact business in the Philippines; and</p> <p>xxx</p> <p>A resident of the Philippines who engages, abets, or aids in unauthorized eCommerce activities in the ordinary course of trade or business shall be subject to any appropriate penalty as may be provided by law and shall in the same manner as the party engaged in such unauthorized eCommerce activities.</p> <p>A person who is authorized to engage in eCommerce in the Philippines and who facilitates the sale of a digital product or service by one who is not so authorized is deemed primarily liable for any obligation,</p>	<p>partnerships, associations, and corporations registered with the SEC and single proprietors registered with DTI, shall comply with R.A. 11595, or the amended Retail Trade Liberalization Act; and</p> <p>xxx</p> <p>A resident of the Philippines who engages in abets, or aids in unauthorized eCommerce activities in the ordinary course of trade or business shall be subject to any appropriate penalty as may be provided by law and shall be held liable in the same manner as the party engaged in such unauthorized eCommerce activities.</p> <p>A person who is authorized to engage in eCommerce in the Philippines and who facilitates the sale of goods, digital content, or services by one who is not so authorized is deemed primarily liable for any obligation, damage, or fine, that may arise from the transaction or the digital product.</p> <p>A non-resident of the Philippines who engage in eCommerce by purposefully availing of the Philippine market may not evade legal liability in the Philippines by virtue of non-residency or non-registration</p>	<p>could be pointed out that the amended RTLA by itself would have already imposed that obligation</p> <ul style="list-style-type: none"> Other changes to Sec. 15 are merely stylistic. 	

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	<p>damage, or fine, that may arise from the transaction or from the digital product.</p> <p>A non-resident of the Philippines who engages in eCommerce by purposefully availing of the Philippine market may not evade legal liability in the Philippines by virtue of non-residency or non-registration, and shall be subject to the same obligations and liabilities arising from any transaction as those who are authorized to engage in eCommerce in the Philippines.</p>	<p>and shall be subject to the same obligations and liabilities arising from any transaction as those who are authorized to engage in eCommerce in the Philippines.</p>		
Sec. 16	<p>SEC. 16. Business Registration. —</p> <p>(a) To encourage the formation of business enterprises, the growth and integrated development of the eCommerce market, and protection of online consumers, all individuals engaged in eCommerce shall register as a business either as a sole proprietor, one-person</p>	<p>Sec. 16. Business Registration. —</p> <p>(a) To encourage the formation of business enterprises, the growth and integrated development of the eCommerce market, and the protection of online consumers, all individuals engaged in eCommerce shall register as a business either as a sole proprietor, one-person corporation, partnership, corporation, or cooperative.</p> <p>(b) Consistent with Republic Act No. 11032, otherwise known as the “Ease of</p>	Style changes only.	Adopt Senate version.

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	<p>corporation, partnership, corporation, or cooperatives.</p> <p>(b) Consistent with Republic Act No. 11032, otherwise known as the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018,” all national government agencies and local government units (LGUs) shall make available online registration of business permits and licenses particularly for those engaged in eCommerce.</p> <p>(c) The SEC, LGUs, and the CDA shall submit to the eCommerce Bureau an annual list of registered enterprises for monitoring and for purposes of maintaining a database of online merchants and eCommerce platform operators.</p>	<p>Doing Business and Efficient Government Service Delivery Act of 2018,” all national government agencies and local government units (LGUs) shall make easier and available online registration of business permits and licenses, particularly for those engaged in eCommerce.</p> <p>(c) The SEC, LGUs, and CDA shall submit to the Bureau an annual listing of registered enterprises for monitoring and for purposes of maintaining a database of online merchants and digital platforms.</p>		
Sec. 17	SEC. 17. Code of Conduct. — To build trust in internet transactions and to protect and uphold the interest of consumers at all times, all businesses engaged in eCommerce are	Sec. 17. Code of Conduct. — To build trust in internet transactions and to protect and uphold the interests of consumers at all times, all businesses engaged in eCommerce are expected to act	The obligations of digital platforms to comply with Philippine competition law are more specifically spelled out (avoiding anti-competitive agreement and abuse of dominance practices).	Adopt Senate version.

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	<p>expected to act responsibly, consistent with the following principles:</p> <p>xxx</p> <p>(q) Competing fairly with other businesses and adherence to competition principles and all applicable competition laws and regulations, including Republic Act No. 10667, otherwise known as the “Philippine Competition Act”, shall ensure the robust development of eCommerce and the economy.</p>	<p>responsibly, consistent with the following principles:</p> <p>xxx</p> <p>(q) Digital platforms must ensure online supplier protection by avoiding anti-competitive agreements and abuse of dominance practices. Competing fairly with other businesses and adhering to competition principles and all applicable competition laws and regulations, including Republic Act No. 10667, otherwise known as the “Philippine Competition Act,” shall ensure the robust development of eCommerce and the economy.</p>		
Sec. 18	<p>SEC. 18. Obligations of eCommerce Platform Operators. — eCommerce platform operators shall have the following obligations:</p> <p>(a) Ensure that any commercial communication shall:</p> <p>(1) Be clearly identifiable as a commercial communication;</p>	<p>Sec. 18. Obligations of E-Marketplaces and other Digital Platforms. —</p> <p>(a) E-Marketplaces and other digital platforms shall ensure their internet transactions shall:</p> <p>(i) Be clearly identifiable as an e-commerce transaction;</p> <p>(ii) Identify the person or persons on whose behalf the e-commerce transaction is made; and</p>	<ul style="list-style-type: none"> Senate version expressly requires that sales promotional offers by e-marketplaces and digital platforms must have the necessary permit, as applicable, with the appropriate government agency Under Senate version, it is newly required that online merchants must (a) present to platform a valid government ID or business registration details; (b) geographic 	<p>Adopt Senate version with modifications.</p> <p>[Recommendation] 1. We propose adding this blanket provision at the end of Section 18 (Senate version):</p> <p>“The e-marketplaces and other digital platforms’ compliance with this section shall be in accordance with its business model, role or level of</p>

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	<p>(2) Clearly identify the person on whose behalf the commercial communication is made;</p> <p>(3) Clearly identify any promotional offer including any discount, premium, or gift, and ensure that any condition which must be met to qualify for it is easily accessible, and presented clearly and unambiguously; and</p> <p>(4) Clearly identify any promotional competition or game and ensure that any condition for participation is easily accessible and presented clearly and unambiguously;</p> <p>(b) Require all online merchants, prior to the commencement of online transactions to submit the following to eCommerce platform operators:</p>	<p>(iii) Clearly identify any promotional offer including any discount, premium, or gift, and ensure that any condition which must be met to qualify for it is easily accessible, and presented clearly and unambiguously. Sales promotional offers shall have the necessary permit, as applicable, with the appropriate government agency.</p> <p>(b) E-Marketplaces and other digital platforms shall require all online merchants, whether foreign or Filipino, to submit the following, prior to listing with their platforms:</p> <p>(i) Name of the online merchant accompanied by at least one (1) valid government identification card for individuals or business registration documents for juridical entities;</p> <p>(ii) Geographic address where the online merchant is located;</p>	<p>address where merchant is located (and not just an address for purposes of service of legal processes); (c) mandatory mobile or landline number and email address; (d) if online merchant exercises a regulated profession, mandatory submission of membership details in professional body.</p> <ul style="list-style-type: none"> The requirement that the platform/marketplace post general information about the merchant has been revised mostly for style. However, Senate version qualifies that ID cards or registration documents that the merchant submits shall not be published by the platform/marketplace. Online sale of regulated goods is now generally prohibited unless permits/licenses information is submitted and compliance with relevant local laws is contractually ensured. 	<p>involvement in the consumer purchasing process.”</p> <p>Rationale: Due to the complexity and evolving nature of the e-commerce landscape, it is difficult to have a one-size-fits-all policy solution. Platform types and business models should be differentiated, along with corresponding proportionate regulation, in order to be more effective in spurring the development of dynamic and innovative business models in the digital economy in APAC.</p> <p>Clear differentiation is also recommended for platforms which actually encompass a wide variety of roles:</p> <ol style="list-style-type: none"> There are platforms that allow users to post items they want to sell but the transaction is completed outside of those platforms; There are also some platforms that are more

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	<p>(1) Name of the online merchant;</p> <p>(2) Registration documents of the online merchant from the appropriate LGU, the DTI or SEC, and the Bureau of Internal Revenue (BIR);</p> <p>(3) Geographic address at which the online merchant may be served summons or any other judicial processes in its name and behalf;</p> <p>(4) Contact details of the online merchant, such as a mobile or landline number, and a valid electronic mail address, which makes it possible to immediately and easily contact and communicate with the online merchant in a direct and effective manner; and</p> <p>(5) Details of any professional body or similar institution with which the online merchant is registered, in</p>	<p>(iii) Contact details of the online merchant which must include a mobile or landline number and a valid e-mail address; and</p> <p>(iv) In instances when the online merchant exercises a regulated profession, the online merchant shall be required to submit details of membership in any professional body or similar relevant institution with which the online merchant is registered or otherwise is a member of.</p> <p>Except for the government identification cards or registration documents mentioned under Section 11(b)(i), the information required under this paragraph shall be published or posted on the e-commerce platforms for transparency, unless the e-marketplace or e-commerce platform establishes means to facilitate communication between online merchants and consumers or provides a link to the OBR on their platform.</p> <p>(c) E-Marketplaces and e-commerce digital platforms are mandated to maintain a list of all online merchants registered under their</p>	<ul style="list-style-type: none"> The explicit obligation under the House version for platform operators to cooperate with regulators in any investigation or resolution of consumer complaints has been deleted; this provision was arguably unnecessary. 	<p>like virtual shopping centers or department stores where there are transactions on-platform,</p> <p>c. There are a few that also have warehouses or storage facilities,</p> <p>d. While others are a mix of these models.</p> <p>Adopting a one-size fits-all approach for very diverse platforms creates uncertainty and disproportionate obligations. Moreover, it imposes an undue burden on intermediaries whose primary business is providing a platform for discovery, where e-commerce activities are limited to nothing more than facilitating communication between sellers and users, providing a venue for sellers to promote their listings, where payment and shipping are completed off-platform.</p> <p>2. We recommend that the submission of the list of all online merchants</p>

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	<p>instances when the online merchant exercises a regulated profession;</p> <p>(c) Maintain a file of all online merchants registered under their platform containing the information provided by online merchants in paragraph (b) of this Section;</p> <p>(d) Publish at a conspicuous part on their website, webpage, social media account, or other similar platform, the following general information:</p> <p>(1) Name of the online merchant;</p> <p>(2) Registration documents of the online merchant from the appropriate LGU, the DTI or SEC, and the BIR;</p> <p>(3) Geographic address at which the online merchant may be served summons or any other judicial processes in its name and behalf;</p>	<p>platform, which shall be regularly verified, as determined by the Bureau. This list shall be submitted to the Bureau and updated regularly.</p> <p>(d) E-Marketplaces and e-commerce digital platforms shall not allow the sale of regulated goods such as but not limited to chemicals, food, and drugs without requiring them to provide their 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.</p> <p>(e) Provide relevant Cross-Border eCommerce data and information to the Bureau of Customs, as may be required, to ensure effective border protection, subject to the provisions of the Data Privacy Act of 2012.</p>		<p>to DTI be deleted (Sec. 18.c) since this is not in line with international data privacy best practices on proportionality and data minimization. For consideration – platforms to share available and relevant online merchants’ information to regulator / law enforcement upon valid legal request. Moreover, since (1) the SEC, LGUs, and CDA are required submit to the Bureau an annual listing of registered enterprises, (2) the Bureau is mandated to manage and maintain an OBR that shall provide government and consumers access to data and information of registered online business entities and (3) platforms are already required to provide a link to the OBR, the requirement for platforms to also provide a list is deemed redundant.</p> <p>3. We also recommends the deletion of Section 18(e) in the Senate version. Platforms which</p>

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	<p>(4) Contact details of the online merchant, a mobile or landline number, or a valid electronic mail address, which make it possible to immediately and easily contact and communicate with the online merchant and communicate in a direct and effective manner, unless the eCommerce online platform establishes means to facilitate communication between online merchants and consumers; and</p> <p>(5) Details of any professional body or similar institution with which the online merchant is registered, in instances when the online merchant exercises a regulated profession;</p> <p>(e) Submit to the Bureau a list of all online merchants registered under their platform. When an eCommerce platform operator discovers that an onboarded online merchant has</p>			<p>are not involved in the purchase and post-purchase stages of an e-commerce transaction should not be required to provide relevant Cross-Border commerce data and information to the Bureau of Customs for the simple reason that they do not possess such data. Moreover, the instances of when the BOC can request for data and the data requested must be specified, in accordance with the DPA's proportionality principle.</p>

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	<p>not obtained registration documents from the relevant regulatory agency, it shall report such fact to the Bureau within fifteen (15) days from discovery thereof.</p> <p>(f) Cooperate with regulators, in accordance with existing laws and regulations, in any investigation, or resolution of consumer complaints.</p>			
Sec. 19	None	<p>Sec.19. Obligations of Online Delivery Service Platforms. - Online delivery service platforms shall exercise due diligence and reasonable care over the goods transported by them. The consumer shall file the appropriate civil action for damages on account of the platform's failure to exercise the required diligence and care within two (2) years from the transaction</p>	<ul style="list-style-type: none"> Senate version integrates provisions that also govern online delivery service platforms (which had been the subject of an earlier separate bill from the ITA that was filed in 2020 in the House) 	Adopt Senate version
Sec. 20 (former Sec. 19)	<p>SEC. 19. Internet Transactions Involving Consumers. — An online merchant of goods shall exercise the following responsibilities:</p>	<p>Sec. 20. Obligations of E-Retailers and Online Merchants. — An e-retailer or online merchant of goods, services, or digital products, as defined under this Act, shall exercise the following responsibilities:</p>	<ul style="list-style-type: none"> The Senate version generally reframes the provision (mostly to the effect of style only) as obligations of e-retailers and merchants. 	Adopt Senate version

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	<p>(a) Deliver or cause the delivery of goods to the consumer, ensuring that the following are complied with:</p> <p>(1) The goods are of the description, type, quantity, and quality, and possess the functionality, compatibility, interoperability and other features, as required by the sales contract. The online merchant must show a digital sample or model of the goods to the consumer and the goods possess the quality of and correspond to the description of the sample or model; possess the qualities and performance features, including in relation to functionality, compatibility, interoperability, accessibility, continuity, and security, normal for digital content or digital services of the same type and of which the consumer may reasonably expect; fit for any particular purpose for which the consumer requires them and which the</p>	<p>(a) Ensure that the goods are received by the online consumer:</p> <p>(i) In the same condition, type, quantity, and quality as described and stated and, in applicable circumstances, possess the functionality, compatibility, interoperability, and other features required by the sales contract, and are fit for the purpose for which they were intended by their nature;</p> <p>(ii) 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</p> <p>(iii) 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;</p>	<ul style="list-style-type: none"> Senate version requires that if the retailer/merchant provides digital products, it shall ensure that the product has the qualities and performance features, in relation to functionality, compatibility, interoperability, accessibility, continuity, and security, which are standard and normal for a digital product of the same type as advertised or described. House version did not distinguish digital products. The specific liabilities of an online merchant as spelled out in Section 19(b) of the House version have been deleted in the Senate version. The Senate version newly obligates the retailer/merchant, if the transaction involves a digital platform that offers a service, to ensure the completion of the service in accordance with the contract. This would, for example, repose responsibility on the part of a merchant relying on an online 	

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	<p>consumer made known to the online merchant at the time of the conclusion of the contract, and which the online merchant has accepted; and possess the qualities and performance capabilities indicated in any pre-contractual statement which forms an integral part of the contract.</p> <p>(2) All goods shall:</p> <p>(i) Be delivered along with the accessories including packaging, installation instructions or other instruction as the consumer may expect to receive; and</p> <p>(ii) Possess qualities and performance capabilities which are normal in goods of the same type and which the consumer may expect given the nature of the goods and taking into account any public statement made by or on behalf of the online merchant or other persons</p>	<p>(b) All the goods shall:</p> <p>(i) Be delivered along with the accessories 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</p> <p>(ii) Possess qualities and performance capabilities, including functionality, compatibility, and interoperability, that are standard and normal in goods of the same type, which the 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</p>	<p>logistics provider to deliver the product, to ensure such delivery by the logistics provider.</p> <ul style="list-style-type: none"> ● Senate version explicitly obligates retailer/merchant to comply with Data Privacy Act. ● Senate version explicitly requires online delivery service platforms to register their consumers with valid proof of identity, email/mobile number. ● Senate version expressly requires retailer/merchants to issue invoices/receipt. ● Senate version expressly requires retailers/merchants to have a complaints redress mechanism. ● Other changes to the provision are matters of style. 	

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	<p>in earlier links of the chain of transactions, including the producer, unless the online merchant shows that: the online merchant was not, and could not reasonably have been aware of the statement in question; by the time of conclusion of the contract, the statement had been corrected; or the decision to buy the goods could not have been influenced by the statement.</p> <p>(b) Be liable for any lack of conformity with the contract which exists at the time when:</p> <p>(1) The consumer or a person acting on behalf of the has acquired the physical possession of the goods, or when the goods are handed over to the</p>	<p>transactions, including the producer, unless the e-retailer or online merchant shows that:</p> <p>1) The e-retailer or online merchant was not, and could not have been, reasonably aware of the statement in question;</p> <p>2) By the time of the conclusion of the contract, the statement had already been corrected; or</p> <p>3) The decision to buy the goods could not have been influenced by the statement.</p> <p>(c) Where the e-retailer or online merchant is a digital product provider, it shall ensure that the digital product has the qualities and performance features, in relation to functionality, compatibility, interoperability, accessibility, continuity,</p>		

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	<p>carrier chosen by the consumer, and that carrier was not proffered by the online merchant or where the online merchant proposes no means of carriage;</p> <p>(2) The goods have been installed by the online merchant or under the online merchant’s responsibility. The time at which the installation has been completed shall be considered the time when the consumer acquires physical possession of the goods;</p> <p>(3) The goods have been installed by the consumer in accordance with the online merchant’s installation instructions. The expiration of a reasonable period for installation, which shall not be more than thirty (30) days, shall be considered the time when the consumer acquires the physical possession of the goods.</p>	<p>and security, which are standard and normal for a digital product of the same type as advertised or described.</p> <p>(d) Where the contract provides that the digital product is to be supplied or made accessible to the online consumer over a period of time, the e-retailer or online merchant may modify the digital product beyond what is necessary for its maintenance, if the following conditions are met:</p> <p>(i) The contract allows for, and provides a valid reason for, such a modification;</p> <p>(ii) Such a modification is made without additional cost to the consumer; and</p> <p>(iii) The online consumer is informed in a clear and comprehensible manner of the modification.</p> <p>(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</p>		

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	<p>(4) The goods are incorrectly installed. Any lack of conformity resulting from the correct installation is regarded as lack of conformity with the contract of the goods if:</p> <p>(i) The goods were installed by the online merchant or under the online merchant’s responsibility; and</p> <p>(ii) The goods, intended to be installed by the consumer, were installed by the consumer and the correct installation was due to a shortcoming in the installation instructions.</p> <p>(c) Where the contract provides that the digital content or digital service is to be supplied or made accessible to the consumer over a period of time, the online merchant may modify the digital content or digital service beyond what is necessary to maintain the digital content or digital service in</p>	<p>the same in accordance with the contract and as advertised.</p> <p>(f) An e-retailer or an online merchant that operates its own digital platform shall:</p> <p>(i) Publish on its homepage the following:</p> <ol style="list-style-type: none"> 1) Name of the e-retailer or online merchant; 2) Geographic address where the e-retailer or online merchant is located; and 3) Contact details of the e-retailer or online merchant, which must include a mobile or landline number and a valid e-mail address to ensure direct and efficient communication with consumers. <p>The foregoing shall be submitted to the Bureau and must be accompanied by at least two (2) government identification cards or registration documents as valid proof of identity.</p>		

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	<p>conformity with, the contract, if the following conditions are met:</p> <p>(1) The contract allows, and provides a valid reason for, such a modification;</p> <p>(2) Such a modification is made without additional cost to the consumer; and</p> <p>(3) The consumer is informed in a clear and comprehensible manner of the modification.</p> <p>(d) Where the online merchant operates its own website, webpage, social media account, or any other similar platform, it shall publish on its homepage the following:</p> <p>(1) Name of the online merchant;</p>	<p>(ii) Take the necessary precautions to protect the data privacy of consumers, at all times, in accordance with the Republic Act No. 10173, otherwise known as the “Data Privacy Act of 2012,” and comply with the minimum information security standards set by the eCommerce bureau and other issuances of relevant government agencies. For the avoidance of doubt, e-retailers and online merchants, including individuals and firms, shall be covered by the provisions of the Data Privacy Act and issuances by the NPC.”</p> <p>(g) Where the e-retailer or online merchant is an online delivery service platform, it shall require its consumers to register by showing valid proof of identity, and an e-mail address or mobile phone number.</p> <p>(h) E-retailers or online merchants shall issue paper or electronic invoices or receipts for all sales. An electronic invoice or receipt shall have the same legal effect as a paper invoice or receipt.</p> <p>(i) E-retailers and online merchants shall have in place an accessible and efficient</p>		

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	<p>(2) Registration documents of the online the appropriate LGU, the DTI or SEC, the BIR, and other appropriate regulatory authorities;</p> <p>(3) Geographic address at which the online merchant may be served summons or any other judicial processes in its name and behalf;</p> <p>(4) Contact details of the online merchant, a mobile or landline number, and a valid electronic mail address, which makes it possible to immediately and easily contact and communicate with the online merchant and communicate in a direct and effective manner; and</p> <p>(5) Details of any professional body or similar institution with which the online merchant is registered, in instances when the online merchant exercises a regulated profession.</p>	<p>redress mechanism for handling complaints from their clients.</p> <p>Any agreement between the e-retailer or online merchant and the online consumer is valid only if, at the time of the conclusion of the contract, the online consumer has knowledge of the specific condition of the goods, services, or digital products and has expressly accepted such condition.</p>		

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	Any agreement is valid only if, at the time of the conclusion of the contract, the consumer has knowledge of the specific condition of the goods and the consumer has expressly accepted this specific condition when concluding the contract.			
Sec. 21 (former Sec. 20)	<p>SEC. 20. Right to Redress by Online Merchants. — Where the online merchant is liable to the consumer because of a lack of conformity with the contract resulting from an act or omission by a person in earlier links of the chain of transactions, the online merchant is entitled to pursue remedies against the person or persons liable in the chain of transactions.</p> <p>The person against whom the online merchant may pursue remedies and the relevant actions and conditions to exercise must be in accordance with the following:</p>	<p>Sec. 21. Rights and Obligations of Online Consumers.</p> <p>When the online merchant is liable to the consumer because of a lack of conformity with the contract, the consumer may pursue any of the following remedies:</p> <p>(a) Repair or replacement of products within 30 days and without charge in case of a defect, malfunction, or failure to conform with the warranty. This may be extended by conditions that are beyond the control of the online merchant/warrantor or his representative by agreement of the parties, wherein repairs may be reduced to not less than</p>	<ul style="list-style-type: none"> Section 20 (now Sec. 21) is reframed to establish rights and obligations of online consumers, rather than confining itself exclusively to those instances when an online merchant may pursue remedies against the consumer. The ambiguous language of the first paragraph of Section 20 has been deleted. Online merchant is entitled to return of the replaced good if replacement was exercised. 	Adopt Senate version. Senate version is more definite as to when the failure of repair/replacement entitles the consumer to pursue remedies against the merchant. The alternative remedies of repair/replacement/refund/reduction are also more clearly defined in the Senate version.

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	<p>(a) Repairs must be completed and replacements delivered within a reasonable time and without any significant inconvenience to the consumer, taking into account the nature of the goods and the purpose for which the consumer acquired the goods;</p> <p>A proportionate reduction of the price or the termination of the contract, including restitution of the price, in the following instances:</p> <p>(1) A repair or replacement is impossible or unlawful;</p> <p>(2) The online merchant has not completed repair or replacement within a reasonable time;</p> <p>(3) A repair or replacement may cause significant inconvenience to the consumer; or</p> <p>(4) The online merchant has declared, or it is equally clear from the circumstances that the online merchant may not deliver the goods in conformity with the contract within a reasonable time;</p>	<p>seven (7) days nor more than one hundred eighty (180) days;</p> <p>(b) Replacement without charge of the product or part, as the case may be, where after reasonable attempts to remedy the defect or malfunction, the product continues to manifest the same;</p> <p>(c) Refund of the amount paid in case the product or similar item is no longer available;</p> <p>(d) A proportionate reduction of the price if the consumer chooses to keep the good or digital product despite the lack of conformity with the contract, or the termination of the contract with restitution of the price, in the following instances:</p> <p>(i). When repair or replacement is impossible or unlawful;</p> <p>(ii) The online merchant has not completed repair or</p>		

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	<p>(c) The consumer is entitled to withhold the payment of any outstanding part of the price, until the online merchant has brought the goods into conformity with the contract;</p> <p>(d) The consumer is not entitled to a remedy to the extent that the consumer has contributed to the lack of conformity with the contract or its effects;</p> <p>(e) Where the online merchant remedies the lack of conformity with the contract by replacement, the online merchant may take back the replaced goods at the online merchant’s expense unless the parties have agreed otherwise after the lack of conformity with the contract has been brought to the online merchant’s attention by the consumer;</p> <p>(f) Where the consumer had installed the goods in a manner consistent with their nature and purpose, before the lack of conformity with the contract became apparent, the cost for the removal of the non-conforming</p>	<p>replacement within a reasonable time;</p> <p>(iii) When repair or replacement may cause significant inconvenience to the consumer; or</p> <p>(iv) When the online merchant has declared, or it is equally clear from the circumstances, that the online merchant may not bring the goods or digital product into conformity with the contract within a reasonable time;</p> <p>(v) When applicable, the consumer is entitled to withhold the payment of any outstanding part of the purchase price until the online merchant has brought the goods or digital product into conformity with the contract;</p> <p>(vi) The consumer is not entitled to a remedy to the extent that the consumer has contributed to any ambiguity</p>		

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	<p>goods and the installation of replacement goods, and all associated costs shall be for the account of the online merchant;</p> <p>(g) In case of goods that do not conform to the contract, the consumer is not liable to pay for using the non-conforming goods prior to its replacement;</p> <p>(h) The consumer may choose between repair and replacement unless the option chosen is impossible, unlawful or, imposes costs upon the online merchant that is disproportionate, taking into account all circumstances, including:</p> <p>(1) The value of the goods, if the goods conformed to the contract;</p> <p>(2) The significance of the lack or conformity with the contract; and</p> <p>(3) Whether the alternative remedy may be completed without significant inconvenience to the consumer.</p> <p>The reduction of price should be proportionate to the decrease in the value of the goods which</p>	<p>or lack of conformity with the contract or its effects;</p> <p>(vii) When the online merchant remedies the lack of conformity with the contract by replacement, the online merchant is entitled to the return of the replaced goods or digital products at the online merchant's expense, unless otherwise agreed upon by the parties;</p> <p>(viii) When the consumer has installed the goods or digital products in a manner consistent with their nature and purpose before the lack of conformity with the contract becomes apparent, the costs for the removal of the non-conforming goods or digital products, the installation of the replacement, and all associated costs shall be for the account of the online merchant;</p> <p>(ix) In case of goods or digital products that do not conform</p>		

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	were received by the consumer compared to the value of the goods if it were in conformity with the contract.	<p>with the contract, the consumer is not liable to pay for the use of the non-conforming goods or digital products prior to their replacement; and</p> <p>(x) The consumer may exercise the alternative choice between repair or replacement of the purchased good or digital product, unless such a choice is impossible, in which case the consumer may choose to terminate the contract and return the item, and the online merchant shall refund the full amount paid by the consumer.</p>		
Sec. 22	None	<p><i>Sec. 22. Obligations of Consumers of Online Delivery Services.</i> – It shall be unlawful for consumers of online delivery services to:</p> <p>(a) Cancel confirmed orders for the delivery of food or grocery items when the said items have already been paid for by, or are already in the possession of the online delivery partner or delivery service, or are</p>	<ul style="list-style-type: none"> Senate version adds provisions on when delivery carriers may be held liable for failure to care for the goods transported by them, and instances of unlawful behavior of consumers defined to protect the rights of delivery carriers. 	Adopt Senate version

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		<p>otherwise in transit to the consumer, unless:</p> <p>(i) The consumer uses credit card services as a means for the payment of the service, and the payment will still be credited notwithstanding the cancellation;</p> <p>(ii) The consumer remits the reimbursement and payment to the online delivery partner as a pre-condition for the cancellation of the order; or</p> <p>(iii) The delivery of ordered food or grocery items will be or was delayed for at least one (1) hour from the expected time of arrival due to the fault or negligence of the online delivery partner</p> <p>(b) Place an order under the name of another person, unless the latter consented to the same, or placing an order using a fictitious name and/or address;</p> <p>(c) Use the personal information of another person such as, but not limited to, name, address, and contact number when registering in online delivery service platforms; or</p>	<ul style="list-style-type: none"> Similar counterpart provisions had been found in the ITA version that passed the House in 2021, but were not included in the current House version. 	

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		(d) Unreasonably shame, demean, embarrass, or humiliate online delivery partners. The consumer may invoke as a defense of good faith, a well- founded belief that the online delivery partner had committed a crime or caused civil injury towards the consumer.		
Sec. 23	<p>SEC. 23. Right to Terminate the Contract. — If the goods delivered do not conform to the contract, the consumer may exercise the right to terminate the contract by giving notice to the online merchant. Where the lack of conformity relates to only some of the goods delivered under the contract, the consumer may terminate the contract only in relation to the non-conforming good and any other goods which was acquired as an accessory to it.</p> <p>Where the consumer terminates a contract as a whole or in relation to some of the goods delivered:</p>	<p>Sec. 23. Right to Terminate the Contract. — If the goods delivered do not conform to the contract, the consumer may exercise the right to terminate the contract by giving notice to the online merchant, e-retailer, and the e-marketplace, and returning the goods received. Where the lack of conformity relates to only some of the goods delivered under the contract, the consumer may terminate the contract only in relation to the non-conforming good and any other goods which were acquired as an accessory to it.</p> <p>Where the consumer terminates a contract as a whole or in relation to some of the goods delivered:</p> <p>(a) The online merchant shall reimburse to the consumer the price paid without undue delay and in any event not later than</p>	<ul style="list-style-type: none"> • In the Senate version, the 14-day period from which the merchant must reimburse the consumer due to contract termination starts to run only after the merchant has completed the inspection of the non-conforming good, and not just upon receipt of notice. • The Senate version requires the consumer to return the goods to the merchant upon acceptance by the merchant of the reason for the return. In the House version, the return of the goods reckons from the receipt of the reimbursement from the online seller. 	Adopt Senate version.

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	<p>(a) The online merchant shall reimburse to the consumer the price paid without undue delay and in any event not later than fourteen (14) days from receipt of the notice;</p> <p>(b) Upon receipt of the reimbursement from the online merchant, the consumer shall return, at the online merchant's expense, the goods without undue delay and in any event not later than fourteen (14) days from the receipt of the reimbursement;</p> <p>Where the goods cannot be returned because of destruction or loss caused by the negligence of the consumer, the consumer shall pay to the online merchant the monetary value which the non-conforming goods would have had at the date when the return was to be made if they had been kept by the consumer without destruction or loss until that date, unless the destruction or loss has been caused by a lack</p>	<p>fourteen (14) days from receipt of the notice and completion of inspection of the non-conforming goods;</p> <p>(b) Upon acceptance by the online merchant of the consumer's reason for return, the consumer shall return, at the online merchant's expense, the goods without undue delay and in any event not later than fourteen (14) days from the receipt of the online merchant's notice, provided that the online merchant may waive this requirement at any time;</p> <p>(c) Where the goods cannot be returned because of destruction or loss caused by the negligence of the consumer, the consumer shall pay to the online merchant the monetary value which the non-conforming goods would have had at the date when the return was to be made if they had been kept by the consumer without destruction or loss until that date, unless the destruction or loss has been caused by a lack of conformity with the goods with the contract, within fourteen (14) days from receipt of reimbursement;</p> <p>(d) The consumer shall pay for a decrease in the value of the goods only to the extent</p>		

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	<p>of conformity with the goods with the contract, within fourteen (14) days from receipt of reimbursement; and</p> <p>(d) The consumer shall pay for a decrease in the value of the goods only to the extent that the decrease in value exceeds depreciation through regular use. The payment for decrease in value shall not exceed the price paid for the goods.</p>	<p>that the decrease in value exceeds depreciation through regular use. The payment for the decrease in value shall not exceed the price paid for the goods.</p>		
Sec. 24	<p>SEC. 24. Damages. — The online merchant is liable for damages to the consumer due to the lack of conformity with the contract of the goods. The consumer may claim damages within two (2) years from the relevant time of establishing conformity.</p> <p>No damages may be recovered by virtue of this Act after the lapse of four (4) years from the time the conformity has been established.</p>	<p>Sec. 24. Damages. — The online merchant is liable for damages to the consumer due to the lack of conformity with the contract of the goods. The consumer may claim damages by filing a case before the regular court within two (2) years from the relevant time of establishing conformity. The right of damages under this Section is without prejudice to the liabilities for damages under the Civil Code, the Consumer Act, and other existing laws.</p>	<ul style="list-style-type: none"> • The Senate version makes clear that the award of damages to the consumer from the merchant is through an action filed with the courts, and not with the DTI. • While the House version imposed a final cap on recovery of damages after 4 years, this has been deleted in the Senate version. The only cap in the Senate version is that the action is filed within 2 years. Considering the pace of cases before the courts, it is realistic that a complaint filed within the 2 year period would not 	<p>Adopt Senate version. The mechanism for awarding damages is clearer.</p>

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			yet have been resolved by the lapse of 4 years.	
Sec. 25	<p>SEC. 25. Online Dispute Resolution. — The DTI shall develop an online dispute resolution (ODR) platform which is a single point of entry for consumers, online merchants, and eCommerce platform operators seeking out-of-court resolution of disputes. Where an eCommerce platform operator does not have an internal dispute resolution mechanism, all complaints through an ODR against an eCommerce platform operator shall be accompanied by proof that internal dispute resolutions were exhausted.</p> <p>(a) The ODR shall be an interactive website which may be accessed electronically and free of charge. The DTI, through the eCommerce Bureau, shall be responsible for its operation, including its maintenance,</p>	<p>Sec. 25. Online Dispute Resolution. — The DTI shall develop an online dispute resolution (ODR) platform which is a point of entry for consumers, online merchants, and digital platforms seeking out-of-court resolution of disputes. Where a digital platform does not have an internal dispute resolution mechanism, all complaints through an ODR against the digital platform shall be accompanied by proof that internal dispute resolutions were exhausted.</p> <p>(a) The ODR shall be an interactive website, which may be accessed electronically and will serve as a low-cost method for redress. The DTI, through the Bureau, shall be responsible for its operation, including its maintenance, funding, and data security. The ODR platform must be user-friendly and must adopt the twin principles of “privacy by design” and “design for all,” where the privacy of its users is respected, and the</p>	<ul style="list-style-type: none"> While the House version provides that the ODR shall be free of charge, the Senate version defines it as a “low-cost method for redress” The Senate version creates a “Consumer Network” involving agencies that have consumer protection mandates and designates LGUs as consumer dispute resolution contact points. There is no such formally established network in the House version, nor a role for LGUs in such network. Senate version requires platforms/retailers to provide electronic links to the ODR platforms not just on websites but also social media pages. 	Adopt Senate version. The Senate version is explicit in touting that ODR be used in resolving consumer disputes.

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	<p>funding and data security. The ODR platform must be user-friendly and must adopt the twin principles of “privacy by design” and “design for all”, where the privacy of its users is respected, and the ODR platform is accessible and usable by all users.</p> <p>(b) The DTI shall establish a network of ODR contact points from, among others, the agencies involved in consumer complaints specified in Republic Act No. 7394, otherwise known as the “Consumer Act of the Philippines,” which includes the Fair Trade Enforcement Bureau of the DTI, the Department of Agriculture, the Department of Tourism (DOT), and the Department of Health. The NPC and the Intellectual Property Office of the Philippines (IPOPHIL) shall also form part of the ODR network.</p> <p>(c) Each agency shall designate one ODR contact point and</p>	<p>ODR platform is accessible and usable by all users.</p> <p>(b) The DTI shall lead in the establishment of the Consumer Network, a network of national government agencies that have consumer protection mandates and of local government units which shall serve as consumer dispute resolution contact points. The Consumer Network shall be headed by the Secretary of the DTI, who may appoint an alternate.</p> <p>(c) Each agency shall designate an office/bureau that shall serve as its ODR contact point and communicate its name and contact details to the DTI. The DTI Secretary, as head of the Consumer Network, shall confer responsibility to the ODR contact points for ensuring that timely and competent support is provided for the resolution of disputes relating to complaints submitted through the ODR platform.</p> <p>(d) The ODR platform shall have the following functions:</p> <p>(i) Provide an electronic form to registered users through which</p>		

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	<p>communicate its name and contact details to the DTI. The head of agency shall confer responsibility to the ODR contact points in ensuring that timely and competent support is provided to the resolution of disputes relating to complaints submitted through the ODR platform.</p> <p>(d) The ODR platform shall have the following functions:</p> <p>(1) Provide an electronic form by means of which alternative dispute resolution (ADR) entities shall transmit the information;</p> <p>(2) Provide a feedback system which allows the parties to express their views on the functioning of the ODR platform and on the ADR entity which handles their dispute; and</p>	<p>alternative dispute resolution (ADR) entities shall process ODR.</p> <p>(ii) Provide a mechanism that allows the parties to provide feedback on the use of the ODR platform and on the ADR entity that handles their dispute; and</p> <p>(iii) Advocate for the use of the ODR in resolving consumer disputes.</p> <p>(e) The DTI shall ensure that the information on the website is accurate, up-to-date, and provided in a clear, understandable, and accessible way.</p> <p>(f) Government and private sector entities that provide ADR services and are competent to deal with disputes shall be linked to the ODR platform.</p> <p>(g) Digital platforms and e-retailers shall provide on the homepage of their websites and social media pages an electronic link to the ODR platform. That link shall be easily accessible to consumers.</p>		

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	<p>(3) Make publicly available general information on ADR as a means of out-of-court dispute resolution and information on ADR entities which are competent to deal with disputes.</p> <p>(e) The DTI shall ensure that the information in the website is accurate, up to date and provided in a clear, understandable and accessible way</p> <p>.</p> <p>(f) Government and private sector entities which provide ADR services which are competent to deal with disputes shall be registered electronically with the ODR platform.</p> <p>(g) Digital platforms and online retailers shall provide on their websites an electronic link to the DTI ODR platform on their homepage. That link shall be easily accessible to consumers.</p>	<p>(h) The DTI, in consultation with other concerned agencies, shall issue the implementing rules and regulations on the development, management, operations, and maintenance of the ODR platform.</p>		

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	(h) The DTI, in consultation with other concerned agencies, shall issue the implementing rules and regulations on the development, management, operations, and maintenance of the ODR platform.			
Sec. 26	<p>SEC. 26. <i>Limited Liability of eCommerce Platform Operators.</i> —</p> <p>(a) eCommerce platform operators shall be solidarily liable with an online merchant to the consumer only to the extent of civil damages suffered by the consumer as a direct result of the transaction, without prejudice to liabilities that may incur under the circumstances described hereunder or the provisions of other existing laws.</p> <p>(b) The eCommerce platform operators shall, for civil or administrative indemnity, be held liable with an online merchant only under the following instances:</p>	<p>SEC. 26. Liability of e-marketplaces and other digital platforms —</p> <p>(a) Digital platforms/e-marketplaces shall be subsidiarily liable with an online merchant to the consumer only to the extent of damages suffered by the consumer as a direct result of the transaction, without prejudice to liabilities that may incur under the next succeeding paragraph or the provisions of other existing laws. The DTI shall prescribe the rules implementing this provision to allow for a speedy and effective remedy to the public.</p> <p>(b) Digital platforms/e-marketplaces shall, for civil or administrative indemnity under this Act or under existing laws, be held liable with an online merchant only under any of the following instances:</p>	<ul style="list-style-type: none"> • Under the Senate version, marketplaces/platforms are only subsidiarily liable with an online merchant for damages suffered by the consumer; the consumer must first pursue the claim for damages against the merchant before they could pursue against the marketplace/platforms. In contrast, the liability of platform operators under the House version is solidary with the online merchant – the consumer may elect to pursue damages directly against the platform without running after the merchant. • The instances a platform/marketplace may be liable for damages against the consumer 	<p>Adopt Senate version. However, delete “or under existing laws” so as not to unduly carve out a unique exception for platforms/marketplaces on their potential liability under the Civil Code that is not otherwise enjoyed by other individuals/entities.</p>

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	<p>(1) If the eCommerce platform operator fails to exercise ordinary diligence in complying with its obligations under Section 18 hereof, resulting to loss or damage to the consumer;</p> <p>(2) If the identity of the online merchant and the eCommerce platform operator are the same;</p> <p>(3) If the eCommerce platform operator fails, after notice, to act expeditiously to remove, or disable access to goods or services appearing on their platform that they know or should have known to be not compliant with law, or otherwise infringes on intellectual property rights;</p> <p>(4) If the eCommerce platform operator permits an online merchant, not otherwise authorized to do business in the Philippines, to offer its goods and services for sale, resulting to loss or damage to the consumer.</p>	<p>(i) If the digital platform/e-marketplace fails to exercise ordinary diligence in complying with its obligations under Section 18 hereof, resulting in loss or damage to the consumer;</p> <p>(ii) If the identity of the online merchant and the digital platform/e-marketplace are the same;</p> <p>(iii) If the digital platform/e-marketplace fails, after notice, to act expeditiously to remove, or disable access to goods or services appearing on their platform that they know or should have known to be not compliant with the law, or otherwise infringes on intellectual property rights;</p> <p>(iv) If the digital platform/e-marketplace permits an online merchant, not otherwise authorized to do business in the Philippines, to offer its goods and services for sale, resulting in loss or damage to the consumer.</p>	<p>are the same in the Senate and House versions, with the exception being the subsidiary liability regime in the Senate version.</p> <ul style="list-style-type: none"> The Senate version states that platforms/marketplaces shall be liable for civil or administrative indemnity “under this [ITA] or <u>under existing laws</u>” should the enumerated causes for subsidiary liability exist. The House version does not refer to “under existing laws”; the inclusion of that phrase might be interpreted as a revision of the Civil Code/Consumer Act regime to the benefit of a platform/marketplace. 	

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Sec. 27	<p>SEC. 27. Digital Payments. — eCommerce platform operators and online merchants shall issue the appropriate paper or electronic invoices or receipts for all sales in accordance with relevant internal revenue laws and regulations. An electronic invoice or receipt shall have the same legal effect as a physical invoice or receipt.</p> <p>The DTI, through the eCommerce Bureau, shall, in coordination with the Bangko Sentral ng Pilipinas (BSP), the BIR, the Bureau of Customs, the DOJ, the Philippine National Police, the DICT, and the NTC, issue rules and regulations to modernize and streamline the regulatory framework and encourage the adoption of electronic payment systems by the citizenry. The DTI shall also develop guidelines to protect merchants and consumers covering the various digital payment solutions.</p>	<p>Sec. 28. Digital Payments. — The DTI and the BSP, in collaboration with other government agencies, shall develop frameworks to incentivize the use of digital payments and promote their education and adoption among businesses and consumers. The DTI, in consultation with the BSP and other relevant financial regulators, shall issue rules and regulations to implement Sections 12 and 13 of this Act.</p>	<p>The Senate version dispenses with the House requirement for platform operators/online merchants to issue receipts or invoices, or the qualification that an electronic invoice or receipt has the same legal effect as a physical invoice or receipt.</p>	<p>Adopt Senate version.</p>

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N.A.	<p>SEC. 28. Enforcement of Rights and Remedies. — Without prejudice to existing remedies provided under other laws, the enforcement of the rights and remedies established under this Chapter shall be through the following means:</p> <p>(a) If involving complaints by a consumer where no damages are sought, the complaint shall be treated as a consumer complaint with the DTI pursuant to Title V, Chapter III of Republic Act No. 7394, otherwise known as the "Consumer Act of the Philippines";</p> <p>(b) If involving a claim for damages, the injured party shall seek recovery by filing a civil action with the appropriate trial court.</p>	None	<p>The House version had clarified that ITA complaints with no claims for damages would be treated as consumer complaints under the Consumer Act, while claims for damages would be treated as civil actions before the courts. This language has been deleted in the Senate version. The deletion would still lead to the treatment of claims for damages as civil actions, but consumer complaints under the ITA with no prayer for damages will be treated as consumer complaints under the Consumer Act.</p>	Adopt House version, for consistency with Consumer Act.
Sec. 29 (former Sec. 30)	<p>SEC. 30. Penalties. —</p> <p>(a) Online merchants who fail to register either as a sole proprietor, one-person corporation, partnership,</p>	<p>Sec. 29. <i>Penalties.</i> —</p> <p>(a) Any e-marketplace, e-retailer or online merchant, or e-commerce digital platform found guilty of any deceptive, unfair, or unconscionable sales act or practice as</p>	<ul style="list-style-type: none"> Senate version imposes a new penalty on marketplaces, retailers, merchants or platforms, for deceptive, unfair, or unconscionable sales acts as defined under the 	Adopt Senate version with modifications . Penalty regime in Senate version is clearer and more responsive to the overall concerns that necessitate the

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	<p>corporation, or cooperative, shall be punished with a fine equivalent to one hundred percent (100%) of the amount of the digital goods offered or sold based on the market price as determined by the Bureau, including confiscation of the goods as advertised;</p> <p>(b) eCommerce platform operator and online merchants found guilty of violating Section 18, or Section 19 (d) of this Act shall be punished with a fine not less than Five hundred thousand pesos (PhP 500,000.00) but not more than Five million pesos (PhP 5,000,000.00) or the revocation of their licenses, or both, at the discretion of the courts.</p> <p>(c) Ride hailing service partner found guilty of violating Section 21 of this Act shall be punished with a fine of up to Five hundred thousand pesos (PhP 500,000.00) or the revocation of</p>	<p>provided for under Republic Act No. 7394 or the “Consumer Act of the Philippines” done through the internet, shall be subjected to a take-down order under Section 12 of this Act. Moreover, it shall also be punished with a fine equivalent to one hundred percent (100%) up to ten thousand percent (10,000%) of the amount of the goods, digital content/service offered or sold based on the market price as determined by the Bureau. Those found guilty of patently deceptive and unconscionable acts under R.A.7394 shall be imposed an additional fine ranging from ten thousand pesos (P10,000) to one million pesos (P1,000,000).</p> <p>(b) Any e-marketplace, e-retailer, online merchant, or e-commerce digital platform that sells, illegal or imminently injurious, unsafe, or dangerous goods, services, or digital products shall be subject to a take-down order under Section 12 of this Act. It shall also be punished with:</p> <p>(i) A fine ranging from Fifty Thousand Pesos (PhP50,000.00) to One Hundred Fifty Thousand pesos (PhP150,000.00) for the first offense.</p>	<p>Consumer Act that are done to the internet; there was no such penalty in the House version. The corresponding penalties in the Senate version include a take-down order and a fine based on the value of the goods sold. Patently deceptive and unconscionable acts are subject to an additional fine.</p> <ul style="list-style-type: none"> • Senate version introduces a new penalty on marketplaces, retailers, merchants or platforms, for selling illegal or imminently injurious, unsafe, or dangerous goods, services, or digital products. There is no such penalty in the House version. The penalties involve a take-down order, and a fine that increases in range depending on repeat offenses. • The Senate version imposes a fine on platforms/retailers/merchants who refuse to provide the alternative remedies to a consumer (i.e., replacement, refund) that is based on the market price of the goods 	<p>enactment of the ITA in the first place.</p> <p>We respectfully recommend that the following language be added to the end of Sec 29:</p> <p>“Provided, that digital platforms shall not be held liable for their reliance in good faith on the accuracy, authenticity, and veracity of an online merchant’s representations, warranties, or submitted registration documents when such information or documents are later proved to be inaccurate, false or untrue, Provided further, That, digital platform operators can show evidence of good faith and that reasonable effort were exerted to ascertain the accuracy and reliability of the documents or information submitted by such online merchant or e-retailer.”</p> <p>Rationale: To ensure the consistency of application of good faith defense</p>

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	<p>their licenses, or both, at the discretion of the courts.</p> <p>(d) Consumers found guilty of violating Section 22 (a) of this Act shall be punished with a fine of up to Fifty thousand pesos (PhP 50,000.00) plus one hundred percent (100%) of the amount advanced by the ride hailing service partner, or both, at the discretion of the courts.</p> <p>The application of these penalties shall be without prejudice to the liability of the offending party under other laws or regulations.</p>	<p>(ii) A fine ranging from One Hundred Fifty Thousand Pesos (PhP150,000.00) to Five Hundred Thousand Pesos (PhP500,000.00) for the second offense.</p> <p>(iii) A fine ranging from Five Hundred Thousand Pesos (PhP500,000.00) to One Million Five Hundred Thousand Pesos (PhP1,500,000.00) for the third and subsequent offenses.</p> <p>(c) Digital platforms, e-retailers and online merchants found guilty of violating Section 18 and Section 19 (f) of this Act shall be punished with a fine equivalent to one hundred percent (100%) up to ten thousand percent (10,000%) of the amount of the goods, digital content/service offered or sold based on the market price as determined by the Bureau, including confiscation of the goods as advertised, or the revocation of their licenses, or both, at the discretion of the courts or the concerned agency.</p> <p>(d) Any e-retailer or online merchant who shall willfully or unreasonably refuse to provide the remedies under Section 20 (a), shall be subjected to a take-down order</p>	<p>involved. This penalty is not found in the House version.</p> <ul style="list-style-type: none"> • In the Senate version, the fines imposed on platforms, retailers and merchants for violating Obligations of E-Marketplaces and Other Digital Platforms (Sec. 18) and the specific obligations of an e-retailer or merchant operating their own platform under Section 19(f) have been altered as compared to the House version. The fines are now based on the market price amount of the goods/services offered or sold, rather than the fixed monetary amounts in the House version. • The fines in the Senate version imposed on consumers of online delivery services are now based on the market price of goods, rather than the fixed amount provided in the House version. • In the Senate version, the online merchant who fails to register as a sole proprietor, partnership, 	

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		<p>under Section 12 of this Act, and be punished with a fine equivalent to one hundred percent (100%) up to ten thousand percent (10,000%) of the market price of goods, digital content/service involved, as determined by the Bureau, in addition to the payment of the actual value of the goods or digital products involved.</p> <p>(e) Any person who shall violate Section 20 (c) of this Act, shall be punished with a fine equivalent to one hundred percent (100%) up to ten thousand percent (10,000%) of the market price of goods, digital content/service involved, as determined by the Bureau without prejudice to any other available remedies under existing laws.</p> <p>Further, an online merchant who violated any of the abovementioned acts while purposely availing the Philippine market and failed to register either as a sole proprietor, partnership, corporation, or cooperative, or has failed to give notice to the eCommerce Bureau under Section 5 of this Act, shall be imposed a fine based on the table of penalties under existing laws, issuances, rules and regulations by relevant agencies.</p>	<p>corporation or cooperative is now based on a table of penalties to be promulgated in the future, rather than the market price of the digital goods that they offer or sell.</p> <ul style="list-style-type: none"> • The Senate version newly empowers the DTI to determine a schedule of fines that take into account the gravity of the offense, the size, scope and role of the business, and the need for effective protection and deterrence; however, the DTI is limited to recommending such schedule to concerned agencies for implementation. 	

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		The application of these penalties shall be without prejudice to the liability of the offending party under other laws or regulations. The DTI shall determine a schedule of fines that takes into account the gravity of the offense, the size, scope, and role of the business, and the need for effective protection and deterrence, and shall recommend the same to concerned agencies for implementation.		
Sec. 31 (former Sec. 32)	SEC. 32. <i>Implementing Rules and Regulations.</i> — The Secretary of Trade and Industry shall, in consultation with the DICT, the BSP, the DOT, the Land Transportation Franchising and Regulatory Board (LTFRB), the Optical Media Board (OMB), the IPOPHIL, and other relevant government agencies and stakeholders, develop and issue the implementing rules and regulations of this Act.	Sec. 31. Implementing rules and regulations. — The Secretary of Trade and Industry, as may be necessary, shall develop and issue the implementing rules and regulations of this Act, in consultation with the relevant government agencies, and private sector stakeholders specifically in consonance with the following: a. Consumer-to-consumer transaction Sec. 3(e); b. Regulatory Jurisdiction of the DTI (Sec. 10); In coordination with agencies under Republic Act No. 7394, otherwise known as the “Consumer Act of the Philippines”, Republic Act No. 7653, as amended, otherwise known as “The New Central Bank Act”, Republic Act No. 8293, as	<ul style="list-style-type: none"> The Senate version imposes a 120 working day period for the DTI to develop the implementing guidelines; however the effectivity of the ITA is not dependent on the issuance of such guidelines. 	Adopt Senate version. It identifies several specific provisions of the ITA that must be addressed in the implementing rules, rather than limiting itself to a general grant of authority for the promulgation of implementing rules.

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		<p>amended, otherwise known as the “Intellectual Property Code of the Philippines”, Republic Act No. 8799, otherwise known as the “Securities Regulation Code”, Republic Act No. 9239, otherwise known as the “Optical Media Act of 2003”, Republic Act No. 9593, otherwise known as the “Tourism Act of 2009”, Republic Act No. 10173, otherwise known as the “Data Privacy Act of 2012”, Republic Act No. 10667, otherwise known as the “Philippine Competition Act”, Republic Act No. 11127, otherwise known as “The National Payment Systems Act”, and Republic Act No. 11232, otherwise known as the “Revised Corporation Code”, Republic act 11765 otherwise known as the Philippine Financial Products and Services Consumer Protection Act”</p> <p>c. Online Business Registry (Sec. 11);</p> <p>d. Business Registration (Sec. 16);</p> <p>e. Liability of e-marketplaces and other digital platforms (Sec. 26);</p> <p>f. Digital Payments (Sec. 27); and</p> <p>g. eCommerce Philippine Trustmark (Sec. 28).</p> <p>Within one hundred twenty (120) working days from the effectivity of this Act, the Secretary of Trade and Industry, in</p>		

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		coordination with other concerned agencies, shall develop and issue the abovementioned circulars prescribing guidelines to effectively implement the Act. However, failure to promulgate the necessary circulars and/or guidelines shall not prevent the effectivity and implementation of this Act.		
	SEC. 33. Transitory Provisions. — To ensure the continued implementation of programs to promote eCommerce, the current eCommerce Division shall continue to exercise its functions until such time that the organizational structure and personnel of the Bureau have been determined and approved.	<p>Sec. 32 Transitory Provisions —</p> <p>(a) To ensure the continued implementation of programs to promote eCommerce, the current eCommerce Division shall continue to exercise its functions until such time that the organizational structure and personnel of the Bureau have been determined and approved. All affected officers and personnel of the eCommerce Division shall be absorbed by the Bureau without demotion in rank or diminution of salaries, benefits, and other privileges.</p> <p>In order to afford affected online merchants, e-retailers, and digital platforms time to comply with the provisions provided herein, there shall be a transitory period of twelve (12) months from the effectivity of this act; Provided, that during the said twelve (12) month period, the DTI through the E-Commerce Bureau shall</p>	The Senate version introduces a transition period of 12 months from the effectivity of this Act to allow affected merchants, retailers and platforms from complying with the ITA. There is no such transition period in the House version.	Adopt Senate version. Transition period allows for wider dissemination of the new regime under the ITA and affords maximum opportunity for compliance.

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		undertake an advocacy program to inform the general public of the provisions of this Act.		