



HOUSE OF REPRESENTATIVES

H. No. 6016

BY REPRESENTATIVES CASTELO, SY-ALVARADO, TAMBUNTING, NIETO, BIRON, ROMUALDO, VERGARA, ZUBIRI, GO (M.), MONTORO, ONG (H.), SAGARBARRIA, DIMAPORO (A.), ARCILLAS, SILVERIO, GOMEZ, RODRIGUEZ (M.), TREÑAS, ALVAREZ (F.), RELAMPAGOS, BELMONTE (J.C.), LIMKAICHONG, ACOSTA-ALBA, SAVELLANO, LOPEZ (C.), UY (J.), GARCIA (J.E.), ABAYA, CANAMA, EVARDONE, JAVIER, CAGAS, JALOSJOS, ROMUALDEZ, RODRIGUEZ (I.), DURANO, LAOGAN, DUAVIT, MARCOLETA, TUPAS, MENDOZA, CHAVEZ, EUSEBIO, PRIMICIAS-AGABAS, DALIPE, GULLAS AND SARMIENTO (E.M.), PER COMMITTEE REPORT NO. 325

AN ACT REGULATING THE ISSUANCE, USE AND REDEMPTION OF
GIFT CHECKS, GIFT CERTIFICATES AND GIFT CARDS

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “Gift Check
2 Non-Expiry Act”.

3 SEC. 2. *Declaration of Policies.* – It is the policy of the State to
4 protect the interest of the consumer, promote the general welfare and establish
5 standards of conduct for business and industry. Consistent therewith, it shall
6 promote and encourage fair, honest, and equitable relations among parties in
7 consumer transactions and protect consumers against deceptive, unfair, and
8 unconscionable sales acts and practices. It shall likewise ensure that the best

1 interest of the consumer is considered in the interpretation and implementation
2 of the provisions herein, including its implementing rules and regulations.

3 Towards this end, the State, through the Department of Trade and
4 Industry (DTI), recognizes that a gift check, gift certificate, and gift card
5 represent value held in trust by the issuer thereof on behalf of its beneficiary or
6 bearer and that consumers must not be unduly deprived of the value of their
7 money.

8 SEC. 3. *Scope.* – This Act shall apply to all issuers, distributors, and
9 sellers of gift check, gift certificate, and gift card as defined under Section 4 of
10 this Act.

11 SEC. 4. *Definition.* – As used in this Act, the terms “Gift Check”,
12 “Gift Certificate”, and “Gift Card” refer to instruments issued to an individual,
13 partnership, or a juridical entity for monetary consideration honored at a single
14 merchant or an affiliated group of merchants as payment for consumer goods
15 or services provided by such merchant or affiliated group of merchants upon
16 presentation of said gift check, gift certificate, and gift card to the extent of the
17 value, credit, or balance stored in the instrument, and which shall remain valid
18 until the cessation of business of the issuer.

19 A gift check, gift certificate, and gift card shall be sold at a minimum
20 discount of five percent (5%) from its face value by the juridical entity who
21 issues or sells the gift check, gift certificate, and gift card for which consumer
22 goods or services will be exchanged.

23 *Provided,* That such gift check, gift certificate, and gift card sold at a
24 discount shall not be used for the purchase of groceries.

25 SEC. 5. *Exclusion from Coverage.* – A gift check, gift certificate, and
26 gift card that is issued to a consumer under an award, loyalty or promotional
27 program is not covered by this Act.

28 SEC. 6. *Prohibition.* – It shall be unlawful for any issuer to issue or
29 sell a gift check, gift certificate, and gift card that contain an expiry date.

1 The imposition of an expiry date on the stored value, credit, or balance
2 shall likewise be unlawful.

3 SEC. 7. *Instances Where Issuer May Refuse to Honor Gift Check, Gift*
4 *Certificate, and Gift Card.* – An issuer may refuse to honor gift check, gift
5 certificate, and gift card under the following circumstances:

6 (a) When the gift check, gift certificate, or gift card is lost due to no
7 fault of the issuer; or

8 (b) When the gift check, gift certificate, or gift card is mutilated or
9 defaced due to no fault of the issuer and such damage prevents the issuer from
10 identifying the security and authenticity features thereof.

11 *Provided,* That in case of (a) or (b), the holder of the gift check, gift
12 certificate, and gift card has the option to notify the issuer within thirty
13 (30) days of such loss, mutilation or defacement through a notarized affidavit.
14 After presentation of proof of purchase, or upon verification with the records
15 of the issuer, the issuer shall replace the lost, mutilated or defaced gift check,
16 gift certificate, and gift card containing the remaining balance thereof:
17 *Provided, further,* That such replacement shall not impose any additional cost
18 to the consumer.

19 SEC. 8. *Applicability to Promotional Programs, Warranties, Return*
20 *Policies, and Senior Citizens and Persons With Disability Discounts.* –
21 Promotional sales activities, loyalty programs, warranties, return policies for
22 cash purchases, and discounts for senior citizens and persons with disability as
23 provided for under relevant laws and rules and regulations, shall apply
24 likewise to purchases of goods and services that are paid for with gift check,
25 gift certificate, and gift card.

26 SEC. 9. *Transitory Provision.* – Upon the effectivity of this Act, all
27 gift checks already issued shall be covered by the provisions of this Act.

28 Holders of unused and unexpired gift checks shall, at no additional cost,
29 be entitled to avail of replacement after revalidation by the issuer.

1 SEC. 10. *Penalties.* – Any person who violates the provisions of this
2 Act or its implementing rules and regulations shall, upon conviction, be
3 subject to a fine of not less than five hundred thousand pesos (P500,000.00)
4 but not more than one million pesos (P1,000,000.00) or imprisonment of not
5 less than one (1) year, but not more than five (5) years, or both, upon the
6 discretion of the court.

7 SEC. 11. *Consumer Complaints.* – Complaint for violation/s of this
8 Act shall be subject to the provisions of Republic Act No. 7394, otherwise
9 known as the “Consumer Act of the Philippines”.

10 SEC. 12. *Implementing Rules and Regulations.* – The DTI and
11 appropriate stakeholders shall, within ninety (90) days from the effectivity of
12 this Act, promulgate the rules and regulations necessary to effectively
13 implement the provisions of this Act.

14 SEC. 13. *Separability Clause.* – If, for any reason, any article or
15 provision of this Act, or any portion thereof, or the application of such article,
16 provision, or portion thereof to any person, group, or circumstance is declared
17 invalid or unconstitutional, the remainder of this Act shall not be affected by
18 such declaration.

19 SEC. 14. *Repealing Clause.* – All laws, executive orders, rules and
20 regulations or parts thereof which are inconsistent with this Act are hereby
21 repealed or amended accordingly.

22 SEC. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after
23 its publication in the *Official Gazette* or in any newspaper of general
24 circulation.

Approved,

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