

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

EIGHTEENTH CONGRESS  
**Third Regular Session**

HOUSE BILL NO. 9848



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Introduced by **HON. JOY MYRA S. TAMBUNTING**

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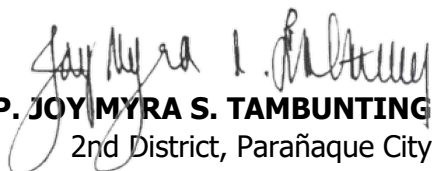
#### **EXPLANATORY NOTE**

The freedom of movement or mobility is considered a luxury as this will dictate how a person spends his daily activities. Being able to journey from one city to another or to a nearby province, gave rise to the riding public to buying their own dream car. The main advantages of having a personal vehicle are comfort, security and avoiding the inconvenience of using the public transport. The proliferating availability of brand-new vehicles with simpler terms of payment resulted to Filipinos opting to secure one.

This bill seeks to address the technical hardships and unwarranted troubles experienced by motor vehicle buyers in claiming and invoking their rights under the Philippine Lemon Law such as but not limited to prior four (4) unsuccessful repair attempts for the same complaint which must be availed only within the first twelve (12) month from the date of delivery. Buyers of automotive chose to spend their hard-earned money to acquire a brand-new vehicle primarily because of the warranties and free check-ups that comes with it, hence the "Sellers" consisting of manufacturers, dealers, distributors or retailers must provide a reliable and competent after sales service to deliver only outstanding quality vehicles to its customers.

The rights of customers should be fully protected which is earnestly sought in this bill. Emphasis should be in road safety and in the welfare of its customers should a faulty vehicle be sold.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.

  
**REP. JOY MYRA S. TAMBUNTING**  
2nd District, Parañaque City

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**AN ACT**  
**AMENDING REPUBLIC ACT NO. 10642 OTHERWISE KNOWN AS THE "PHILIPPINE LEMON LAW" AND FOR OTHER PURPOSES**

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

**SECTION 1.** Section 3 of Republic Act No. I 0642 or the "Philippine Lemon Law" is hereby amended to read as follows:

X X X

"(F) CRITICAL NONCONFORMITY ISSUE REFERS TO ANY DEFECT WHICH COULD AFFECT THE CONTROL OR DIRECTIONAL STABILITY OF THE VEHICLE, OR CAUSE INJURY TO THE PEOPLE INSIDE OR OUTSIDE THE VEHICLE;

~~[(f)]~~ **(G)** Distributor refers to any person, natural or juridical, authorized by the manufacturer to sell brand new motor vehicles to duly authorized dealers or retailers;

~~[(g)]~~ **(H)** Implementing agency refers to the Department of Trade and Industry (DTI), reorganized under Title X, Book IV of Executive Order No. 292, series of 1987, otherwise known as the "Administrative Code of 1987";

~~[(h)]~~ **(I)** Lemon Law rights period refers to the period ending twelve (12) months after the date of the original delivery of a brand new motor vehicle to a consumer or the first twenty thousand (20,000) kilometers of operation after such delivery, whichever comes first. This shall be the period during which the consumer can report any nonconformity, as defined in paragraph (k) herein, to the standards and specifications of the manufacturer, authorized distributor, authorized dealer or retailer, and pursue any right as provided for under this Act;

~~[(i)]~~ **(J)** Manufacturer refers to any person, natural or juridical, engaged in the business of manufacturing or assembling motor vehicles;

~~[(j)]~~ **(K)** Motor vehicle refers to any self-propelled, four (4) wheeled road vehicle designed to carry passengers including, but not limited to, sedans, coupes, station wagons, convertibles, pick-ups, vans, sports utility vehicles (SUVs) and Asian Utility Vehicles (AUVs) but excluding motorcycles, delivery trucks, dump trucks, buses, road rollers, trolley cars, street sweepers, sprinklers, lawn mowers and heavy equipment such as, but not limited to, bulldozers, pay loaders, graders, forklifts, amphibian trucks, cranes, and vehicles which run only on rails or tracks, and tractors, trailers and traction engines of all kinds used exclusively for agricultural purposes. Trailers having any number of wheels, when propelled or intended by attachment to a motor vehicle, shall be classified as separate motor vehicle with no power rating;

~~[(k)]~~ **(L)** Nonconformity refers to any defect or condition that substantially impairs the use, value or safety of a brand new motor vehicle which prevents it from conforming to the manufacturer's or distributor's standards or specifications, which cannot be repaired, but excluding conditions resulting from noncompliance by the consumer of his or her obligations under the warranty, modifications not authorized by the manufacturer or distributor, abuse or neglect, and damage due to accident or force majeure;

~~[(l)]~~ **(M)** Purchase price refers to the invoice price or the amount of money which the dealer or retailer actually received for the brand new motor vehicle, in consideration of the sale of such brand new motor vehicle;

~~[(m)]~~ **(N)** Warranty refers to the written assurance, so labeled, of the manufacturer of a brand new motor vehicle including any term or condition precedent to the enforcement of obligations under the warranty; and

~~[(n)]~~ **(O)** Warranty rights period refers to the period provided for under the contract of sale when the manufacturer would guarantee the materials used, the workmanship and the roadworthiness of a brand new motor vehicle for ordinary use or reasonable intended purposes.

**SEC. 2.** Section 5 of the same Act is hereby amended to read as follows:

"Section 5. Repair Attempt. – At any time within the Lemon Law rights period, and after at least ONE (1) repair attempt by the same manufacturer, distributor, authorized dealer or retailer for the same complaint, and the nonconformity issue remains unresolved, the consumer may invoke his or her rights under this Act. **PROVIDED, THAT WHEN A CRITICAL NONCONFORMITY ISSUE SURFACES DURING THE FIRST 1,000 KILOMETERS OF OPERATION AFTER DELIVERY OF THE VEHICLE, THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER, SHALL REPLACE SUCH VEHICLE WITH A BRAND NEW MOTOR VEHICLE OF COMPARABLE SPECIFICATIONS AND VALUE, WITHOUT THE NEED TO COMPLY WITH THE ONE REPAIR ATTEMPT REQUIREMENT.**

The repair may include replacement of parts components, or assemblies."

**SEC. 3.** A new section is hereby inserted to read as follows:

**"SECTION 6. AVAILABILITY OF PARTS, COMPONENTS OR ASSEMBLIES. THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER SHOULD ENSURE THE AVAILABILITY OF PARTS, COMPONENTS AND ASSEMBLIES WITHIN THE PERIOD OF AVAILMENT OF THE LEMON LAW RIGHTS. FAILURE TO PROVIDE THE NECESSARY PARTS, COMPONENTS OR ASSEMBLIES WITHIN TEN (10) DAYS SHALL ENTITLE THE CONSUMER TO A REPLACEMENT WITH A BRAND NEW MOTOR VEHICLE OF COMPARABLE SPECIFICATIONS AND VALUE, WITHOUT THE NEED TO COMPLY WITH THE ONE REPAIR ATTEMPT REQUIREMENT."**

**SEC. 4.** Section 6 shall be re-numbered as Section 7.

**SEC. 5.** Section 7 of Republic Act No. 10642 is hereby amended to read as follows:

**"SECTION 8. [Availment of Lemon Law Rights. - Subsequent to filing the notice of availment referred to in the preceding section, the consumer shall bring the vehicle to the manufacturer, distributor, authorized dealer or retailer from where the vehicle was purchased for a final attempt to address the complaint of the consumer to his or her satisfaction.] DUTY OF THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER –** It shall be the duty of the manufacturer, distributor, authorized dealer or retailer, upon receipt of the motor vehicle and the notice of nonconformity required under Section [6] 7 hereof, to attend to the complaints of the consumer including, as may be necessary, making the repair and undertaking such actions to make the vehicle conform to the standards or specifications of the manufacturer, distributor, authorized dealer or retailer for such vehicle.

To compensate for the non-usage of the vehicle while under repair and during the period of availment of the Lemon Law rights, the consumer shall be provided **WITH EITHER** a reasonable daily transportation allowance, an amount which covers the transportation of the consumer from his or her residence to his or her regular workplace or destination and vice versa, equivalent to air-conditioned taxi fare, [as evidenced by official receipt,] or in such amount to be agreed upon by the parties, or a service vehicle, at the option of the [manufacturer, distributor, authorized dealer or retailer.] **AFFECTED CONSUMER.** Any disagreement on this matter shall be resolved by the DTI [.] **WITHIN FIVE (5) WORKING DAYS FROM REFERRAL OF THE ISSUE.**

**FAILURE OF THE MANUFACTURER, DISTRIBUTOR, AUTHORIZED DEALER OR RETAILER TO PROVIDE ANY OF THE ABOVE-MENTIONED REMEDIES FOR NON-USAGE OF VEHICLE WHILE UNDER REPAIR, SHALL MAKE THEM LIABLE FOR EXEMPLARY DAMAGES IN THE AMOUNT OF FIFTY THOUSAND PESOS (Php 50,000.00) IN ADDITION TO ACTUAL DAMAGES SUFFERED BY THE CONSUMER.**

Nothing herein shall be construed to limit or impair the rights and remedies of a consumer under any other law."

**SEC. 6.** Next sections shall be re-numbered accordingly.

**SEC. 7. Separability Clause.** – Should any provision or part of this Act be declared unconstitutional or invalid, the other provisions and parts hereof, insofar as they are separable from the invalid ones, shall remain in full force and effect.

**SEC. 8. Repealing Clause.** – All laws, decrees, orders, issuances rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

**SEC. 9. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

*Approved,*