



## HOUSE OF REPRESENTATIVES

H. No. 6016

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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, ALVAREZ (P.), FARIÑAS, SUAREZ, BONDOC, PRIMICIAS-AGABAS, DALIPE, GULLAS, SARMIENTO (E.M.), MANALO AND BELMONTE (R.), PER COMMITTEE REPORT NO. 325

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### 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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