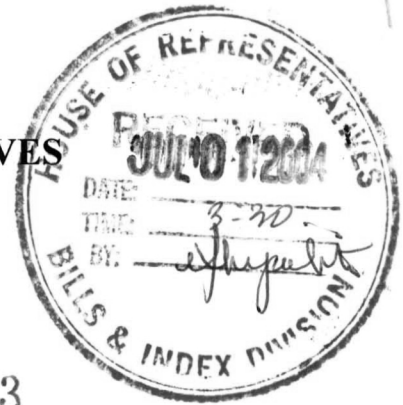


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Thirteenth Congress
First Regular Session

HOUSE BILL NO. 493



Introduced by Jose G. Solis

EXPLANATORY NOTE

Piracy and smuggling of products is not only hurting the country's international image to do business, but it also greatly affects local performers and manufacturers.

Records show that video piracy in the country has reached the level of a serious organized crime. The Videogram Regulatory Board reported confiscating P30 million worth of illegally copied VCDs, DVDs, and CDs being sold in the market.

Coupled with piracy is the rampant smuggling activities of imported products. Studies show that the country's 1,000-odd customs bonded warehouses contributed to the decline of our local industries. Critics pointed out that there is massive "leakage" from bonded warehouses, some of which are used as conduits for smuggling consumer goods into the country. These goods also leak into the local markets, thereby competing and undermining higher priced local raw materials.

To the business sector, smuggling and piracy is like another weight behind their already battered backs. Businessmen who sell contraband is a clear threat to those who rely on legitimate sources of materials. Smuggled and pirated goods not only distort normal pricing mechanisms, but also affect other market forces which can contribute to the decline of local economy.

As a means to clamp down on these despicable activities the government must impose penalties to store/stall owners who engage in the sale of contraband products and to mall owners who tolerate their tenants in the sale of pirated and smuggled products.

Hence, this bill approval of which is earnestly recommended.



JOSE G. SOLIS

Republic of the Philippines
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HOUSE BILL NO. 493

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AN ACT
PENALIZING MALL AND STORE OWNERS ENGAGING IN THE
SALE OF CONTRABAND PRODUCTS.

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

SECTION 1. Any store/stall owner who shall engage in the selling of contraband products shall be punished by imprisonment of not less than six (6) months but not more than two (2) years or by a fine of not less than Ten thousand (P10,000.00) pesos

Any mall owner who shall allow and/or tolerate their tenants in the selling of contraband products shall be punished by imprisonment of not less than one (1) year but not more than three (3) years or by a fine of not less than twenty five thousand pesos (P25,000.00)

SEC. 2. For the purpose of this Act, contraband products refer to pirated and/or smuggled VCDs, DVDs, jeans, clothings, shoes, bags, wallets and other communication accessories.

SEC. 3. The Department of Trade and Industry in coordination with the Videogram Regulatory Board and other agencies concerned shall issue the necessary rules and regulations to carry out the objective of this Act.

SEC. 4. This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,