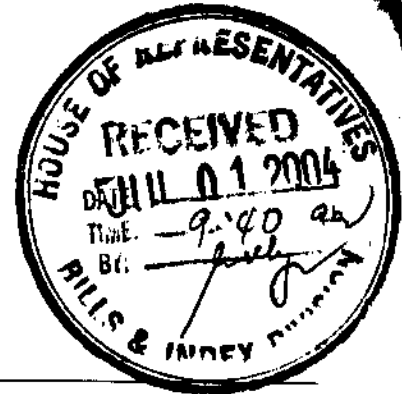


Republic of the Philippines
House of Representatives
Quezon City

Thirteenth Congress

First Regular Session

HOUSE BILL NO. 116



Introduced by Representative JOEY SARTE SALCEDA

EXPLANATORY NOTE

The promotion of free and competitive markets has become a central focus in virtually all countries – whether developing, developed or those in transition. The reason is fairly straightforward: history and economic analysis have taught us that, whether at the national or international level, free and open markets, and the pressure they place on economic agents to perform as efficiently as possible, are a necessary tool to achieve economic development and growth. Competitive markets are also central to making individual freedom –by which the freedom of consumers to choose what they deem most valuable and the freedom of entrepreneurs to choose what they want to invest—both meaningful and compatible with economic welfare.

Without a doubt, competition law is the primary mechanism in establishing the rules to promote and achieve competitive markets. The enforcement of competition rules prevents monopolization, as well as collusive and exclusionary practices that enable firms with market power to unfairly confiscate the benefits of economic activity that should accrue to consumers and competitors.

Hence, to achieve economic efficiencies in the market, promoting rules on competition is necessary. The goal of a competition law is to correct market failure, enhance community welfare, achieve higher economic growth and be competitive in both domestic and international markets.

This bill provides for the rules of a competition law and fair trade practices which shall apply to all businesses in the Philippines. This bill seeks the creation of the Philippine Competition Commission which shall administer the rules on competition as provided in this proposed measure in all relevant markets.

This proposed measure also takes references from the best practices of competition law from the United States, Australia, Japan and the United Kingdom. Taking in mind the uniqueness of the structure and dynamics of the Philippine economy, their experiences in competition law have proven to be helpful in crafting this proposed legislation.

In view of the foregoing, approval of this bill is earnestly sought

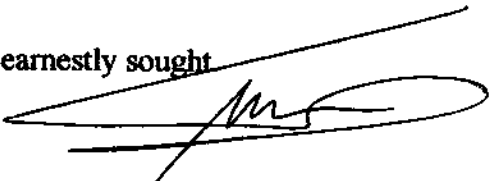

JOEY SARTE SALCEDA

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Republic of the Philippines
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House Bill No. 116

Introduced by Representative JOEY SARTE SALCEDA

AN ACT
CREATING THE PHILIPPINE COMPETITION COMMISSION, REGULATING AND
PENALIZING TRADE PRACTICES THAT LESSEN COMPETITION AND OTHER
ANTI-COMPETITIVE PRACTICES AND CONDUCT, UNLAWFUL MERGERS,
ACQUISITIONS AND COMBINATIONS IN RESTRAINT OF TRADE, UNFAIR
COMPETITION, AND APPROPRIATING FUNDS THEREFOR,
AND FOR OTHER PURPOSES.

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

PART I. INTERPRETATION AND DEFINITIONS

SECTION 1. Title. - This Act shall be known as the "Philippine Competition Act".

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to promote as goals of the National economy, a more equitable distribution of opportunities, income, and wealth; sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged. Towards these ends, the State shall: promote and sustain free competition in all markets, regulate trade practices that lessen competition; prohibit anti-competitive practices; and prohibit monopolies unless justified on public benefit grounds. No combinations in restraint of trade or unfair practices shall be allowed. The State shall protect consumers from trade malpractice and from substandard or hazardous products.

SEC. 3. *Definition of Terms.* - As used in this Act, the following shall have for its meaning:

3.1 **"acquire"** includes:

- (a) in relation to goods, the acquisition by purchase or exchange or by taking on lease or on hire - purchase; and
- (b) in relation to services, the acceptance of such services.

3.2 **"acquisition", "supply" and "re-supply"** have the following meaning:

- (a) a reference to the acquisition of goods includes a reference to the acquisition of property in, or rights in relation to, goods in pursuance of a supply of the goods; and
- (b) a reference to the supply or acquisition of goods and services includes a reference to agreeing to supply or acquire goods or services; and
- (c) a reference to the supply or acquisition of goods includes a reference to the supply or acquisition of services together with other property or services, or both; and
- (d) a reference to the acquisition of services includes a reference to the supply or acquisition of services with property or other services, or both; and
- (e) a reference to the re-supply or goods acquired from a person includes a reference to:
 - (i) a supply of the goods to another person in an altered form or condition; and
 - (ii) a supply to another person of goods in which the first mentioned goods have been incorporated.

3.3 **"business"** includes a business carried on by a corporation, body corporate or business organization, or a trade or profession whether or not carried on for profit.

3.4 **"business organization"** refers to all forms of business including but not limited to single proprietorships, partnerships, sociedad anonima, associations, co-ownership, corporations whether private or government owned or government controlled, joint ventures, or such other combinations.

3.5 **"code of practice"** means a code of practice made under this legislation.

3.6 **"Commission"** means the Philippine Competition Commission established by this Act.

3.7 **"competition"** includes competition from imported goods and services rendered by persons not resident or not carrying on business in the Philippines.

3.8 **"conduct"** includes doing, refusing to do or refraining from doing any act including making a contract or arrangement, or entering into an understanding.

3.9 **"corporation"** or **"body corporate"** includes, as the case requires, a corporation or body corporate that:

- (a) is incorporated in the Philippines or overseas; or
- (b) is an incorporated association or co-operative formed within the Philippines or overseas; or
- (c) is a corporation established pursuant to the law of the Philippines or pursuant to a foreign law; or
- (d) is a holding company of a body corporate of a kind referred to in Paragraphs (a), (b), or (c).

3.10 **"Court"** refers to a court of competent jurisdiction.

3.11 **"discriminatory conduct"** is conduct where businesses are treated differently for similar dealing and the conduct cannot be justified as cost-effective.

3.12 **"document"** includes:

- (a) a book, plan, paper, or other material on which there is writing or printing, or on which there are marks or symbols; and
- (b) a disc, tape, paper or other device capable of producing sounds, messages, signs, signals, or intelligence of any nature.

3.13 **"engage in conduct"** includes doing, refusing to do or refraining from doing an act including the making of , or giving effect to a provision of a contract, arrangement or understanding, the arriving at, or the giving effect to a provision of a contract, arrangement or understanding, and **"engaging in conduct"** has a corresponding meaning.

3.14 **"exclusive dealing"** is conduct whereby a person supplies to, or acquires from, another person goods or services on condition that the other person acquires goods or services from them or from a third person or does not acquire from or sell goods or services to anyone else.

3.15 **"give effect to"** in relation to a contract, arrangement or understanding, includes doing an act or thing in pursuance of or in accordance with or enforcing or purporting to enforce.

3.16 **"goods"** means any tangible thing that is or may be the subject of trade or commerce, and includes but not limited to:

- (a) ships, aircraft and other vehicles; and
- (b) animals including fish; and
- (c) minerals, petroleum, trees and crops and other natural resources, whether on or attached to land or not; and
- (d) electricity and gas; and

(e) fixtures to land; and

(f) any component part of goods, but does not include money or an interest in land.

3.17 **"product"** includes goods and services and may also refer to either goods or services.

3.18 **"investigator"** means an investigator appointed under this Act.

3.19 **"member"** includes the Commissioner and the Deputy Commissioner.

3.20 **"person"** means:

(a) a natural person; or

(b) company, corporation or body corporate, or any business organization; or

(c) trustee; or

(d) the GOVERNMENT of the REPUBLIC of the PHILIPPINES either by itself or through its instrumentalities (including provincial and local level governments) and corporations only in so far as it carries on business or engages in trade or commerce.

3.21 **"predatory conduct"** includes conduct having the purpose of disciplining or eliminating a competitor or competition generally.

3.22 **"premises"** includes land.

3.23 **"price"** includes a charge of any description and the cost of obtaining credit.

3.24 **"records"** includes any record of information however compiled, recorded or stored and any books, documents, writings, or electronic data.

3.25 **"services"** includes any right (including any right and interest in and personal property) benefit, privileges or facility that is, has been, or is to be, provided, granted or conferred in trade or commerce and without limiting the generality of the foregoing includes:

(a) the performance of work including work of a professional nature, whether with or without the supply of goods; and

(b) the provision of electricity or gas or the provision of any other form of energy; and

(c) the provision or the making available for use, of a facility for amusement, entertainment, recreation or instruction; and

(d) the letting of premises for vacation or recreational purposes; and

3.26 **"supplier"** means a person who, in the course of carrying on, or purporting to carry on, a business, supplies goods or services.

3.27 **"supply"** for the purposes of this Act:

(a) in relation to goods, includes supplying goods by way of a contract, arrangement or understanding for sale, exchange, lease, hire or hire purchase of goods; and

(b) in relation to services, includes providing, granting or rendering services for valuable consideration under a contract, arrangement or understanding of for valuable consideration claimed to have been agreed to under alleged contract, arrangement or understanding; and

(c) includes the possible supply of goods and services.

3.28 **"this Act"** is deemed to include such Rules and Regulations including codes of practice that the Commission shall issue to give effect to or implement the provisions of this Act.

3.29 **"trade or commerce"** includes any business or professional activity carried on in the Philippines or between the Philippines and places outside the Philippines.

3.30 **"unconscionable conduct"** is conduct as set out in guidelines issued by the Commission and which relates to conduct that is outside acceptable commercial conduct.

SEC. 4. *Related Corporation.* - As used in this Act, the **"related corporation"** or **"related bodies corporate"** refers to any body corporate in relation to another body corporate under one, or a combination of, or all of, the following circumstances:

- (a) one controls the composition of the board of directors of the other by virtue of some power that does not require the consent or concurrence of another person to appoint or remove all or a majority of the directors; or where a person's appointment as director in one results in his or her being a director of the other;
- (b) one is in a position to cast or control the casting of more than one-half of the maximum numbers of votes that might be cast in a general meeting of the other;
- (c) one holds more than one-half of the allocated share capital of the other (excluding any part of the allotted share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital);
- (d) one is a subsidiary of the other; or a subsidiary of a subsidiary of another; or a subsidiary of a holding company of another; or a holding company of another.

SEC. 5. *Coverage.* - This Act shall:

- (a) immediately apply to all businesses in the Philippines that are:
 - (i) listed on the Stock Exchange;
 - (ii) large corporations;
 - (iii) multi-national companies;
 - (iv) joint ventures.
- (b) apply to medium-size corporations four (4) years after the effectivity of this Act.

5.1 Such businesses include any business that is owned or controlled by the GOVERNMENT of the REPUBLIC of the PHILIPPINES or any PROVINCIAL or LOCAL GOVERNMENT UNIT.

5.2 The Commission shall formulate such criteria as is consistent with existing criteria used by the Department of Trade and Industry in determining whether a business or business organization is large, medium size, or small size.

SEC. 6. *Primary Boycott.*- A condition or provision of a contract, arrangement or understanding shall be taken to be a primary boycott for the purpose of this Act if :

- (a) the contract, arrangement or understanding was made between persons and two or more of whom are competitive with each other; and
- (b) the condition or provision has the purpose of preventing, restricting or limiting:
 - (i) the supply of products to, or the acquisition of products from, particular persons or classes or persons; or
 - (ii) the supply of products to, or the acquisition of products from, particular persons or classes or persons in particular circumstances or on particular condition.
- (c) by all or any of the parties to the contract, arrangement or understanding or supposed party is a body corporate, by related corporation or business organization.

SEC. 7. *Market.* - For the purposes of this Act, unless the contrary intentions appears, "market" means a market in the Philippines and, when used in relation to any products, includes a market for those products and other products that are substitutable for, or otherwise competitive with, the first-mentioned products.

SEC. 8. *References To Purpose or Reason.* - For the purposes of this Act a condition or provision of a contract, arrangement or understanding shall be deemed to have had, or to have, a particular purpose if -

- (a) the condition or provision was required to be given for that purpose or for purposes that included that purpose; and
- (b) that purpose was or is a substantial purpose.

SEC. 9. *Lessening Of Competition.* - For the purpose of this Act, references to the lessening of competition shall be read as including references to preventing or hindering competition.

SEC. 10. *Joint Venture.* - In this Act, a reference to a joint venture is a reference to an activity in trade or commerce which is:

- (a) carried on jointly by two or more persons, whether or not partnership; or
- (b) carried on by a body corporate formed by two or more persons for the purpose of enabling those persons to carry on that activity jointly by means of their joint control, or by means of their ownership of share in the capital, of that body corporate.

SEC. 11. *Public Benefit.* - In this Act "**public benefit**" shall include but is not limited to:

- (a) expansion of employment or prevention of unemployment;
- (b) promotion of equitable dealings in the market;
- (c) assistance to efficient small business;
- (d) economic development;
- (e) promotion of competition in any industry/market;
- (f) fostering business efficiency;
- (g) improvement in the quality and safety of goods and services and expansion of consumer choice;
- (h) industry rationalization resulting in more efficient allocation of resources and in lower or contained unit production costs;

SEC. 12. *Application of Act not to be Modified or Excluded.* - This Act has effect notwithstanding any stipulation to the contrary in any contract. *Provided*, that unless expressly provided to the contrary by a provision of this Act, and then only to the extent so provided, a contract made or entered into either before or after the commencement of this Act shall not have the effect of, or provide for, nullifying, varying or excluding any of the provisions of this Act, or liability for any breach of a provision of this Act. *Provided further*, that any term of a contract that purports to exclude, restrict or modify, or has the effect of excluding, restricting or modifying, any liability of a person to compensate or indemnify another person that may arise under this Act, is void and of no effect.

SEC. 13. *Extra Territorial Operation of this Act.* - This Act extends to the engaging in conduct outside the Philippines by a person to the extent that such conduct relates to the supply of products within the Philippines or to persons in the Philippines.

SEC. 14. *Act to Have Effect Notwithstanding Other Provisions.* - This Act shall have operation notwithstanding any provision in any other which, but for this article, has or would have effect of limiting the application or operation of this Act. To extent that any provision in any act other than this Act seeks to oust the operation of this article, such provision is void and of no effect.

PART II. THE PHILIPPINE COMPETITION COMMISSION

SEC. 15. *Creation and Purpose of the Philippine Competition Commission.* - There is hereby created and established a **Philippine Competition Commission**, hereinafter referred to brevity as "THE COMMISSION", which shall under the Office of the President. The purposes for which the commission is created and established are:

- (a) to facilitate the implementation of this act;
- (b) to administer the provision of this act; and
- (c) to generate, provide and make available to the public, information concerning fair trade practices.

SEC. 16. *Functions of the Commission.* - The Commission shall carry out the following functions:

- (a) facilitate the implementation this act;
- (b) administer the provision of this;
- (c) collect and disseminate information in respect of matters affecting or likely to affect the interests of business and consumers;
- (d) receive and consider complaints concerning matters affecting or likely to affect interests of business and consumers;
- (e) advise and assist person who seek from the commission information or guidance on matters affecting or likely to affect their interests as business and consumers;
- (f) investigate matters or to cause investigation of matters on behalf of the commission or a committee thereof;

- (g) collect, collate and furnish or cause the collection, collation and furnishing to the commission or a committee thereof; such data as are or may be required by the commission or committee thereof in the discharge of its functions;
- (h) encourage and undertake the dissemination of information concerning trade practices to producers, manufacturers and suppliers;
- (i) commence and maintain proceedings before any administrative or regulatory body in respect of contravention of this act; and
- (j) commence and maintain action before any court of competent jurisdiction against any person, body corporate, business organization, government agency for violations of any provision of this act.

SEC. 17. *Information and Research Functions.* - In order to carry out its purpose of making available to the public information concerning fair trade practices, the commission shall also have the following functions:

- (a) make available to persons engaged in trade or commerce and other interested persons general information for their guidance with respect to the carrying out of the functions or the exercise of the powers of the commission under this act;
- (b) examine critically, and report to the Secretary, on the laws in force in the Philippines relating to the protection of business and consumers in respect of matters referred to the Commission by the Secretary, being matters with respect to which Congress has the power to make laws;
- (c) conduct research in relation to matters affecting the interests of business and consumers, being matters with respect to which congress has the power to make laws;
- (d) make available to the public general information concerning matters affecting the interests of business and consumers; and
- (e) make known for the governance of business and consumers the rights and obligation of persons under the provisions of laws in force in the Philippines the are designed to protect and promote the interests of consumers and competition.

SEC. 18. *Powers of the Philippine Competition Commission.* - The Philippine Competition Commission shall have the following powers:

- (a) power to adopt and use a seal;
- (b) power to adopt its internal rules and procedures and to amend or repeal the same;

- (c) power to acquire, hold, and convey property;
- (d) power to exercise such power as may be essential and necessary to carry put its purpose as stated in this act;
- (e) such power s as are or may be granted to it by other laws; and
- (f) such powers as are necessary or convenient for it to carry out its functions as provided under this act.

All courts, Judges and persons acting judicially shall take judicial notice of the seal of the commission affixed to a document and shall presume that it was duly affixed unless evidence is presented to the contrary.

SEC. 19. *Members of the Commission.* - The Commission shall consist of 6 members: a chairperson, two deputy chairpersons and three full time Associate Commissioners. One Deputy Chairperson shall be responsible for Enforcement and the other for Market Research and Information. The Chairperson shall have proven executive ability. The Deputy Chairperson responsible for enforcement shall be a lawyer. Of the members of the Commission other than the Chairperson and the Deputy Chairperson responsible for enforcement:

- (a) one member shall have been a chairperson or executive member of a consumer organization in the Philippines; and
- (b) one member shall have a knowledge of commercial market behavior; and
- (c) one member shall have knowledge and experience in economics; and
- (d) one member shall have experience in public administration.

SEC. 20. *Qualifications of the Members of the Commission.* - The Chairperson and all members of the Commission must posses the following qualifications:

- (a) be at least thirty-five (35) years old at the time of appointment;
- (b) be of good moral character; and
- (c) does not posses any of the disqualification enumerated in Section 21 of this Act or such other disqualification under other laws.

SEC. 21. *Disqualification for Membership in the Commission.* - The following persons are disqualified for being appointed or remaining as a member of the Commission:

- (a) a person who has become bankrupt;
- (b) a person who has applied to take the benefit of any law for relief of bankrupts or insolvent debtors;

- (c) a person who has compounded with his(her) creditors;
- (d) a person who has contravened any provision of this act;
- (e) a person who publicly espouses a position contrary to the provision of this act;
- (f) a person who has a pending criminal case and has been arraigned for it before a court of competent jurisdiction;
- (g) a person who has been convicted of any crime before the regional trial court; and
- (h) a person who ran for public office in any election within one(1) year prior to appointment to the Commission.

SEC. 22. *Prohibitions.* - During their term of office, the members of the Commission shall:

- (a) not practice any profession;
- (b) not participate in any business;
- (c) not have financial interest in any contract, arrangement or understanding, franchise, or special privilege granted by the government or any of its divisions, agencies or instrumentalities, including government-owned and controlled corporations and tier subsidiaries
- (d) neither engage in any conduct nor have any interest in matters that is or may be in conflict with the performance of their functions; and
- (e) not engage in any corrupt practice or any prohibited act defined in the Anti-graft and Corrupt Practices Act of the Philippines and other laws.

22.1 For a period of one (1) year following the end of the term of a member of the Commission, (s)he shall:

- (a) not practice before the Commission; and
- (b) not be appointed as a consultant, with or without compensation, of the Commission.

SEC. 23. *Ex Officio Members.* - Within three (3) months from his or her appointment, the Chairperson shall assemble a complete list of existing regulatory bodies involved in economic or general consumer protection regulation and their respective nominees from which shall be selected five who shall be appointed ex officio members of the Commission.

SEC. 24. *Terms and Conditions of Appointment to the Commission.* - A member of the Commission shall be appointed by the President of the Republic of the Philippines for a fixed and non-extendible term of office not exceeding six years;

- (a) the Chairperson shall be appointed for a term of six (6) years;
- (b) the Deputy Chairperson for Enforcement shall be appointed for a term of five (5) years;
- (c) the Deputy Chairperson for Market Research and Information shall be appointed for a term of four (4) years; and
- (d) the Associate Commissioner shall be appointed for a term of three (3) years.

24.1 A member of the Commission who has served a full term can no longer be appointed as a member of the Commission albeit in a different capacity. For this purpose, any appointment as a member of the Commission even in a different capacity shall be construed as a extension of term and as such, not allowed under this Act. A full term is construed as a term fixed in this article as specified in the letter or instrument of appointment.

24.2 S(he) shall:

- (a) hold office under the terms and conditions provided in this Act and such other laws that govern public officers in general;
- (b) not suffer from any of the disqualification enumerated in Section of this Act; and
- (c) be physically, psychologically, and intellectually fit and able to perform the functions of a member of the Commission.

SEC. 25. *Acting Chairperson.* - Where the Chairperson is absent from duty or absent from the Philippines:

- (a) the Deputy Chairperson who is the more senior in terms of appointment shall act as Chairperson during such absence and, if not available , the other Deputy Chairperson shall act as Chairperson; or
- (b) if both Deputy Chairperson are not available to act as Chairperson, the more senior Associate commissioner who is available shall act as Chairperson during the absence of the Chairperson and Deputy Chairpersons.

A person acting as Chairperson shall act in that capacity under such terms and conditions under this Act and has all the powers and duties, and shall perform all the functions, conferred on the Chairperson by this Act.

SEC. 26. *Removal from Office.* - The Chairperson or any Member of the Commission may be removed from office on any of the following grounds:

- (a) Any of the Disqualification enumerated in Section 21 of this Act;
- (b) Any of the Prohibitions enumerated in article 22 of this Act;
- (c) Violation of this Anti-Graft and Corrupt Practices Act;
- (d) Conviction of any crime;
- (e) Engages in any paid employment outside his or her office;
- (f) Absence from duty without leave; and
- (g) Grave misconduct.

SEC. 27. *Procedure for Removal from Office.* - A member of the Commission shall enjoy a full term of office as provided in the Act and specified in the letter or instrument of appointment unless removed for any of the causes provided under this Act or as provided under other laws in force. Subject to the provisions of other laws on removal of public officers, an administrative complaint may be commenced against a member of the Commission upon any of the grounds mentioned in this Act, by the filing of a verified complaint which must be sufficient in form and substance, before the office of the Commissioner. A verified complaint that is sufficient in form and substance shall be heard in executive session by the Commission en banc and decided by a two-thirds majority of the members sitting at the time the decision is rendered. The decision of the majority which shall be in the form of a resolution or a recommendation to the President of the Republic of the Philippines and shall clearly state the grounds, the facts and the law upon which the decision is based and include any dissenting opinion. The final decision for removal of the member shall repose in the President of the Republic of the Philippines.

SEC. 28. *Resignation.* - A member of the Commission may resign form office by virtue of a letter of resignation duly signed by said member and delivered to the President. However, such resignation shall have effect only upon written acceptance by the President and shall be subject to laws, prohibiting resignations during the pendency of an investigation whether administrative or criminal.

SEC. 29. *Disclosure of Interests by Members.* - Where a member of the Commission other than the Chairperson, is taking part, or is to take part, in the determination of a matter before the

Commission and the member has or acquires any pecuniary interest that could conflict with the proper performance of his or her functions in relation to the determination of the matter.

- (a) the member shall disclose the interest to the Chairperson; and
- (b) the member shall not take part, or continue to take part, in the determination of the matter if:
 - (i) the Chairperson gives a direction in relation to the matter; or
 - (ii) all of the persons concerned in the matter do not consent to the member taking part in the determination of the matter.

29.1 Where the Chairperson becomes aware that a member of the Commission is taking part, or is to take part, in the determination of a matter and that the member has a relation to the determination of the matter such an interest:

- (a) if the Chairperson considers that the member should not take part, or should not continue to take part, in the determination of the matter- the Commissioner shall give a direction to the member accordingly; or
- (b) in any other case- the Chairperson shall cause the interest of the member to be disclosed to all the persons concerned in the matter.

29.2 The Chairperson shall give written notice to the President of all pecuniary interests that the Commissioner has or acquires in any business carried on in the Philippines or elsewhere on in any body corporate carrying on any such business.

SEC. 30. *Arrangement of Business and Meetings of the Commission.* - In this Act:

- (a) The Chairperson may give directions as to the arrangement of the business of the Commission.
- (b) The Chairperson shall determine such meetings of the Commission as (s)he thinks necessary for the efficient performance of the functions of the Commission.
- (c) Meetings of the Commission shall be held at such places as the Chairperson determines.
- (d) The Chairperson shall preside at all meetings of the Commission at which (s)he is present.
- (e) In the absence of the Chairperson from a meeting of the Commission, the Deputy Chairperson who is more senior in terms of appointment shall preside.

- (f) The members presiding at a meeting of the Commission may give directions regarding the procedure to be followed at or in connection with the meeting.

30.1 At a meeting of the Commission:

- (a) two-thirds of all sitting members form a quorum; and
- (b) all questions shall be decided by a two-thirds majority votes of the members present and voting; and
- (c) the member presiding has a deliberative vote and, in the event of an equality of votes, also has a casting vote; and
- (d) proper minutes shall be kept.

30.2 If the Commission so determines, a member or members may participate in, and form part of a quorum at , a meeting of the Commission or a Committee of the Commission by means of any of the following methods of communication:

- (a) telephone;
- (b) closed circuit television;
- (c) video conferencing;
- (d) any other method of communication determined by the Commission.

SEC. 31. *Delegation by Commission.* - The Commission may, by delegate to a member of the Commission, either generally or otherwise as provided by the instrument of delegation, any of its powers under this Act or any other law, provided however that the Commission shall not delegate this power of delegation and its powers to grant, revoke or vary an authorization. A power so delegated may be exercised or performed by the delegate in accordance with the instrument of delegation. A delegation under this article is revocable at will and does not prevent the exercise of a power by the Commission.

SEC. 32. *Staff of the Commission.* - The Commission shall be assisted by such number of staff it requires as determined by the Chairperson and as provided under the General Appropriations Act.

SEC. 33. *Consultants.* - The Commission may engage persons to give advice to, and perform services for, the Commission. The terms and conditions of engagement are as determined by the Commission subject to the General Appropriations Act.

SEC. 34. *Internal Committees.* - The Commission may, from time to time, establish Internal Committees from among its members to facilitate the work of the Commission. Such Committees cannot make format decisions under this Act.

SEC. 35. *Consultative Committee.* - Within a period not to exceed six (6) months from the date this law comes into effect, the Commission shall constitute a Consultative Committee, the members of which shall be appointed by the President from a list of nominees coming from the different sectors of society; provided that there shall be at least one member from the following sectors:

- (a) business/industry sectors;
- (b) labor sector;
- (c) consumer sector;
- (d) youth sector;
- (e) poor sector;
- (f) self employed agricultural sector;
- (g) women;
- (h) others as may be determined by the Commission.

35.1 The Consultative Committee will advise the President on issues relating to the administration of this Act and such other related matters referred to it by the President.

35.2 The Commission may also constitute sub-committees for each industry affected by this law to provide substantive input to the Consultative Committee on industry-specific issues and concerns.

PART III. TRADE PRACTICES

SEC. 36. *Agreements Restricting Dealings or Affecting Competition.* - Under this Act, a person shall not -

- (a) make or give effect to an agreement where:
 - (i) the proposed agreement contains a primary boycott; or

- (ii) a provision of the proposed agreement, has the purpose or effect of a substantially lessening competition; or
- (b) give effect to a provision of an agreement whether made before or after the commencement of this Act, if that provision is a primary boycott.

SEC. 37. *Agreements in Relation to Prices and Quantity.* - A provision of an agreement shall be deemed for the purpose of this section to have the purpose or effect of substantially lessening competition if the provision has the purpose of fixing, controlling or maintaining the price for, or a discount, allowance, rebate or credit in relation to products supplied or acquired or to be supplied or acquired by the parties to the agreement in competition with each other. A provision of an agreement shall be deemed for the purpose of this section to have the purpose or effect of substantially lessening competition if the provision has the purpose of fixing or controlling the quantity in relation to products supplied or acquired or to be supplied or acquired by the parties to the agreement in competition with each other. Cartels are held to be per-se illegal.

SEC. 38. *Boycotts - Secondary.* - A person shall not, in concert with a second person, engage in conduct that hinders or prevents the supply of goods or services by a third person to a fourth person, or the acquisition of products by a third person from a fourth person, if -

- (a) the conduct would have or be likely to have the effect of causing a substantial lessening of competition in any market in which the third person supplies or acquires products; and
- (b) the conduct is engaged in for the purpose, and would have or be likely to have the effect, of causing a substantial lessening of competition in any market in which the fourth person acquires products.

SEC. 39. *Misuse of Market Power.* - A person that has a substantial degree of power in a market shall not take advantage of that power for the purpose of -

- (a) eliminating or substantially damaging a competitor of the person, or if the person is a corporation, of a related corporation in that or any other market; or
- (b) preventing the entry of a person into that or any other market; or
- (c) deterring or preventing a person from engaging in competitive conduct in that or any other market; or
- (d) substantially lessening competition in any market or markets.

39.1 In determining for the purposes of this article the degree of power that a body corporate or body corporates have in the market, regard shall be had to the extent to which the conduct of the body corporate or any of those body corporates in that market is constrained by the conduct of :

- (a) competitors, or potential competitors, of the body corporate or any of those body corporates in that market; or
- (b) persons to whom or from whom the body corporate or any of those body corporates acquire goods or services in that market.

SEC. 40. Monopolization. - A Person having one-third or more of the share on any market shall be deemed to be in a position to monopolize. Any business in such a position may be declared by the Commission and if declared the business shall -

- (a) not refuse to deal with any other business except for normal commercial probity reasons; or
- (b) must not engage in exclusive dealing, unless such conduct has been authorized under Part V of this Act; or
- (c) must not engage in unconscionable conduct in its dealings with other business or consumers; or
- (d) must not sell below cost except in a seasonal sale; or
- (e) must not engage in any discriminatory conduct, whether or not that conduct is predatory.

The Commission may set the prices at which such business can sell their products or monitor such.

40.1 At the request of the Commission the business must develop and adhere to a Code of Conduct acceptable to the Commission in respect of any market that it is in a position to monopolize. Such Code of Conduct must apply to the business and its conduct towards its customers or suppliers in the relevant market.

40.2 Where a business has been "declared" under Section 40 (Monopolization), the provisions of Section 39 (Misuse of Market Power) will not apply.

SEC. 41. *Resale Price Maintenance.* - A person shall not engage in resale price maintenance in relation to the supply of products for sale. Subject to the provisions of this section, a person (herein called "the supplier") engages in the practice of resale price maintenance if (s)he does an act of the following:

- (a) the supplier making it known to a second person that unless the second person agrees not to sell those products at a price less than a price specified by the supplier; and
- (b) the supplier inducing, or attempting to induce, a second person not to sell, at a price less than a price specified by the supplier or specifies same for goods supplied by a third person who, directly or indirectly, has obtained the products from the supplier; and
- (c) the supplier entering into an contract, arrangement or understanding, or offers to enter into an contract, arrangement or understanding, for the supply of products to a second person, being an contract, arrangement or understanding one of the term of which is, or would be, that the second person will not sell the goods at a price less than a price specified, or that would be specified, by the supplier; and
- (d) the supplier withholding the supply of products to a second person for the reason that the second person -
 - (i) has not agreed as mentioned in paragraph (a); or
 - (ii) has sold , or is likely to sell, products supply to him or her by the supplier, or goods or services supplied to him or her by a third person who, directly or indirectly, has obtained the products from the supplier, at a price less than the price specified by the supplier a the price below which the products are not to be sold; and
- (e) the supplier withholding the supply of products to a second for the reason that a third person who, directly or indirectly, has obtained, or wishes to obtain, products from the second person:
 - (i) has not agreed not to sell those goods or services at a price less than a price specified by the supplier; or
 - (ii) has sold, or is likely to sell, products supplied to him or her, or to be supplied to him or her, by the second person, at a price less than a price specified by the supplier as the price below which the products are not to be sold; and

- (f) the supplier using in relation to any products supplied, or that may be supplied, by the supplier to a second person, a statement of a price that is likely to be understood by that person as the price below which the products are not to be sold.

41.1 For the purposes of Section 41:

- (a) where a price is specified by another person on behalf of the supplier, it shall be deemed to have been specified by the supplier; and
- (b) where the supplier makes it known, in respect of products, that the price below which those products are not to be sold is a price specified by the other person in respect to those products, or in respect of products of a like description, that price shall be deemed to have been specified, in respect of the first-mentioned products, by the supplier; and
- (c) where a formula is specified by another person on behalf of the supplier and a price may be ascertained by calculation from, or by reference to, that formula, that price shall be deemed to have been specified by the supplier; and
- (d) where the supplier makes it known, in respect of products, that the price below which those products are not to be sold is a price ascertained by calculation from, or by reference to, a formula specified by another person in respect of those goods or in respect of products, of a like description, that price shall be deemed to have been specified, in respect of the first-mentioned products, by the supplier.

41.2 In Section 41.1, paragraph c, "formula" includes a set of method.

41.3 For the purpose of Section 41, anything done by an acting on behalf of, or by agreement with, the supplier shall be deemed to have been done by the supplier.

41.4 For the purpose of Section 41.1 paragraph (a) to (d), inclusive, including a reference in negative form, to the selling of products, at a price less than a price specified by the supplier shall be construed as including reference to :

- (a) the advertising of products for sale at a price less than a price specified by the supplier as the price below which the products are not to be advertised for sale; and
- (b) the displaying of products for sale at a price less than a price specified by the supplier as the price below which the product are not to be displayed for sale; and

- (c) the offering of products for sale at a price less than a price specified by the supplier as the price below which the products are not be offered for sale, and a reference in Section 41 paragraph (d) to a price of which the products are not to be sold shall be construed as including a reference to the price below which the products are not to be advertised for sale, the price below which the products are not to be displayed for sale and the price below which the products are no to be offered for sale.

SEC. 42. *Recommended Prices.* - For the purposes of Section 41 the supplier is not be taken as inducing, or attempting to induce, a second person as mentioned in that article in relation to any goods:

- (a) by reason only of a statement of a price being applied to the products or being applied to a covering, label , reel or thing in or with which goods are supplied provided that the statement is preceded by the words "recommended price"; or
- (b) by reason only by having given notification in writing to the second person (not being a notification by way of a statement being applied as mention in paragraph (a) of the price that (s)he recommends as appropriate for the sale of those products, provided that there is included in the notification, and in each writing that refers, whether expressly or by implication to the notification, a statement to the following effect: "The price set out or referred to herein is a recommended price only and there is no obligation to comply with the recommendation."

SEC. 43. *Withholding Supply.* - The supplier shall be deemed to withhold the supply of products to another person:

- (a) the supplier refuses or fail to supply those products to, or as requested by, the other person; or
- (b) the supplier refuses to supply those products except on terms that are disadvantageous to the other person; or
- (c) in supplying products to the other person, the supplier treats that person less favorably, whether in respect of time, method or place of delivery or otherwise, than the supplier treats other persons to whom the supplier supplies the same or similar products; or
- (d) the supplier causes or procures a person to withhold the supply of products to the other person as mentioned in paragraph (a), (b) or (c) hereof.

SEC. 44. *Statement as to the Minimum Price.* - If :

- (a) a statement is applied to goods, whether by being woven in, impressed on, worked into or annexed or affixed to the goods or otherwise; or
- (b) a statement is applied to a covering, label, reel or thing in or with which goods are supplied; or
- (c) a statement is used in a sign, advertisement, invoice, catalogue, business letter, business paper, price list or other document otherwise or in a manner likely to lead to the belief that refers to products,

the statement shall be deemed to have been used in relation to those products.

44.1 For the purposes of Section 44, paragraph b, "covering" includes a stopper, glass bottle, vessels, box, capsule, case, frame or wrapper and "label " includes a band or ticket.

SEC. 45. *Prohibition of Acquisition that would Result in Lessening Competition.* - A person shall not directly or indirectly acquire shares in the capital of a body corporate; or acquire any assets of a person, if the acquisition would have the effect, or be likely to have the effect, of substantially lessening competition market. Without limiting the matters that may be taken into account for the purposes of paragraph 1 of this article, in determining whether the acquisition would have the effect, or be likely to have the effect, of substantially lessening competition in a market, the following matters shall taken into account:

- (a) the actual and potential level of import competition in the market;
- (b) the height of barriers to entry to the market;
- (c) the level of concentration in the market;
- (d) the degree of countervailing power in the market;
- (e) the likelihood that the acquisition would result in the acquirer being able to significantly increase prices or profit margins;
- (f) the extent to which substitutes are available in the market or are likely to be available in the market;
- (g) the dynamic characteristics of the market, including growth, innovation and product differentiation;
- (h) the likelihood that the acquisition would result in the removal from the market of a vigorous and effective competitor;
- (i) the nature and extent of vertical integration in the market.

The acquisition of the shares or assets shall not be regarded for the purpose of this Act as having taken place in pursuance of the contract, arrangement or understanding was entered in to the application for the authorization is disposed of ; or the contract, arrangement or understanding ceases to be subject to the condition whichever occurs first.

PART IV. ENFORCEMENT AND REMEDIES

SEC. 46. *Appointment of Investigators.* - The Commission may appoint members of its staff to be investigators for the purposes of this Act. An investigator shall have such powers and functions as are conferred by this Act.

SEC. 47. *Powers and Functions of Investigators.* - For the purpose of discharging its functions under this Act or for any other purposes of this Act, an investigator may, by virtue of a search warrant sufficient in form and substance issued by a court of competent jurisdiction upon finding of probable cause in connection with one specific offense, after personal examination by the judge of the complainant and any witness (s)he may produce, and subject to the laws in force on search and seizure;

- (a) enter any premise (s)he knows or reasonably suspects -
 - (i) are being used for the production, manufacture, assembly, preparation, storage or supply of products; or
 - (ii) have been or are being or are likely to be used by any person in connection with a contravention of this Act; and
- (b) enter any premises where (s)he knows or reasonably suspects that records are kept relating to the supply of products or relating to a contravention of this Act; and
- (c) make such inquiry and examination as (s)he believes to be necessary or desirable to the exercise of any function or power under this Act or to ascertain whether any contravention of this Act has been, is being, or is likely to be committed.

47.1 In premises entered the investigator may -

- (a) search for examine take possession of or make copies of or take extracts from records relating to products supplied or to be supplied or relating to any matter the subject of an investigation under this Act; and
- (b) search for and examine goods found on the premises; and

- (c) exercise any power under this act to seize goods without payment or take any goods found on the premises on payment or tendering of a reasonable price for them; and
- (d) seize without payment any brochure, leaflets, books, writing, documents or other materials that (s)he knows or reasonably suspects have been, are representations with respect to any matter in contravention of this Act; and
- (e) open any room, place or container or package that (s)he knows or reasonably suspects to contain goods; and
- (f) question any person (s)he finds in the premises with respect to matters under this Act; and
- (g) make such inquiry and examination as (s)he believes to be necessary or desirable to assist the discharge or exercise of any function or power under this Act or to ascertain whether any contravention of this Act has been, is being, or is likely to be committed.

47.2 Where a court of competent jurisdiction is satisfied upon the complaint of the Commission that there is probable cause to suspect that any place has been or is being or is likely to be used in connection with a contravention of this Act or for the keeping of records relating to a contravention of this Act, the judge may, after personally examining the complainant and any witness presented, and subject to the laws on search and seizure in force, may issue a search warrant for one specific offense, directed to the investigator, to enter the place specified in the warrant for the purpose of the investigator exercising in the premise the powers conferred on an investigator by this Act.

47.3 A search warrant sufficient in form and substance that is issued under this article shall be valid for a period of ten (10) days from its issue, and gives sufficient authority :

- (a) to the investigator to whom it is directed and to all persons acting in aid of the investigator to enter the place specified in the warrant; and
- (b) to the investigator to whom it is directed to exercise in respect of the place specified in the warrant all the powers conferred on an investigator by this Act.

47.4 Where an investigator has taken possession of records or of other property for the purposes of this Act, the investigator may -

- (a) retain any records for so long as is necessary for those purposes, but the person otherwise entitled to possession of the records, if the person so requests, is entitled to be furnished as soon as practicable with a copy of the records certified by the Commission to be a true copy and such a certified copy shall be received in all courts and elsewhere as evidence of the matters contained in the copy as if it were the original; and
- (b) subject to the express provisions of this Act, retain any other property for so long as is necessary for those purposes, and afterwards dispose of it as the Commission directs.

47.5 Where an investigator has taken possession of records or of other property for the purposes of this Act, the investigator shall:

- (a) make a complete and true inventory of the records or properties seized which inventory shall be verified under oath; and
- (b) issue receipt thereof to the lawful occupant of the premises or, in the absence of such occupant, in the presence of at least two witnesses of sufficient age and discretion who reside or work in the same locality; and
- (c) file a return within ten (10) days of the warrant's issue to the court which issued the warrant attaching thereto the complete and true inventory required under paragraph a of this Section as well as copy of the receipt required under paragraph b of this Section.

SEC. 48. *Power to Obtain Information.* - In relation to any matter relevant to the operation or enforcement of this Act, the Commission may require a person, either by oral or written requisition, to furnish any information or any records or a copy of them in the person's possession.

48.1 A person shall be deemed to be in possession of -

- (a) information, if (s)he has the information or is entitled to access to the information; and
- (b) records, if (s)he has them in his or her possession or has them under his or her control in any place, whether for his or her own use or benefit or for another person's use or benefit and although another person has the actual possession or custody of the records.

48.2 A requisition may require that the information or records or copy of them be furnished:

- (a) to a specified member of the staff Commission; or
- (b) at the place the requisition is made or at another place; or
- (c) immediately or at, by or within a time specified; or
- (d) in person, or by certified mail or in any other way specified; or
- (e) by means of, or accompanied by a verified statement or a statement under oath; or
- (f) in the case of information, orally or in writing.

48.3 A person who -

- (a) refuses or fails to furnish any information, records or a copy of them as required of him under this article; or
- (b) in response to a requisition made under this article, furnishes information, records or copies that is or are false or misleading in a material particular, is guilty of an offence under this Act as well as under article 172 of the Revised Penal Code for falsification by private individual information and use of falsified documents. If prosecuted under the provisions of this Act, such person shall pay a fine of TWO HUNDRED and FIFTY THOUSAND PESOS (Php 250,000.00), or suffer imprisonment not exceeding one year.

48.4 Subject to the provision of this Section, a person shall not be entitled to refuse or fail to furnish information or records or a copy of them on the grounds only that the information, or records or copy of them would tend to incriminate him or her.

48.5 Where, in response to a requisition authorized by the Act, a person furnishes information that would tend to incriminate him or her in any offence, the information furnished shall not be admissible in evidence against the person in proceedings in any court.

48.6 Where a person records or stores any matter by means of a mechanical, electronic, or other device, the duty imposed by this article to produce any records containing those matters shall be construed as including a duty to produce the matters in written form if demanded.

48.7 The duty imposed by this article to produce a copy of any records shall be construed as a duty to produce a clear reproduction.

48.8 An officer of the Commission may take notes or copies of or extracts from records or a copy of them produced under this article.

48.9 Records furnished under this article may be retained for so long as it is necessary to do so for the purposes of this Act, but the person otherwise entitled to possession of them, if (s)he so requests, is entitled to be furnished as soon as practicable with a copy of them certified by the Commission to be a true copy and such certified copy shall be received in all courts and elsewhere as evidence of the matters contained in it as if it were the origin.

SEC. 49. *Obstruction.* - A person who, obstructs the Commission, a member of the Commission or member of the Commission's staff including an investigator in the exercise of their powers under this Act, is guilty of an offence under this Act and shall pay a fine of TWO HUNDRED AND FIFTY THOUSAND PESOS (Php 250,000.00) or suffer imprisonment not exceeding one year. For the purpose of this Act, a person shall be taken to obstruct an inspector in the exercise of powers under this Act if the person -

- (a) assaults, abuses, intimidates or insults an inspector or any other person assisting an inspector in the exercise of his powers under this Act; or
- (b) directly or indirectly prevents any person from being questioned by an inspector or from furnishing under this Act any information or records or copies or attempts to do so; or
- (c) in any other way obstructs or attempts to obstruct an inspector in the exercise of his powers under this Act.

SEC. 50. *Interpretation.* - A reference in this Part to a person involved in a contravention of a provision of this Act shall be read as a reference to a person who:

- (a) has aided, abetted, instigated or encouraged the doing or adopting of a plan or procured the contravention; or
- (b) has induced, whether by threats or promises or otherwise, the contravention; or
- (c) has been in any way, directly or indirectly, knowingly concerned in, or party to, the contravention; or
- (d) has conspired with others to effect the contravention.

SEC. 51. *Pecuniary Penalties.* - If the Commission is satisfied that a person -

- (a) has contravened a provision of Part III; or
- (b) has attempted to contravene such a provision; or
- (c) has aided, abetted, instigated or procured a person to contravene such a provision;
or
- (d) has been in any way, directly or indirectly, knowingly concerned in, or party to, the contravention by a person of such a provision; or
- (e) has conspired with others to contravene such a provision;

The Commission may order the person to pay to the Commission such pecuniary penalty, in respect of each act or omission by the person to which this article applies, as the Commission determines to be appropriate having regard to all relevant matters including the nature and extent of the act or omission and of any loss or damage suffered as a result of the act or omission, the circumstances in which the act or omission took place and whether the person had previously been found by the Commission in proceeding under this Part to have engaged in any similar conduct.

51.1 The pecuniary penalty payable under paragraph 1 of this article by a body corporate shall not be less than FIVE HUNDRED THOUSAND PESOS (Php 500,000.00) and shall not exceed:

- (a) ONE MILLION PESOS (Php 1,000,000.00) in the case of small corporation or a body corporate;
- (b) FIVE MILLION PESOS (Php 5,000,000.00) in the case of a medium size corporation;
- (c) TEN MILLION PESOS (Php 10,000,000.00) in the case of a large corporation or a body corporate.

51.2 The pecuniary penalty payable under paragraph 1 of this article by a person other than a body corporate shall not be less than TWO HUNDRED AND FIFTY THOUSAND PESOS (Php 250,000.00) and shall not exceed ONE MILLION PESOS (Php 1,000,000.00) for each separate act or omission to which this article applies.

51.3 If conduct constitute a contravention of two or more provisions of Part III, a proceeding may be instituted under this Act against a person in relation to the contravention of any one or more of the provisions but a person is not liable to more than one pecuniary penalty under this article in respect of the same conduct.

51.4 In exercising its discretion, the Commission shall have regard to the seriousness of the contravention, the gain sought to be achieved by the contravention and the capitalization of the body corporate.

SEC. 52. *Action for Recovery of Pecuniary Penalties.* - The Commission may institute a proceeding in the Court for the recovery on behalf of the Commission of a penalty referred to in Section 51 of this Act. A proceeding for penalty may be commenced within six (6) years after the contravention occurs.

SEC. 53. *Cease and Desist Orders.* - Where the Commission is satisfied that a person has engaged, or is proposing to engage, in conduct that constitutes or would constitute :

- (a) a contravention of a provision of Part III; or
- (b) attempting to contravene such a provision; or
- (c) aiding, abetting, instigated or procuring a person to contravene such a provision; or
- (d) inducing, or attempting to induce, whether by threats, promises or otherwise, a person to contravene such a provision; or
- (e) being in any way, directly or indirectly, knowingly concerned in or party to, the contravention by a person of such a provision; or
- (f) conspiring with others to contravene such a provision

The Commission may make such orders to stop or prevent such conduct as it considers appropriate.

53.1 If the Commission determines it to be appropriate, to grant a cease or desist order by consent of all the parties to the proceedings, it may do so whether or not the Commission is satisfied that a person has engaged, or is proposing to engage, in conduct of a kind prohibited by the Act.

53.2 Where in the opinion of the Commission it is desirable to do so, it may grant a temporary restraining order (TRO) and/or preliminary injunction or preliminary mandatory injunction subject to the requirements and periods provided under the Rules of Court.

53.3 The Commission may rescind or vary any order.

53.4 The power of the Commission to issue an order restraining a person from engaging in conduct may be exercised.

- (a) whether or not it appears that the person intend to engage again, or to continue to engage, in conduct of that kind; and
- (b) whether or not the person has previously engaged in conduct of that kind; and
- (c) whether or not there is an imminent danger of substantial damage to any person if the first-mentioned person engages I conduct of that kind.

SEC. 54. *Power of Commission to Make an Order.* - The power of the Commission to make an order requiring a person to do an act or thing may be exercised:

- (a) whether or not it appears to the Commission that the person intends to refuse or fail again, or to continue to refuse or fail, to do that act or thing; and
- (b) whether or not there is an imminent danger of substantial damage to any person if the first-mentioned person refuses or fails to do that act.

SEC. 55. *Divestiture.* - The Commission may if it finds that a person has contravened the provision relating to anti-competitive acquisitions, by order, give directions for the purpose of securing the disposal by the person of all or any of the shares or assets acquired in contravention of that Section. Where:

- (a) the Commission is aware that a person (in this paragraph referred to as the "acquirer") has acquired shares in the capital of a body corporate or any assets of a person in contravention of Section 45; and
- (b) the Commission finds, that the person (in this Section referred to as the "vendor") from whom the acquirer acquired those shares or those assets, as the case may be, was involved in the contravention; and
- (c) at the time when the finding is made, any of those shares or those assets, as the case may be, are vested in the acquirer or, if the acquirer is a body corporate, in any related corporation; and
- (d) the Commission may declare that the acquisition, in so far as it relates to shares or assets, is void.

55.1 Where a person does not abide by such an order the Commission may apply to the Court to enforce such a declaration.

SEC. 56. *Orders For Damages By The Commission.* - The Commission may order that a person who has contravened this Part pay the amount of loss or damages (determined by the Commission) to any person and/or make "other orders" under Section 62 of this Act to remedy the effect of the contravention.

56.1 A person who suffers loss or damage by conduct of another person that was done contravention of a provision of Part III may be compensated for the amount of the loss or damage by action against that other person or against any person involved in the contravention and/or obtain other orders as set out in Section 62.

56.2 Notwithstanding the provisions of any other law, the Commission may at any time within three years after the date on which the cause of action accrued make an order for loss of damages.

SEC. 57. *Orders for Damages by the Court.* - A person who suffers loss or damage by conduct of another person that was done in contravention of Part III may seek a Court Order as to damages and/or Orders under Section 56 of this Act. Such claim must be made within 6 (six) years from the time the cause of action accrues. In any such claim an order by the Commission in relation to the same conduct is prima facie evidence of a contravention in the proceedings before the Court.

SEC. 58. *Class Action by Commission.* - The Commission may, and has standing to consider, a liability action on behalf of one or more claimants who have suffered loss or damage. The Commission may only consider such a matter if it has obtained the written consent of the claimant or each of the claimants.

SEC. 59. *Conduct by Directors, Employees or Agents.* - Wherein, in a matter under this Part in respect of conduct engaged in by a body corporate, it is necessary to establish the state of mind of the body corporate, it is sufficient to show that a director, employee or agent of the body corporate, being a director, employee or agent by whom the conduct was

59.1 Any conduct engaged in on behalf of a body corporate:

- (a) by a director, employee or agent of the body corporate within the scope of the person's actual or apparent authority ; or

- (b) by any other person at the direction or with the consent or agreement (whether express or implied) of a director, employee or agent of the body corporate, whether the giving of the direction, consent, or agreement is within the scope of the actual or apparent authority of the director, employee or agent, shall be deemed, for the purposes of this Act, to have been engaged in also by the body corporate.

59.2 Where in a proceeding under this Part in respect of conduct engaged in by a person other than a body corporate, it is necessary to establish the state of mind of the person, it is sufficient to show that a employee or agent of the person, being a employee or agent by whom the conduct was engaged in within the scope of employee's or agent's actual or apparent authority, had that the state of mind.

59.3 Conduct engaged in on behalf of a person other than a body corporate:

- (a) by an employee or agent of the person within the scope of the actual or apparent authority of the employee or agent; or
- (b) by any other person at the direction or with the consent or agreement of an employee or agent of the first-mentioned person, whether the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the employee or agent, shall be deemed, for the purposes of this Act, to have been engaged in also by the first-mentioned person.

SEC. 60. *Jurisdiction of Courts.* - The Regional Trial Court shall have exclusive original jurisdiction over civil actions to enforce undertakings, recover pecuniary penalties and hear other matters arising from breach of this Act or of agreements made under this Act. Including those that might be brought against the Commission by a real party in interest or a proper party over criminal actions arising from violation of this Act. In cases of search and seizure any court of competent jurisdiction may issue a warrant.

SEC. 61. *Judicial Review.* - A final decision by the Commission under this Act may be appealed on a point of law before the Court of Appeals within fifteen (15) days from receipt of the decision and, in the case of decisions under Part V (Authorizations), on issues of facts as well.

61.1 The timely filing of a Motion for Reconsideration shall interrupt the period of appeal which shall re-commence to run in the event of a receipt of a Commission order denying the Motion for Reconsideration.

61.2 A party who has been aggrieved by a final order or final order decision and who has exhausted all administrative remedies before the Commission may avail of the remedy provided under Rule 65 of the Rules of the Court upon the grounds therein provided.

SEC. 62. *Other Orders.* - Where, the Commission finds that a person has suffered, or is likely to suffer, loss or damage by conduct of another person that was engaged in, in contravention of a provision of Part III the Commission may, whether or not it grants a cease or desist order, make such order or orders as it thinks appropriate against the person who engaged in the conduct or a person who was involved in the contravention (including all or any of the orders mentioned in this Section) if the Commission considers that the order or orders concerned will compensate the first-mentioned person in whole or in part for the loss or damage or will prevent or reduce the loss or damage.

62.1 The orders referred to above shall include:

- (a) an order declaring the whole or any part of an contract, arrangement or understanding, or of a collateral arrangement relating to the contract, arrangement or understanding, made between the person who suffered, or is likely to suffer, the loss or damage and the person who engaged in the conduct, to be void. And if the Commission thinks fit, declare it to have been void ab initio or so at all times on and after such date before the date on which the order is made as is specified in the order;
- (b) an order varying such an contract, arrangement or understanding in such a manner as is specified in the order and, if the Commission thinks fit, declaring the contract, arrangement or understanding to have had effect as so varied on and after such date before the date on which the order is made as is so specified;
- (c) an order refusing to enforce any or all of the provisions of such an contract, arrangement or understanding;
- (d) an order directing the person who engaged in the conduct or a person who was involved in the contravention constituted by the conduct to refund money or return property to the person who suffered the loss or damage;

- (e) an order directing the person who engaged in the conduct or a person who was involved in the contravention constituted by the conduct to pay to the person who suffered the loss or damage the amount of the loss or damage;
- (f) an order directing the person who engaged in the conduct or a person who was involved in the contravention constituted by the conduct, at his own expense, to repair, or provide parts for, goods that had been supplied by the person who engaged in the conduct to the person who suffered, or is likely to suffer, the loss or damage;
- (g) an order directing the person who engaged in the conduct or a person who was involved in the contravention constituted by the conduct, at his own expense, to supply specified services to the person who suffered or is like to suffer the loss or damage; and
- (h) an order, in relation to an instrument creating or transferring an interest in land, directing the person who engaged in the conduct or a person who was involved in the contravention constituted by the conduct to execute an instrument that :
 - (i) varies, or has the effect of varying, the first-mentioned instrument; or
 - (ii) terminates or otherwise affects, or has the effect of terminating or otherwise affecting the operation of effect of the first-mentioned instrument.

SEC. 63. *Power of Court to Prohibit Payment or Transfer or Monies or Other Property.* -

The Court may, on the application of the Commission, make an order or orders mentioned above, if the Court is satisfied that it is necessary or desirable to do so for the purpose of preserving money or other property. The orders referred to above are :

- (a) an order prohibiting, either absolutely or subject to conditions, a person who is indebted to the relevant person or to an association of the relevant person from making a payment in total or partial discharge of the debt to, or to another person at the direction or request of, the person to whom the debt is owed;
- (b) an order prohibiting, either absolutely or subject to conditions, a person who is holding money or other property on behalf of the relevant person from paying all or any of the money, or transferring, or otherwise parting with possession of, the other property to or to another person at the direction or request of , the person on whose behalf the money or other property is held;

- (c) an order prohibiting, either absolutely or subject to conditions, the taking or sending by any person of money of the relevant person or of an associate of the relevant person to a place outside the Philippines; and
- (d) an order appointing, where the relevant person is a natural person, a receiver or trustee of the property or of part of the property of the relevant person with such powers as are specified in the order.

63.1 An order under this Section may be expressed to operate -

- (a) for a period specified in the order; or
- (b) until proceeding under any other provision of this Part in relation to which the order was made have been concluded.

63.2 A person who contravenes or fails to comply with an order by the Court under this Section that is applicable to the person is guilty of an offense punishable on conviction:

- (a) in the case of a person not being a body corporate - by a fine not exceeding TWO HUNDRED and FIFTY THOUSAND PESOS (Php 250,000.00); or
- (b) in the case of a person being a body corporate - by a fine not exceeding TWO MILLION FIVE HUNDRED THOUSAND PESOS (Php 2,500,000.00).

SEC. 64. *Enforcement of Undertakings.* - The Commission may accept a written undertaking given by a person for the purposes of this Section in connection with a matter in relation to which the Commission has power or function under this Act. The person may withdraw or vary the undertaking at any time, but only with the consent of the Commission.

64.1 Where the Commission considers that the person who gave the undertaking has breached any of its items, the Commission may apply to the Court for an order under this provision. If the Court is satisfied that the person has breached a term of the undertaking, the Court may make all or any of the following orders -

- (a) an order directing the person to comply with that term of the undertaking; or
- (b) an order directing the person to pay to the State an amount up to the amount of any financial benefit that the person has obtained directly or indirectly and that is reasonably attributable to the breach; or
- (c) any order that the Court considers appropriate directing the person to compensation any other person who has suffered loss or damage as a result of the breach; or

(d) any other orders that the Court considers appropriate.

64.2 A person who gives an undertaking pursuant to this Section cannot retract the same before a court in proceedings brought in respect of an alleged contravention of that undertaking; neither (s)he deny the occurrence of the conduct that is the subject of the undertaking.

PART V. AUTHORIZATIONS

SEC. 65. *Power of Commission to Grant Authorizations.* - The Commission may , upon application by or on behalf of a person, grant an authorization:

- (a) to make or enter into an contract, arrangement or understanding or give effect to an contract, arrangement or understanding, where a provision of the proposed contract, arrangement or understanding would be, or might be, a primary or secondary boycott or would have the purpose, or would have or might have the effect, of substantially lessening competition; or
- (b) to enter into conduct that amounts to exclusive dealing for the purpose of the monopolization provision of this Act; or
- (c) to engage in conduct that amounts to resale price maintenance under this Act.

65.1 During the period an authorization granted under paragraph a of Section 65 remains in force:

- (a) in the case of an authorization, to make or enter into an contract, arrangement or understanding or to engage in conduct, the Act does not prevent the person from making the contract, arrangement or understanding or entering into conduct in accordance with the authorization and giving effect to the contract, arrangement or understanding in accordance with the authorization; and
- (b) in the case of an authorization to give effect to a provision of an contract, arrangement or understanding or to engage in conduct :
 - (i) the provision is not unenforceable pursuant to this Act; and
 - (ii) the Act does not prevent the person from giving effect to the provision in accordance with the authorization.

65.2 The Act permits the granting of an authorization in relation to:

- (a) the making of a contract, arrangement or understanding that would contain a provision having the purpose, or having or being likely to have the effect, or fixing, controlling maintaining the price for, or a discount, allowance, rebate or credit in relation to, goods supplied or acquired or to be supplied or acquired by the proposed parties to the proposed contract, arrangement or understanding or by any of them, or by any related corporations in competition with each other; or
- (b) the giving effect to such a provision of contract, arrangement or understanding.

65.3 The Act does not prevent the granting of an authorization under Section 65 in relation to a provision of an contract, arrangement or understanding for the purposes of a joint venture to the extent that the provision relates or would relate to the supply of goods in pursuance of the joint venture.

65.4 The Act does not prevent the granting of an authorization under Section 65 in relation to a provision of an contract, arrangement or understanding being a provision in relation to the price for goods to be collectively acquired, whether directly or indirectly, by the parties to the contract, arrangement or understanding from -

- (a) a person who is not, or persons non of whom is, such a party or a related corporation related to such a party; or
- (b) a person who is not, or persons none of whom would be, such a proposed party or a related corporation related to such a proposed party; or
- (c) for the joint advertising of the price for the re-supply of goods so acquired.

65.5 The Commission may upon application by a person -

- (a) grant an authorization to the person to acquire shares in the capital of a body corporate or to acquire assets of a person; or
- (b) grant an authorization to the person to acquire a controlling interest in a body corporate.

SEC. 66. *Procedure Applications.* - An application for an authorization is as prescribed in the Regulations. The Commission shall cause to be made public in such manner as it thinks fit notice of the receipt by the Commission of an application for an authorization. Likewise, the Commission shall keep a public register of applications for authorizations received by it. The register shall include -

- (a) any document furnished to the Commission in relation to an application for an authorization; and
- (b) any draft determination, and any summary of reasons, by the Commission; and
- (c) any document relating to:
 - (i) the revocation by the Commission of an authorization; or
 - (ii) the substitution of an authorization for an authorization previously in force; and
- (d) any record of a conference made in accordance with Section 68 and any certificate in relation to a conference given; and
- (e) particulars of any oral submission made to the Commission in relation to such an application; and
- (f) the determination of the Commission on such an application and the statement of the reasons given by the Commission for the determination.

66.1 Where a person furnishes a document to the Commission in relation to an application for an authorization or makes an oral submission to the Commission in relation to such an application, (s)he may at the time when the document is furnished or the submission is made, request that the document or a part of the document, or that particulars of the submission or of part of the submission, be excluded from the register by reason of the confidential nature of any of the matters contained in the document or submission.

66.2 Where a request is made for a grant of confidentiality -

- (a) if the document or the part of the document, or the submission or the part of the submission, to which the request relates contains particulars of -
 - (i) a secret formula or process; or
 - (ii) the cash consideration offer for the acquisition of shares in the capital of a body corporate or assets of a person; or
 - (iii) the current costs of manufacturing, producing or marketing products,

the Commission shall exclude the document or the part of the document, or particulars of the submission or of the part of the submission, as the case may be from the register; and

- (b) in any other case, the Commission may, if it is satisfied that it is desirable to do so by reason of the confidential nature of the matters contained in the document or the part of the document, or in the submission or the part of the submission, exclude the document or the part of the document, or particulars of the submission or of the part of the submission, as the case may be, from that register.

66.3 Where the Commission refuses a request to exclude a document or a part of a document from the register, the Commission shall, if the person who furnished the document to the Commission so requires, return the document or part of the document to him or her.

66.4 The Commission's actions on applications include those actions carried out by its officer under a written authority to delegate provided such authority to delegate provided such authority is -

- (a) addressed to a specific officer of the Commission;
- (b) for a limited period as prescribed under the Commission's Internal Rules;
- (c) for a specific action only;
- (d) in respect of a particular corporation; and
- (e) in connection with a particular application.

66.5 Where the Commission refuses a request to exclude particulars of an oral submission or part of an oral submission from the register, the person who made the submission may inform the Commission that (s)he withdraws the submission or that part of the submission and, in that case.

SEC. 67. Determination of Applications. - The Commission shall, in respect of an application for an authorization

- (a) make a determination in writing granting such authorization as it considers appropriate; or
- (b) make a determination in writing dismissing the application.

67.1 The Commission shall take into account any submission in relation to the application made to it by the applicant, or by any other person. The Commission shall state in writing its reasons for a determination made by it. Before making a determination in respect of an application for an authorization, the Commission shall comply with the requirements of section 68 (Commission to Afford Opportunity for Conference).

67.2 The Commission shall not grant:

- (a) an authorization in respect of a provision of a proposed contract, arrangement or understanding that is otherwise in breach of the Act; or

(b) an authorization in respect of proposed exclusive dealing or resale price maintenance conduct,

unless it is satisfied in all the circumstances that the proposed contract, arrangement or understanding or the proposed conduct would result, or be likely to result, in such a benefit to the public that the proposed contract, arrangement or understanding or conducts should be allowed to be made or should be allowed to take place, as the case may be.

67.3 The Commission shall not make a determination granting an authorization in respect of a proposed acquisition of shares in the capital of a body corporate or of assets of a person or in respect of the acquisition of a controlling interest in a body corporate unless it is satisfied in all circumstances that the proposed acquisition would result, or be likely to result in, in such a benefit to the public that the acquisition should be allowed to take place.

67.4 If the Commission does not determine an application for an authorization in relation to an acquisition under Section 66.2 within:

- (a) thirty (30) days from the day on which the application is received by the Commission; or
- (b) if the Commission, before the end of that period of thirty (30) days, gives to the applicant a notice in writing requesting the applicant to give to the Commission additional information relevant to the determination of the application - the period consisting of thirty (30) days from the day on which the application is received by the Commission increased by the number of days in the period commencing on the day on which the notice is given to the Commission such of the additional information as the applicant is able to provide,

the Commission shall be deemed to have granted, at the end of that period, the authorization.

67.5 The Commission may, within the thirty (30) day period, notify the applicant in writing that the Commission considers that the period should be extended to forty five (45) days due to the complexity of the issues involved, and where the Commission so notifies the applicant, the references to thirty (30) days are to be treated as references to forty five (45) days.

SEC. 68. Commission to Afford Opportunity for Conference. - Before determining an application for an authorization (other than an application for an authorization in relation to an

acquisition under Section 70), the Commission shall prepare a Draft Determination in relation to the application.

68.1 The Commission shall, by notice in writing sent to the applicant and to each other interested person, invite the applicant or other person to notify the Commission within fourteen days after a date fixed by the Commission being not earlier than the day on which the notice is sent, whether the applicant or other person wishes the Commission to hold a conference in relation to the Draft Determination.

68.2 Where -

- (a) the Draft Determination provides for - the granting of the application unconditionally; and
- (b) no person has made a written submission to the Commission opposing the application,

each notice by the Commission under Section 68.1 shall inform the person to whom the notice is sent that the Draft Determination so provides.

68.3 Where -

- (a) the Draft Determination does not provide for the granting of the application or provides for the granting of the application subject to conditions; or
- (b) the Draft Determination provides for the granting of the application unconditionally but a written submission has, or written submission have, been made to the Commission opposing the application,

the Commission shall send with each notice under Section 68.1 a copy of the Draft Determination and

- (c) in a case to which Paragraph (a) applies - a summary of the reasons why the Commission is not satisfied that the application should be granted or why it is not satisfied that the application should be granted unconditionally; or
- (d) in a case to which Paragraph (b) applies - a summary of the reasons why it is satisfied that the application should be granted unconditionally.

68.4 Where each of the person to whom a notice was sent under Section 68.1.

- (a) notifies the Commission within the period of fifteen (15) days, mentioned in that paragraph that (s)he does not wish the Commission to hold a conference in relation to the Draft Determination; or
- (b) does not notify the Commission within that period that (s)he wishes the Commission to hold such a conference,

the Commission may make the determination at any time after the expiration of that period.

68.5 Where any of the persons to whom a notice was sent under Section 68.1 notifies the Commission in writing within the period of fourteen (14) days mentioned in that paragraph that (s)he wishes the Commission to hold a conference in relation to the draft determination, the Commission shall appoint a date (being not later than thirty days after the expiration of that period), time and place for the holding of the conference and given notice of the date, time and place so appointed to each of the persons to whom to notice was sent under Section 68.1.

68.6 At the Conference -

- (a) the Commission shall be represented by a member or members of the Commission (being a member or members who participated in the preparation of the Draft Determination) nominated by the Commissioner; and
- (b) each person to whom a notice was sent under Section 68.1 and any other interested person whose presence at the conference is considered by the Commission to be appropriate is entitled to attend and participate personally or, in the case of a body corporate, may be represented by a person who, or by persons each of whom, is a director, officer or employee of the body corporate; and
- (c) a person participating in the conferences in accordance with Paragraph (a) or (b) is entitled to have another person to assist him but that or other person at the conference is not entitled to participate in the Discussion; and
- (d) the Secretary or a person or persons appointed in writing by the Secretary is or are entitled to attend personally; and
- (e) no other person is entitled to be present.

68.7 A member of the Commission participating in the conference shall make such record of the discussion as is sufficient to set out the matters raised by the persons participating in the conference.

68.8 The member of the Commission who represents the Commission at the conference, or, if the Commission is represented by more than one member of the Commission, one of those members appointed by the Chairman:

- (a) may exclude from the conference any person who uses insulting language at the conference, creates, or takes part in creating or continuing, a disturbance at the conference of repeatedly interrupts the conference; and
- (b) may terminate the conference when (s)he is of the opinion that a reasonable opportunity has been given for the expression of the views of persons participating in the conference (other than persons excluded from the conference under Paragraph (a)); and.
- (c) shall give a certificate certifying the day on which the first notification under Section 68.5 in relation to the draft determination was received by the Commission and the day on which the conference terminated, and any such certificate shall be received in all courts as evidence of the matters certified.

68.9 A document purporting to be a certificate referred to in Section 68.8 shall, unless the contrary is established, be deemed to be such a certificate and to have been duly given. The Commission shall take account of all matters raised at the conference and may at any time after the termination of the conference make a determination in respect of the application.

68.10 For the purpose of this section, "interested person" means a person who has notified the Commission in writing that (s)he, or a specified unincorporated association of which (s)he is a member, claims to have an interest in the application, being an interest that, in the opinion of the Commission, is real substantial.

68.11 Where the Commission is of the opinion that two or more applications for authorizations that are made by the same persons being bodies corporate that are related to each other, involve the same or substantially similar issues, the Commission may treat the applications as if they continue a single application and may prepare one draft determination in relation to the applications and hold one conference in relation to that draft determination.

SEC. 69. *Grant, Revocation, Variation and Interim Authorizations.* - An authorization may be expressed to be in force for a period specified in the authorization and, if so expressed, remains

in force for that period only. An authorization comes into force on the day specified for the purpose in the authorization, not being a day earlier than, the day an authorization is deemed to have been granted under Section 67.4:

- (a) where paragraph (b) or (c) do not apply - the end of the period in which any application may be made to the court for a review of the determination by the Commission of the application for the authorization; or
- (b) if such an application is made to the Court and the application is not withdrawn - the day on which the court makes a determination on the review; or
- (c) if such an application is made to the Court and the application is not withdrawn - the day on which the application is withdrawn, as the case may be.

69.1 If the Commission considers that it is appropriate to do so:

- (a) for the purpose of enabling due consideration to be given to an application for an authorization; or
- (b) pending the expiration of the time allowed for the making of an application to the court for a review of a determination by the commission of an application for an authorization and, if such an application for a review is made, pending the making of a determination by the court on the review; or
- (c) for any other reason, an authorization granted in respect of the application may be expressed to be an Interim Authorization and the Commission may at any time revoke an authorization so expressed. An authorization may be expressed to be subject to such conditions as are specified in the authorization.

69.2 Where, at any time after the commission has granted an authorization, it appears to the Commission that the authorization was granted on the basis of evidence or information that was false or misleading in a material particular, that a condition to which the authorization was expressed to be subject has not been complied with or that there has been a material change of circumstances since the authorization was granted –

- (a) the commission shall give notice accordingly to the authorization holder and any other persons who appear to the Commission to be interested and afford them a reasonable opportunity of making submissions to the commission in the matter; and
- (b) where, after so notifying the authorization holder and other persons (if any) and considering any submission is made by those persons, the commission is satisfied

that the authorization was granted on the basis on evidence or information that was false or misleading in a material particular, that the condition has not been complied with or that there has been such a material change of circumstances, the commission may make a determination revoking the authorization and, if it considers it appropriate to do so, granting a further authorization in substitution for the authorization so revoked.

PART VI. MISCELLANEOUS

SEC. 70. *Intimidation of Other Persons.* - A person shall not -

- (a) threaten, intimidate or coerce another person; or
- (b) cause or procure damage, loss or disadvantage to another,

for or on account of that other person proposing to furnish or having furnished information, or proposing to produce or having produced documents to the Commission for or on account of the other person proposing to appear or having appeared as a witness before the Commission.

70.1 A person who contravenes paragraph 1 hereof is guilty of an offence, punishable on conviction -

- (a) in the case of a person not being a body corporate - by a fine not exceeding TWO HUNDRED and FIFTY THOUSAND PESOS (p 250,000.00) or imprisonment for a term not exceeding one year, or both; or
- (b) in the case of a person being a body corporate- by a fine not exceeding TWO MILLION FIVE HUNDRED THOUSAND PESOS (Php 2,500,000.00).

SEC. 71. *Moneys of the Commission Generally.* - The Commission shall open and maintain such bank accounts necessary for the exercise and performance of its powers and functions, and shall pay into them -

- (a) all moneys receive from the state for the purpose of this Act;
- (b) all moneys appropriated by congress for the purpose of carrying out or giving effect to this Act;
- (c) all moneys receive by way of fines for offences of this Act;

- (d) all moneys received by way of fees of or for services provided by the Commission;
and
- (e) all other moneys received by the Commission in the exercise and performance of its powers, function and duties under this Act or any other Act.

71.1 Out of the moneys standing to the credit of the accounts referred to in Section 71 , the Commission shall pay -

- (a) all moneys payable by it in repayment of advances or loans under this Act;
- (b) the costs, charges and expenses incurred by the Commission in the performance of its functions under this Act;
- (c) the remuneration and allowance of the members of the Commission, and of officers and employees of the Commission; and
- (d) any other payments that the Commission is authorized or required to make under this Act.

SEC. 72. Fees and Charges. - The Secretary will set any fees and charges to be levied by the Commission for all application to the Commission and all requests for informal advice, all publications and related matters and services provided to the community and where the Commission considers it appropriate to charge fees.

SEC. 73. Public Registers. - The Commission shall maintain public registers (in addition to those required under Part V) in relation to enforceable undertakings, approved codes of conduct, businesses declared by the Secretary under the monopolization provisions and acquisitions. These registers must apply to all relevant matters considered by the Commission but the commission may delay putting matters on the registers, or only put part, if it considers that to release certain information will be prejudicial to a commercial party or against public policy.

SEC. 74. Service of Documents. - Where under this Act a document or a notice is required to be given to a person, the document or notice may given -

- (a) in the case of a person who is neither a body corporate or a firm -
 - (i) by delivering it to him or her personally; or
 - (ii) by leaving it at his or her last known place of residence with someone who apparently resides there, or at his or her last known place of business or employment with someone who is apparently employed there; or

- (iii) by sending it by registered mail to his or her last known place of residence, business or employment.
- (b) in the case of a body corporate -
 - (i) by delivering it to the secretary of the body corporate personally; or
 - (ii) by leaving it at the registered office of the body corporate or at the place or principal place of business of the body corporate with a person apparently employed there; or
 - (iii) by sending it by registered mail to the registered office of the body corporate or to the place or principal place of business of the body corporate.
- (c) in the case of a firm -
 - (i) by delivering it to a member of the business organization personally; or
 - (ii) by leaving it at the last known place or principal place of business of the business organization with a person apparently employed there; or
 - (iii) by sending it by post to the last known place or principal place of business of the business organization.

SEC. 75. *Annual Report.* - The Commission must prepare and forward to the Secretary an Annual Report on all of its activities. Such report must be forwarded to the President within Sixty (60) days from the end of the fiscal year and the Report must be tabled in the Congress within Thirty (30) days of the President receiving it.

SEC. 76. *Rules and Regulations.* - The Commission shall establish Internal Rules and Regulations to govern its operations. It shall prescribe such guidelines and an Internal Code of Conduct for the guidance of its staff. The Commission shall likewise promulgate Rules of Practice and Procedure necessary to carry out its functions under this Act.

SEC. 77. *Appropriations.* - Such amount as may be necessary to carry out the provisions of this Act which in no case shall be less than ONE HUNDRED MILLION PESOS (PHP100,000,000) is hereby appropriated yearly for the operating expenses of the Commission out of any funds of the National Treasury.

SEC. 78. *Separability Clause.* - If any provision or article of this Act or the application thereof to any person or circumstance is held invalid, the other provisions or articles of this Act,

and the application of such provision or article to other persons or circumstances shall not be affected thereby.

SEC. 79. *Repealing Clause.* - All other laws inconsistent with the provisions of the Act are hereby repealed

SEC. 80. *Effectivity.* - This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,