

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 770

Introduced by **HONORABLE EDCCEL C. LAGMAN**

EXPLANATORY NOTE

This bill seeks to penalize merchandizing stores and service establishments that set higher prices for goods and services purchased with the use of credit cards than for those purchased with cash, and/or limit bargain sale items and services to cash purchases.

In the current globalized economy, the use of credit cards has reached such unprecedented patronage that almost every Filipino of middle class status possesses one. Whether one is constrained to obtain a credit card only for emergencies or for his daily transactions is immaterial. What matters is that the Filipino customer eventually pays with his or her hard-earned money for the goods and services he or she purchases through credit cards. Credit card holders who are already weighed down by interest charges and the even more onerous late financial charges should not be made to pay a price higher than the actual cash retail price.

Many holders of credit cards are already trapped in an almost bottomless pit from which they hardly extricate themselves. Charging them higher prices when they use their credit cards to buy life's necessities is a double whammy that will irretrievably push them deeper in the hole.

Accordingly, approval of this measure is urgently requested.


EDCEL C. LAGMAN

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AN ACT
PROHIBITING MERCHANDISING STORES AND SERVICE
ESTABLISHMENTS FROM CHARGING MORE THAN THE CASH RETAIL
PRICE OF GOODS AND SERVICES PURCHASED WITH CREDIT CARDS
AND PRESCRIBING PENALTIES FOR ANY VIOLATION THEREOF

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

SECTION 1. It shall be unlawful for any merchandising store or service establishment to charge the customers more than the actual cash retail price of the goods and services purchased when such purchase is done with the use of a credit card and/or to limit bargain sale items and services to cash purchases.

SEC. 2. Any person who shall violate the provision of this Act shall be punished with imprisonment of not less than six (6) months but not more than one (1) year or a fine of not less than Twenty thousand pesos (P20,000.00) but not more than One hundred thousand pesos (P100,000.00) or both such imprisonment and fine at the discretion of the court. In case of a partnership, association, corporation or any other juridical person, the penalty shall be imposed on the president, treasurer or any other officer or person responsible for the violation. In addition, the license to operate the business establishment shall be suspended for six (6) months or in the case of recidivism, cancelled, as the case may be. If the offender is an alien, he shall, after service of sentence, be deported immediately without further proceedings in the Bureau of Immigration.

SEC. 3. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.