

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

House Bill No. 5785



Introduced by: Congressman Lord Allan Jay Q. Velasco

EXPLANATORY NOTE

The Revised Penal Code (RPC), also known as Act 3815, had been enacted way back in December 8, 1930. While the RPC governed our penal laws for more than eight decades the amounts of monetary fines or penalties punishing crimes remain unchanged, this, despite the devaluation and inflation which our currency has undergone thru more than eight decades.

In order to uphold the full force and teeth of our penal laws the punishment for offenses/crimes including the fine, imprisonment and civil disqualification components must be up to date. With regard to the fine component the amounts are still based on 1930 prices, the year the law was enacted. The massive inflation and devaluation our currency has gone through renders the punitive fine component of the RPC negligible. It is in this light that an adjustment of the fine through an amendment is highly in order.

The outdated fines incorporated in the RPC are vividly exhibited in Art. 318 of said law wherein the penalty for Other Deceits is punishable by:

“The penalty of arresto mayor and a fine of not less than the amount of the damage caused and not more than twice such amount shall be imposed upon any person who shall defraud or damage another by any other deceit not mentioned in the preceding articles of this chapter.

Any person who, for profit or gain, shall interpret dreams, make forecasts, tell fortunes, or take advantage of the credulity of the public in any other similar manner, shall suffer the penalty of arresto mayor or a fine not exceeding 200 pesos.”

This amount is grossly insufficient in today's standard.

The present bill suggests new amounts, subject to the committee's discretion, replacing the old ones using a formula utilizing the available data from the National Statistics Coordination Board relating to Consumer Price Indexes.

In adjusting the fines accurately the inflation rate computed from 1930 up to the present must be computed. However, there is no data available for the CPI (Consumer Price Index) earlier than 1955 in the Philippines and no data available for the CPI from 1986 to 1988. Moreover, there had been a total of 8 rebasing of base years for the computation of inflation rates (the purpose of rebasing is to make relevant or update the items included in the basket of goods).

Given these limitations, the year 1955 is used as the base year for the computation up to 2011 and disregarding the inflation rate in the years 1986 to 1988 making the derived inflation rate a conservative one. Using the derived inflation rate of 8, 012 % we can now compute the adjusted value of fines after factoring in the change in prices in the Philippines, more precisely the effect of inflation rate.

The computation yields the adjusted value of 16,024 for the "200 pesos" maximum fine for the crime of Other Deceits. But for purposes of convenience it is rounded off to 16,000 pesos.

Thus, Art 318 of the RPC should be amended to read:

Art. 318. *Other deceits.* — The penalty of arresto mayor and a fine of not less than the amount of the damage caused and not more than twice such amount shall be imposed upon any person who shall defraud or damage another by any other deceit not mentioned in the preceding articles of this chapter.

Any person who, for profit or gain, shall interpret dreams, make forecasts, tell fortunes, or take advantage of the credulity of the public in any other similar manner, shall suffer the penalty of arresto mayor or *a fine not exceeding 16,000 pesos.*

This moment is certainly the best and opportune time to amend the above mentioned article of our antiquated RPC.

Immediate passage of this bill is earnestly sought.



LORD ALLAN JAY Q. VELASCO

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**AN ACT AMMENDING ARTICLE 318 OF ACT NO. 3815, AS AMENDED,
OTHERWISE KNOWN AS THE REVISED PENAL CODE**

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

SECTION 1. Article 318 of Act No. 3815, as amended, otherwise known as the Revised Penal Code, is hereby further amended to read as follows:

Art. 318. *Other deceits.* — The penalty of arresto mayor and a fine of not less than the amount of the damage caused and not more than twice such amount shall be imposed upon any person who shall defraud or damage another by any other deceit not mentioned in the preceding articles of this chapter.

Any person who, for profit or gain, shall interpret dreams, make forecasts, tell fortunes, or take advantage of the credulity of the public in any other similar manner, shall suffer the penalty of arresto mayor or *a fine not exceeding 16,000 pesos.*

SECTION. 2. *Repealing Clause.* — Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provision of this Act is hereby repealed, modified or amended accordingly.

SECTION 3. *Effectivity Clause* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,