

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE-BILL NO. 4090



Introduced by HON. NIEL "JUNJUN" C. TUPAS, JR.
5th District, Iloilo

EXPLANATORY NOTE

As enshrined in Article XII, Sections 13 and 19 of the 1987 Constitution, the State shall pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity, and shall regulate or prohibit monopolies when the public interest so requires.

Pursuant thereto, the State shall:

- a. promote and enhance economic efficiency and fair competition in trade, commerce, industry, and all economic activities;
- b. prevent concentrations of economic power that threaten to unreasonably restrict competition in trade, commerce, industry, and all economic activities; and
- c. prohibit and/or control unfair trade, anti-competitive conduct, and combinations in restraint of trade, with the objective of protecting consumer welfare and advancing domestic and international trade and economic development.

In line with this, President Benigno S. Aquino in June 2011 issued Executive Order No. 45 (E.O. 45), wherein the Department of Justice was designated as the Competition Authority to enact a competition law that will ensure that the market is fair for all. E.O. 45 also created the Office of Competition (OFC) under the Office of the Secretary of Justice.

The mandate and functions of the Office for Competition (hereafter referred to as The Competition Authority in the Bill) are enumerated in section 10, which in essence are:

1. Investigate all cases involving violations of competition laws and prosecute violators to prevent, restrain and punish monopolization, cartels and combinations in restraint of trade;
2. Enforce competition policies and laws to protect consumers from abusive, fraudulent, or harmful corrupt business practices;
3. Supervise competition in markets by ensuring that prohibitions and requirements of competition laws are adhered to, and to this end, call on other government agencies and/or entities for submission of reports and provision of assistance.

The mandate of the DOJ is broad and is not limited to the criminal prosecution of offenders. It includes ways and means to solve constraints in the market. The OFC furthermore aims to provide policy direction, support and interventions.

An administrative body called the Competition Commission is also created which will primarily hear appeals and reviews the orders and decisions of the Competition Authority.

Competition is about protecting the consumers. When competition policy is active, consumer welfare is increased. Since the founding of the Republic, the country has never had a dedicated agency, unit, or office to address competition concerns.

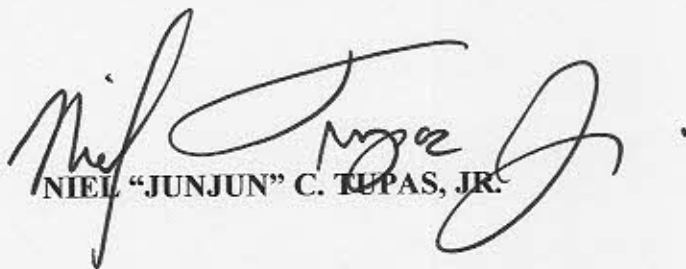
Therefore, there is definitely a need for a Competition Authority and a Competition Commission to further the aims of the State under the 1987 Constitution to pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity, and to regulate or prohibit monopolies when the public interest so requires.

Competition is likewise about cultivating a healthy economic environment to spur national development. Establishing a fair and strong competition policy will attract more market players which will result in economic progress.

Further, this bill also seeks to define and clarify the concepts in existing laws on cartelization, monopolies and combinations in restraint of trade as defined in competition laws including but limited to the following:

1. Section 19 of the 1987 Philippine Constitution
2. Act to Prohibit Monopolies and Combinations in Restraint of Trade (1 December 1925)
3. Revised Penal Code, as amended (8 December 1930)
4. Public Service Act, as amended (7 November 1936)
5. New Civil Code (18 June 1949)
6. Amending the Law Prescribing the Duties and Qualifications of Legal Staff in the Office of the Secretary of Justice (20 June 1964)

The passage of this bill is earnestly sought.



NIEL "JUNJUN" C. TUPAS, JR.

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SIXTEENTH CONGRESS
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HOUSE BILL NO. 4090

Introduced by HON. NIEL "JUNJUN" C. TUPAS, JR.
5th District, Iloilo

**AN ACT PROMOTING COMPETITION TO ENSURE ECONOMIC EFFICIENCY BY
PROHIBITING ANTI-COMPETITIVE AGREEMENTS, ABUSE OF DOMINANCE,
AND ANTI-COMPETITIVE MERGERS,
ESTABLISHING THE OFFICE FOR COMPETITION
CREATED UNDER THE DEPARTMENT OF JUSTICE
AS THE COMPETITION AUTHORITY,
CREATING THE COMPETITION COMMISSION,
AND FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* This Act shall be known as the "*Competition Act of 2014*".

Sec. 2. *Declaration of Policy.* It is enshrined in Article XII, Sections 13 and 19 of the 1987 Constitution that the State shall pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity, and shall regulate or prohibit monopolies when the public interest so requires.

Pursuant thereto, the State shall:

- d. promote and enhance economic efficiency and fair competition in trade, commerce, industry, and all economic activities;
- e. prevent concentrations of economic power that threaten to unreasonably restrict competition in trade, commerce, industry, and all economic activities; and
- f. prohibit and/or control unfair trade, anti-competitive conduct, and combinations in restraint of trade, with the objective of protecting consumer welfare and advancing domestic and international trade and economic development.

Sec. 3. *Scope and Application.* This Act shall be enforceable within the territory of the Republic of the Philippines and shall apply to all areas of trade, commerce, industry, and economic activities. It shall likewise be applicable to international trade having direct, substantial, and reasonably foreseeable effects in trade, commerce, industry or economy in the Republic of the Philippines, including those that result from acts done outside the country.

The Act shall apply to: (a) all entities as defined hereunder and their conduct, agreements, actions, or transactions involving goods or services; and (b) all agents, officers, employees, partners, owners, directors, consultants, stockholders, representatives, managers, supervisors, and other natural persons who, acting on behalf of juridical persons shall authorize, engage, or aid in agreements or the commission of any agreement or conduct with the effect of preventing, restricting, or lessening competition.

This Act shall apply neither to the combinations or activities of workers or employees nor to agreements or arrangements with their employers when such conduct, activities, agreements, or arrangements are designed solely to facilitate collective bargaining in respect of conditions of employment.

Sec. 4. *Definition of Terms.* For purposes of this Act:

- a. "Agreement or Conduct" shall refer to any type or form of arrangement, understanding, undertaking or concerted action, whether formal or informal or tacit, written or oral with the object or effect of substantially preventing, restricting, or lessening competition;
- b. "Cartel" shall mean any agreement among competitors (including likely potential competitors) to control production, capacity, price or other dimensions of competition, or to obtain control of any particular industry or commodity, without functionally integration their economic activities in a manner reasonably calculated to enhance output, increase innovation, reduce costs, or provide other efficiencies.
- c. "Competition" shall refer to the process by which economic agents act independently in a market;
- d. "Competition Authority" shall refer to the Office for Competition (OFC) created under the Department of Justice (DOJ) pursuant to Executive Order No. 45, series of 2011, which is established by this Act;

- e. "Competition Commission" shall refer to the administrative body created under this Act, which hears appeals and reviews the orders and decisions of the Competition Authority, and performs such other functions enumerated under Section 19 of this Act.
- f. "Control" shall refer to the ability to substantially influence or determine the actions or decisions of an entity including but not limited to at least fifty percent plus one share (50%+1) ownership of shares in a stock company, or in the position to cast at least fifty percent plus one share (50% plus 1) of the voting rights of an entity, or to designate a majority of a board of directors or equivalent management entity, directly or indirectly, regardless of the number of intermediary entities;
- g. "Dominance" shall refer to having the power to control prices or exclude competition independently of competitors, customers and/or consumers in controlling the relevant market for a particular good or service or group of goods or services; and
- h. "Entities" shall include any person, natural or juridical, partnership, corporation, combination or association in any form, whether incorporated or not, domestic or foreign, including those owned or controlled by the government, engaged in any economic activity: *Provided*, That, two entities, one of which is controlled by the other, shall be treated as one entity: *Provided, further*, That two or more entities that are controlled by a single entity shall be treated as one entity.
- i. "Relevant Market" shall refer to the general conditions under which sellers and buyers exchange goods, and implies the definition of the boundaries that identify groups of sellers and of buyers of goods within which competition is likely to be restrained. It requires the delineation of the product and geographical lines within which specific groups of goods, buyers and sellers interact to establish price and output.

Sec. 5. ***Anti-Competitive Agreement or Conduct***. It shall be unlawful for an entity, in collusion with another entity or other entities, to enter in any agreement or conduct which has the object or effect of unreasonably restricting competition substantially. The agreement or conduct prohibited by this Act includes but is not limited to the following:

- a. any agreement or conduct among competitors to restrict competition as to price or other terms of trade;
- b. any agreement or conduct among competitors to set, limit, or control production, markets, technical development, or investment;

- c. any agreement or conduct among competitors to divide or share the market, whether by volume of sales or purchases, territory, type of goods or services, buyers or sellers or any other means;
- d. any agreement or conduct among competitors to fix price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation; or
- e. any agreement or conduct among competitors to apply dissimilar conditions to equivalent transactions with other parties, thereby placing them at a competitive disadvantage, except where reasonably necessary to create a new product, share risk, integrate productive activity, set legitimate technical standards, or otherwise achieve efficiencies likely to enhance competition, productivity and consumer welfare.

Sec. 6. ***Abuse of Dominance.*** It shall be unlawful for an entity to abuse a dominant position by engaging in conduct that would likely to unreasonably prevent or restrict competition substantially. The abuse of dominant position contemplated by this Act includes but is not limited to the following:

- a. selling goods or services below cost;
- b. imposing barriers to entry;
- c. setting prices or other terms or conditions that differ or discriminate unreasonably between customers or sellers of the same goods or services, where such customers or sellers are contemporaneously trading on similar terms and conditions, where the effect may be substantially to lessen competition; *Provided*, that the following shall be considered permissible price differentials:
 - i. Socialized pricing for the less fortunate sector of the economy;
 - ii. Price differentials which reasonably or approximately reflect differences in the cost of manufacture, sale, or delivery resulting from differing methods or quantities in which the goods or services are sold or delivered to the buyers or sellers;
 - iii. Price differential or terms of sale offered in response to the competitive price of payments, services or changes in the facilities furnished by a competitor; and

- iv. Price changes in response to changing market conditions, marketability of goods or services, or volume.
- d. imposing restrictions on the lease or contract for sale or trade of goods or services concerning where, to whom, or in what forms goods or services may be sold or traded, such as, but not limited to, fixing prices, or giving preferential discounts, or rebate upon such price, or imposing conditions not to deal with competing entities, where the object or effect of such restrictions is to prevent, restrict or lessen competition substantially: *Provided*, That nothing contained herein shall prohibit or render unlawful permissible franchising, licensing or exclusive distributorship agreements; or
- e. making supply of particular goods or services dependent upon the purchase of other goods or services from the supplier which have no direct connection with the main goods or services to be supplied.

There shall be a rebuttable presumption of dominance if an entity controls at least fifty percent (50%) of the relevant market. The Competition Authority shall consider the structure of the market, degree of integration, technological and financial advantages, and other relevant factors in determining control of the market.

Sec. 7. *Anti-Competitive Merger.* No entity engaged in trade, commerce, or industry shall acquire, directly or indirectly, the whole or any part of the stock or other share capital, assets or voting rights of one or more entities engaged in any trade, commerce, or industry where the object or effect of such conduct is likely to prevent, restrict, or lessen competition.

The Securities and Exchange Commission shall not approve the articles of merger or consolidation of any entity engaged in trade, commerce or industry, or any amendment thereto, unless accompanied by a favorable recommendation issued by the Competition Authority. Such recommendation shall not be issued unless the Competition Authority is satisfied from the evidence submitted that the proposed merger or consolidation will hamper or result in a substantial lessening of competition in the market.

The favorable recommendation issued by the Competition Authority shall not be construed as to dispense with the favorable recommendation issued by the appropriate government agency as required under Section 79 of the Corporation Code of the Philippines in the case of the merger or consolidation of banks or banking institutions, building and loan associations, trust companies, insurance companies, public utilities, educational institutions and other special corporations governed by special laws.

Sec. 8. **Criminal Penalties.** An entity that violates Section 5 of the Act shall, for each and every violation, be penalized by imprisonment from five (5) to ten (10) years and/or a fine up to ten percent (10%) of the annual sales of the infringed during the previous fiscal year or up to ten percent (10%) of the value of the assets of the infringed, whichever is higher.

Sec. 9. **Administrative Fines.** In any investigation under Sections 5 and 6 of this Act, the Competition Authority may, for each and every violation, impose on any entity found to have violated said sections an administrative fine of up to 10% of the entity's total turnover in the preceding business year. In fixing the amount of the fine, the Competition Authority shall have regard to both the gravity and the duration of the violation.

The imposition of administrative fines shall be appealable to the Competition Commission hereunder created.

Sec. 10. **The Competition Authority; Powers and Functions.** There is hereby created a Competition Authority out of the existing Office for Competition (OFC) created by Executive Order No. 45, Series of 2011.

The current composition of the OFC shall remain as such and shall constitute the staff of the Competition Authority, which shall be expanded to include additional personnel including legal and technical experts, consultants, and resource persons to efficiently and effectively pursue its mandate, as may be provided in the Implementing Rules and Regulations.

The Competition Authority's powers and functions include the following:

- a. Investigate any violation of this Act and other existing competition laws *motu proprio* or upon receipt of a verified complaint from an interested party or upon referral by the concerned regulatory agency, and institute the appropriate civil or criminal proceedings;
- b. Issue subpoena *duces tecum* and subpoena *ad testificandum* to require the production of books, records, or other documents or data which relate to any matter relevant to the investigation and personal appearance before the Competition Authority; summon witnesses; administer oaths; and issue *interim* orders such as show cause and cease and desist orders in accordance with the rules and regulations implementing this Act;
- c. Upon *ex parte* order of the court, undertake inspections of business premises and other premises including land and vehicles, homes of entity directors, officers and employees during business hours, where it reasonably suspects that relevant books, tax records, or other documents which relate to any matter relevant to the investigation are kept; *Provided*, That such order may be granted *ex parte* when required to prevent the removal, concealment, tampering with, or destruction of the books, records, or other documents;

- Conduct administrative proceedings, impose administrative fines, and punish for contempt as provided for under Section 11 of this Act;
- d. Issue advisory or legal opinions and guidelines for the effective enforcement of this Act, and submit annual and special reports to Congress, including proposed legislation for the regulation of commerce, trade or industry;
 - e. Issue adjustment or divestiture orders including orders for corporate reorganization or divestment in the manner and under such terms and conditions as may be prescribed in the rules and regulations implementing this Act;
 - f. Supervise competition in markets, publish and disseminate studies and reports to inform and guide the industry and consumers, monitor and implement measures to promote transparency and accountability, and ensure that prohibitions and requirements of competition laws are adhered to; and
 - g. Deputize any and all enforcement agencies of the Government and/or enlist the aid and support of any private institution, corporation, firm, association, in the implementation of its powers and functions.

Sec. 11. **Administrative Measures.** The Competition Authority shall, under such rules and regulations it may prescribe, encourage compliance with this Act and other competition laws by making available to the parties concerned any of the following and other analogous administrative remedies, namely:

α. Binding Ruling. - Any entity that is in doubt as to whether the contemplated or existing act, course of conduct, agreement, decision or practice is in compliance with, is exempt from, or is in violation of any of the provisions of this Act, other competition laws, or implementing rules and regulations thereof, may request the Competition Authority, in writing, to render a binding ruling thereon.

β. Preliminary Inquiry. - The Competition Authority may *motu proprio* or upon the filing of a verified complaint by an interested party or upon referral by the concerned regulatory agency initiate a preliminary inquiry for the enforcement of this Act.

χ. Consent Order. - Any entity under inquiry may submit a proposal for a consent order at any time before the formal institution of administrative, civil, or criminal charges, which should include: a) the payment of an amount within the range of fines provided for under this Act; b) an undertaking to effectively stop and rectify the acts complained of, make restitution to the affected parties, whether or not the parties are plaintiffs or witnesses; and c) the required compliance report as well as an undertaking to submit regular compliance reports: *Provided*, That ten percent (10%) of the amounts paid under this Act shall accrue to the Competition Authority:

Provided, further, That a consent judgment shall not bar any inquiry for the same or similar acts if continued or repeated.

δ. *Settlement of Administrative Fine.* – An entity may opt to immediately pay the administrative fine fixed in the relevant provisions of this Act.

Sec. 12. ***Leniency Program.*** The Competition Authority shall develop a Leniency Program to be granted to any entity in the form of immunity from suit or reduction of any fine which would otherwise be imposed on a participant in a cartel, in exchange for the voluntary disclosure of information regarding the cartel which satisfies specific criteria prior to or during the investigative stage of the case.

Immunity from suit will be granted to an entity reporting illegal anti-competitive activity before an investigation has begun if the following conditions are met: (a) at the time the entity comes forward, the Competition Authority has not received information about the activity from any other source; (b) upon the entity's discovery of the illegal activity, it took prompt and effective action to terminate its participation therein; (c) the entity reports the wrongdoing with candor and completeness and provides full, continuing, and complete cooperation throughout the investigation; (d) the entity did not coerce another party to participate in the activity and clearly was not the leader in, or the originator of, the activity.

Even after the Competition Authority has received information about the illegal activity after an investigation is commenced, the reporting entity will be granted leniency, provided preceding conditions (b) and (c) and the following additional requirements are complied with: (a) the entity is the first to come forward and qualify for leniency; (b) at the time the entity comes in, the Competition Authority does not have evidence against the company that is likely to result in a sustainable conviction; and (c) the Competition Authority determines that granting leniency would not be unfair to others.

Such program shall include the immunity from any suit or charge of affected parties and third parties, exemption, waiver, or gradation of fines and/or penalties giving precedence to the entity submitting such evidence. Any entity which cooperates or furnishes information, document or data to the Competition Authority in connection to an investigation being conducted shall not be subjected to any form of reprisal or discrimination. Such reprisal or discrimination shall be considered a violation of this Act subject to the sanctions provided in this Act.

Nothing in this section shall preclude prosecution for entities that report to the Competition Authority false, misleading, or malicious information, data or documents damaging to the business or integrity of the entities under inquiry as a violation of said section. Any entity found to have reported false, misleading, or malicious information, data, or document may be penalized by a fine not less than the penalty imposed in the Section reported to have been violated by the entity complained of.

Sec. 13. ***Relationship with Sector Regulators.*** The Competition Authority shall have jurisdiction in the enforcement and regulation of all competition related issues. In this regard, the Competition Authority may request the cooperation and assistance of respective sector regulators which shall retain jurisdiction over non-competition related matters.

In case of conflict of jurisdiction, the Competition Authority and the respective sector regulator shall settle the matter in accordance with the provisions of an existing Memorandum of Agreement (MOA) between the Competition Authority and the relevant sector regulator, or in the absence of such MOA, amicably between them. In case of failure to settle the conflict, the dispute shall be resolved pursuant to Chapter 14 of the Administrative Code of 1987.

Sec. 14. ***Private Action.*** Regardless of the status or pendency of any proceedings, any entity that suffers injury by reason of any violation of this Act may institute a separate and independent civil action, irrespective of the amount involved in the controversy against the defendants and shall recover allowable damages sustained, the costs of suit and attorney's fees equivalent to twenty percent (20%) of the award; *Provided, however,* That the pendency of such action shall not enjoin the continuation of the investigation or action initiated by the Competition Authority.

Sec. 15. ***Competition Commission.*** Within one hundred eighty (180) days after the approval of this Act, there is hereby established a separate administrative body to be known as the Competition Commission, hereinafter referred to as the "Commission."

For budgetary purposes, the Commission shall be included in the General Appropriations Act under the Office of the President.

Until the creation of the Competition Commission, all orders and decisions issued by the Competition Authority shall be appealable to the Court of Appeals in accordance with the Rules of Court.

Sec. 16. ***Composition.*** The Commission shall be composed of a Chairperson and four (4) members.

The Chairperson and members shall be citizens of the Philippines, at least thirty-five (35) but not more than seventy (70) years of age, of good moral character, and of recognized probity and independence. The Chairperson and one (1) member shall belong to the Philippine Bar, preferably with economics background, and the other members shall be of recognized competence in the fields of business or economics. They must have actively practiced their

profession for at least ten (10) years, but must not have been candidates for any elective national or local office in the immediately preceding elections, whether regular or special.

The Chairperson and the members shall be assisted by such number of staff including legal and technical experts, consultants, and resource persons to efficiently and effectively pursue the Commission's mandate, as may be provided in the Implementing Rules and Regulations.

Sec. 17. *Term of Office.* The Chairperson and members shall be appointed by the President of the Philippines with a term of office of five (5) years. Of those first appointed, the Chairperson shall hold office for five (5) years, two members for five (5) years, and the other two members for three (3) years. The Chairperson and members may be re-appointed only once.

In case a vacancy occurs before the expiration of their term of office, the appointment to such vacancy shall be only for the unexpired term of the predecessor.

Sec. 18. *Prohibition and Disqualification.* The Chairperson and members shall not, during their tenure, hold any other office or employment. They shall not, during their tenure, directly or indirectly practice any profession, participate in any business, or be financially interested in any contract, or any franchise, or special privileges granted by the government or any subdivision, agency or instrumentality thereof, including government owned and controlled corporations or their subsidiaries. They shall strictly avoid conflict of interest in the conduct of their office. They shall not be qualified to run for any office in the election immediately succeeding their cessation from office. They shall not be allowed to appear or practice before the Commission for two (2) years following their cessation from office.

No spouse or relative by consanguinity or affinity within the fourth civil degree and no former law, business, or professional partner or associate of any of the members and the Chairperson may appear as counsel or agent on any matter pending before the Commission or transact business directly or indirectly therein during his/her incumbency and within one (1) year from his/her cessation from office.

Sec. 19. *Powers and Functions.* The Commission shall exercise the following powers and functions:

- a. Hear appeals from, or review any order or decision of the Competition Authority;
- b. Make any ruling or order necessary or incidental to the performance of its functions;

- c. Issue subpoena *duces tecum* and subpoena *ad testificandum* to require the production of books, records, or other documents or data which relate to any matter relevant to the case appealed to the Commission and personal appearance before the Commission; and
- d. Punish for contempt; and
- e. Impose the appropriate penalties authorized under this Act.

Three (3) members of the Commission shall constitute a quorum and their affirmative vote shall be necessary for the adoption of any rule, ruling, order, resolution, decision, or other acts of the Commission.

Sec. 20. ***Appeals.*** The decision of the Competition Commission shall be appealable to the Court of Appeals. The Commission's decisions, rulings, and other orders of an interlocutory nature are final and executory even on appeal, unless enjoined by the Court.

Sec. 21. ***Criteria for the Disposition of Cases.*** In the exercise of their powers or in the discharge of their duties under this Act, the Competition Authority and Competition Commission shall consider the following:

- a. the way a given industry is structured or organized, whether monopolistic, oligopolistic, or competitive;
- b. the ways the entities engaged in business within a given industry act, behave or conduct themselves in such matters as setting prices, determining output, and other relevant factors and the resulting performance of the industry as a whole;
- c. the supply and demand situation for the relevant goods or services;
- d. the appreciable impact of the particular market conduct on market conditions, if any;
- e. the need to bring together complimentary skills to avoid duplication and promote efficiency in the industry;

- f. the need to determine whether or not the anticompetitive effect of a particular market conduct may be offset by increased efficiency and reduction of excessive or unnecessary expenses;
- g. the cost and profit levels of the industry;
- h. the need to increase productivity in the particular industry involved;
- i. the state of the industry, including the need to develop it or to save it from its distressed state;
- j. the need of the industry to work more rationally and increase their productivity and competitiveness on a larger market;
- k. the need to respond to international competition and other developments in the international market;
- l. the need to encourage or develop small and medium-sized industries;
- m. the impact of the market conduct on the economy and on the consuming public, particularly low-income groups;
- n. the need to pool capital resources;
- o. the extent to which the consumers have a possibility of choice of the product or service involved;
- p. the economic and financial power of the parties concerned;
- q. the attainment of the objectives which are given priority interest in the general interest of the country, including the need for accelerated industrialization; and
- r. the extent to which less restrictive practices are available.

Sec. 22. Confidentiality of Information. Any document or information submitted by entities, as determined and marked confidential by the Competition Authority, relevant to any inquiry or investigation being conducted pursuant to this Act as well as any deliberations in relation thereto, shall not, in any manner, be directly or indirectly disclosed, published, transferred, copied, or disseminated, unless authorized by the Competition Authority. The identity of the persons who provide information to the Competition Authority under condition of anonymity, shall remain confidential, unless such confidentiality is expressly waived by these persons.

Any entity that violates this provision shall be punished by a fine of not less than One Hundred Thousand Pesos (Php100,000.00) but not more than Five Hundred Thousand Pesos (Php500,000.00).

Sec. 23. Congressional Oversight Committee. To oversee the implementation of this Act, there shall be created a Congressional Oversight Committee on Fair Competition (COCFC) to be composed of the Chairpersons of the Senate Committees on Trade and Commerce, Economic Affairs, and Finance; the Chairpersons of the House of Representatives Committees on Trade and Industry, Justice, and Appropriations; and two (2) members each from the Senate and the House of Representatives who shall be designated by the Senate President and the Speaker of the House of Representatives: *Provided*, That one of the two Senators and one of the two House Members shall be nominated by the respective Minority Leaders of the Senate and the House of Representatives. The Congressional Oversight Committee shall be jointly chaired by the Chairpersons of the Senate Committee on Trade and Commerce and the House of Representatives Committee on Trade and Industry. The Vice-Chair of the Congressional Oversight Committee shall be jointly held by the Chairpersons of the Senate Committee on Economic Affairs and the House of Representatives Committee on Economic Affairs.

The Secretariat of the COCFC shall be drawn from the existing personnel of the Senate and House of Representatives committees comprising the Congressional Oversight Committee.

Sec. 24. Implementing Rules and Regulations, Guidelines and Procedures. The Competition Authority, in consultation with relevant stakeholders, shall issue the Implementing Rules and Regulations (IRR) within 60 days after the effectivity of this Act.

It shall likewise issue guidelines and procedures it may deem appropriate for the effective enforcement of this Act.

Sec. 25. Appropriations. The initial amount of Twenty million pesos (Php20,000,000.00) each shall be appropriated for the initial budgetary requirements of the Competition Authority and the Commission. Thereafter, each shall be provided with an annual budget of Ten million pesos (Php10,000,000.00) at least in order to be utilized for the effective implementation of the provisions of this Act.

Sec. 26. *Transitory Provision.* For sections that affect stakeholders, the period for compliance shall be for one (1) year from the issuance of this Act.

Sec. 27. *Suppletory Application.* For purposes of this Act, the Revised Penal Code, as amended, and other applicable laws shall be applied in a suppletory character.

Sec. 28. *Separability.* Should any section of this Act be declared unconstitutional or of no legal effect, the other provisions shall not be affected and shall remain in full force and effect.

Sec. 29. *Repealing Clause.* The following laws, insofar as they are inconsistent with any of the provisions of this Act are hereby repealed, amended or otherwise modified accordingly:

- a. Sec. 5 (3) of Republic Act No. 7581 or The Price Act;
- b. Sec. 5 (f) of Republic Act No. 7925 or The Public Telecommunications Policy Act;
- c. Sec. 11 (a) and (b) of Republic Act No. 8479 or The Downstream Oil Industry Deregulation Act;
- d. Sec. 45 of Republic Act No. 9136 or The Electric Power Industry Reform Act;
- e. Sec. 13 of Republic Act No. 9295 or The Domestic Shipping Development Act;
and
- f. Sec. 24 and Sec. 25 of Republic Act No. 9502 or The Universally-Accessible Cheaper and Quality Medicines Act.

Provided, That in case of conflict between this Act and provisions of existing competition laws and regulations, the provisions of this Act shall prevail; *Provided further* that in case of conflict of jurisdiction over cases involving violation/s of this Act and other competition laws, it is understood that the Competition Authority has primary and exclusive jurisdiction.

Sec. 30. ***Effectivity***. This Act shall take effect fifteen (15) days after its publication in the Official Gazette and in at least two (2) newspapers of national circulation.

Approved,