

**SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
FIRST REGULAR SESSION)**



HOUSE OF REPRESENTATIVES

HOUSE BILL NO. **4471**

INTRODUCED BY **REPRESENTATIVE DAKILA CARLO E. CUA**

EXPLANATORY NOTE

The prevailing crisis involving the supply and prices of rice and corn – our people's staple food – has suddenly become pervasive, it is now a serious national concern.

More so, it has spawned the unwanted emergence and proliferation of unscrupulous rice traders and dealers obsessed only with profit, and without at all a tinge of nationalism in the manner they conduct their business.

The result is equally, if not far more, disastrous than the ebb supply and skyrocketing cost of the commodity itself: the unabated, conflagration-like spread of the incidence of rice and corn hoarding and profiteering whose debilitating effect, especially among the less fortunate and those thriving within the poverty line vortex, is now felt in every nook and corner of the land.

The weight of culled perceptions point to the inadequate, if outmoded, penalties provided for, inter alia, the act of rice hoarding, in existing legislations such as Republic Act No. 7581, otherwise known as the Price Act, as the principal, if overriding reason for the magnified persistence of rice hoarding and profiteering. These penalties are now deemed to be disproportionate to, and diminish the seriousness or gravity of, the prohibited act. Obviously, they need drastic revision if they were to be deterrent they were contemplated to be.

This primordially, is the thesis behind this proposed bill. Note that the bill upgrades the seriousness of the prohibited act to accentuate its highly deleterious effect on people's lives more than to justify its escalated penal sanction therein.


DAKILA CARLO E. CUA

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**AN ACT CONSIDERING RICE OR CORN HOARDING AND
PROFITEERING DURING OR ON THE OCCASION OF ANY
CALAMITY OR EMERGENCY DECLARED AS SUCH BY THE
PRESIDENT AS EQUIVALENT TO ECONOMIC SABOTAGE, PARTLY
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7581,
OTHERWISE KNOWN AS THE PRICE ACT, 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 “Anti-
Rice or Corn Hoarding and Profiteering Act”

SECTION 2. Section 3 of Republic Act 7581 is hereby amended
to read as follows:

**“SECTION 3. *Definition of Terms.* – For purposes of this Act,
the term:**

x x x x

**(2a) “ECONOMIC SABOTAGE” IS ANY ACT OR ACTIVITY
WHICH UNDERMINES, WEAKENS OR RENDERS INTO DISREPUTE
THE ECONOMIC SYSTEM OR VIABILITY OF THE COUNTRY OR
TENDS TO BRING ABOUT SUCH EFFECTS AND SHALL INCLUDE,
INTER ALIA, PRICE MANIPULATION TO THE PREJUDICE OF THE
PUBLIC ESPECIALLY IN THE SALE OF BASIC NECESSITIES AND
PRIME COMMODITIES.**

**(3) “Implementing agency” means the department, agency
or office of the Government, which has jurisdiction over a basic
necessity or prime commodity as defined in this act, which shall
be:**

- (a) **The Department of Agriculture, with reference to any cultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, fertilizers and other farm inputs.**

(A1) THE NATIONAL FOOD AUTHORITY, WITH REFERENCE TO RICE AND CORN;

x x x x"

SECTION 3. Section 5 of Republic Act 7581 is hereby amended to read as follows:

"SECTION 5. *Illegal Acts of Price Manipulation.* – Without prejudice to the provisions of existing laws on goods not covered by this Act, it shall be unlawful for any person habitually engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of goods to engage in the following acts of price of any necessity or prime commodity:

- (1) Hoarding, which is the undue accumulation **OR STORING/KEEPING** by a person or combination of persons of any basic necessity or prime commodity beyond his or their normal inventory levels **AS DETERMINED BY THE IMPLEMENTING AGENCY CONCERNED** or the unreasonable limitation or refusal to dispose of, sell or distribute the stocks of any basic necessity or prime commodity to the general public or the unjustified taking out of any basic necessity or prime commodity from the channels of production, trade, commerce and industry. There shall be prima facie evidence of hoarding when a person has stocks of any basic necessity or prime commodity fifty percent (50%) higher than his usual inventory and unreasonably limits, refuses or fails to sell the same to the general public at the time of discovery of the stocks. The determination of a person's usual inventory shall be reckoned from the third month immediately preceding before the discovery of the stocks in case the person has been engaged in the business for at least three (3) months, otherwise, it shall be reckoned from the time he started his business: **PROVIDED, HOWEVER, THAT IN THE CASE OF RICE OR CORN, A PERSON'S USUAL INVENTORY THEREOF SHALL BE RECKONED FROM THE MONTH IMMEDIATELY PRECEDING BEFORE THE DISCOVERY OF THE STOCKS IRRESPECTIVE OF THE DATE/TIME HE STARTED HIS BUSINESS;**

- (2) Profiteering, which is the sale or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth. There shall be prime facie evidence of profiteering whenever a basic necessity or prime commodity being sold;
- (a) has no price tag;
- (b) is misrepresented as to its weight or measurement;
- (c) is adulterated or diluted **OR MIXED WITH LOWER QUALITY IN THE CASE OF RICE OR CORN;** or
- (d) whenever a person raises the price of any basic necessity or prime commodity he sells or offers for sale to the general public by more than ten percent (10%) of its price in the immediately preceding month; Provided, That, in the case of agricultural crops, **EXCEPT RICE AND CORN**, fresh fish, fresh marine products, and other seasonal products covered by this Act and as determined by the implementing agency, the prima facie provision shall not apply; and

x x x x x

SECTION 4. A new section shall be added and immediately follow SECTION 13 of Republic Act 7581 to read as follows:

"SECTION 13-A. THE ANTI RICE OR CORN HOARDING AND PROFITEERING TASK FORCE: COMPOSITION AND FUNCTIONS. - WITH RESPECT TO RICE AND CORN, THERE SHALL BE CREATED AN ANTI-RICE OR CORN HOARDING AND PROFITEERING TASK FORCE IN EVERY PROVINCE, CITY AND MUNICIPALITY TASKED WITH MONITORING THE INVENTORY LEVEL OF ALL RICE OR CORN MILLS, WAREHOUSES AND STOCKHOUSES TO DETERMINE THEIR RESPECTIVE MONTHLY STOCKS OF RICE OR CORN THEREIN: PROVIDED, THAT AN INVENTORY REPORT OF ANY OR EVERY MONITORING ACTIVITY SHALL BE RENDERED BY THE TASK FORCE TO THE IMPLEMENTING AGENCY CONCERNED, NOT LATER THAN TEN (10) DAYS FROM THE CONCLUSION THEREOF: PROVIDED, FURTHER, THAT THE REFUSAL TO ALLOW THE TASK FORCE OR ITS DULY AUTHORIZED REPRESENTATIVES TO CONDUCT MONITORING ACTIVITY IN THESE ESTABLISHMENTS SHALL BE PRIMA FACIE EVIDENCE OF THE ACT OF RICE OR CORN HOARDING AND PROFITEERING BEING PERPETRATED THEREAT: PROVIDED, FINALLY, THAT IF THESE ESTABLISHMENTS ARE OWNED BY JURIDICAL PERSONS, CRIMINAL LIABILITY, FOR VIOLATION OF THIS SECTION SHALL ATTACH TO THE RESPECTIVE

PRESIDENTS, CHIEF OPERATING OFFICERS OR MANAGERS THEREOF.

THE ANTI-RICE OR CORN HOARDING AND PROFITEERING TASK FORCE SHALL BE COMPOSED OF THE LOCAL CHIEF EXECUTIVE OF THE LOCAL GOVERNMENT UNIT CONCERNED, WHO SHALL ACT AS ITS CHAIR; ONE (1) REPRESENTATIVE FROM THE PROVINCIAL/CITY FIELD/BRANCH OFFICE OF THE IMPLEMENTING AGENCY CONCERNED; ONE (1) REPRESENTATIVE FROM THE FARMER'S SECTOR; ONE (1) REPRESENTATIVE FROM THE LOCAL CONSUMER'S ORGANIZATION/GROUP, IF ANY, AND THE LOCAL CHIEF OF POLICE, AS MEMBERS.

THE OWNER/OPERATOR/MANAGEMENT OF EVERY RICE OR CORN MILL, WAREHOUSE OR STOCKHOUSE IS REQUIRED TO SUBMIT TO THE TASK FORCE A DULY-CERTIFIED AND SWORN MONTHLY REPORT OF ITS INVENTORY OF RICE OR CORN STOCKS; PROVIDED THAT, FAILURE TO DO SO SHALL BE PRIMA FACIE EVIDENCE OF THE ACT OF RICE OR CORN HOARDING AND PROFITEERING BEING PERPETRATED IN THE ESTABLISHMENT CONCERNED.

SECTION 5. Section 15 of Republic Act 7581 is hereby amended to read as follows:

“Section 15. Penalty for acts of Illegal Price Manipulation. – Any person who commits any act of illegal price manipulation of any basic necessity or prime commodity under Section 5 hereof shall suffer the penalty of imprisonment for a period of not less than five (5) years nor more than fifteen (15) years, and shall be imposed a fine of not less than Five Thousand Pesos (P 5,000) nor more than Two Million Pesos (P 2,000,000): **PROVIDED, THAT THE ACTS OF RICE OR CORN HOARDING OR PROFITEERING SHALL BE PUNISHABLE BY IMPRISONMENT FOR A PERIOD OF NOT LESS THAN TEN (10) YEARS NOR MORE THAN TWENTY (20) YEARS AND A FINE OF NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P 100,000) NOR MORE THAN FIVE MILLION PESOS (P5,000,000): PROVIDED, FURTHER, THAT WHEN THE ACTS OF RICE OR CORN HOARDING AND PROFITEERING ARE COMMITTED DURING OR ON THE OCCASION OF ANY CALAMITY, DISASTER OR ANY EMERGENCY DECLARED AS SUCH BY THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES, THEY SHALL BE DEEMED EQUIVALENT TO ECONOMIC SABOTAGE AND PUNISHABLE BY RECLUSION PERPETUA: PROVIDED, FINALLY THAT WHEN THE OFFENDER IS A JURIDICAL PERSON, CRIMINAL LIABILITY SHALL ATTACH TO ITS PRESIDENT, CHIEF OPERATING OFFICER OR MANAGER.**

IN ADDITION TO THE PENALTY IMPOSED FOR RICE OR CORN HOARDING AND PROFITEERING UNDER THIS ACT, HOARDED RICE OR CORN STOCKS SHALL BE CONFISCATED AND FORFEITED IN FAVOR OF THE GOVERNMENT.

SECTION 6. *Implementing Rules and Regulations.* – The implementing agency concerned shall promulgate the pertinent rules and regulations for the effective implementation of this Act, within sixty (60) days from its effectivity.

SECTION 7. *Separability Clause.* – The provisions of this Act are hereby declared to be separable from, and independent of, one another and that should one or more of such provisions be declared unconstitutional, the validity of the remaining provisions shall not be affected thereby.

SECTION 8. *Repealing Clause.* – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed and/or modified accordingly.

SECTION 9. *Effectivity Clause.* – This Act shall take effect immediately upon its approval.

Approved,