



HOUSE OF REPRESENTATIVES

HOUSE BILL NO. **4677**

Introduced by Representative Susan A. Yap

EXPLANATORY NOTE

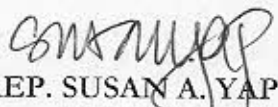
Having noted the problems arising from the enforcement of RA No. 7581 or the Price Act, particularly during calamities or emergencies, this proposal seeks to address the identified policy gaps.

First, this measure includes economic sabotage in the Act and defines it as "any act or activity which undermines, weakens, or renders into disrepute the economic system or viability of the country". Second, it specifically defines illegal acts such as price manipulation in the sale of basic necessities and prime commodities as an act of economic sabotage. Third, it provides clearer criterion for hoarding and profiteering to expedite enforcement.

Most importantly, this proposal provides the regulatory regime needed to implement the Price Act effectively. It includes the National Food Authority in the implementing agencies and creates the Anti-Rice or Corn Hoarding and Profiteering Task Force in every province, city, or municipality tasked with monitoring the inventories of all rice or corn mills, warehouses and stockhouses to check on hoarding. Moreover, it identifies the members of the Task Force to include the Local Chief Executive, the local Chief of Police and representatives from concerned national government agencies, the farmers' sector, and the consumers' organization.

Finally, it provides stiffer penalties for acts of rice or corn hoarding or profiteering. These illegal acts of price manipulation shall be punishable by imprisonment for a period of not less than ten (10) years or more than twenty (20) years and a fine of not less than one hundred thousand pesos.

In order to protect the poor who are disproportionately affected by calamities, the passage of this bill is urgently sought.


REP. SUSAN A. YAP
Second District of Tarlac

HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 4677

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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 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:

“Sec. 3. Definition of Terms.- For purposes of this Act, the term:

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(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.

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

“Sec. 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 manipulation of the price of any basic 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 reproduction, 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 excess. 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 *prima 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 dilluted; **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* provisions shall not apply; and

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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) REPRESENTATIVES 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 STOCKHOUSES 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:

"Sec. 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 (P5,000) nor more than Two million pesos (P2,000,000). 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 (P100,000.00) NOR MORE THAN FIVE MILLION PESOS (P 5,000,000.00): 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 RICE 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 after 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 is hereby repealed, and/or modified accordingly.

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

Approved,