



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **4563**



Introduced by Representative **GERALDINE B. ROMAN**

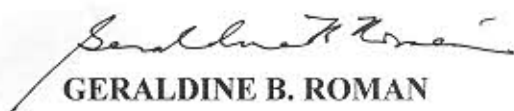
EXPLANATORY NOTE

Trust is an essential component of making sure that the economy continues to be robust. All businesses – especially the Micro, Small, and Medium Enterprises (MSMEs) – rely on trust in order to ensure that their activities remain both profitable and above board. The interaction between consumers and the business owners/managers is founded upon the main presumption of regularity and pricing standards. Without this, trust erodes and business opportunities fail.

It is thus distressing to note that there have been reports which indicate that some of the country's MSME outlets have been engaging in unscrupulous practices. These include price adjustments depending on the impression of the consumer on the vendor/manager. Specifically, when the consumer looks economically better, as if by some sheer inexplicable force, the prices move up. When the consumer does not look like such, by the same inexplicable force, prices move back down. This is very rampant especially on neighborhood variety stores called Sari-Sari Stores and in the public markets of every municipality and city in our country.

This matter could be resolved easily if all MSMEs are obligated to display a standardized price list. The prices of all the goods and services being offered shall be disclosed to the consumer, thereby removing any chance for any unscrupulous behavior on the part of the vendor/manager insofar as this matter is concerned. With this measure, it is hoped that the erosion of trust – which must be avoided at all costs – will be prevented, and customer loyalty and business negotiations will always flourish.

For these reasons, passage of this bill is earnestly sought.


GERALDINE B. ROMAN



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AN ACT
REQUIRING ALL MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs)
TO PROVIDE CONSUMERS WITH A STANDARDIZED LIST OF THE
PRICES OF THE GOODS OR SERVICES BEING SOLD IN THEIR OUTLETS

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 the “MSMEs Price Disclosure Act of 2016.”

Section 2. Declaration of Policy – It shall be the policy of the State to protect consumers from all kinds of unscrupulous behavior from all commercial establishments – big and small. The State recognizes that trust is an essential component for the smooth and continuous operations of the economy – especially at the micro, small, and medium scale. The State shall therefore undertake measures which shall secure the trust and confidence of the consumers in the commercial system of the country.

Section 3. Definition of MSMEs. – Micro Enterprises are those with asset size of around P3,000,000.00 or less and has around 1-9 employees. Small Enterprises are those with asset size of around P3,000,000.00 to P15,000,000.00 and has around 10-99 employees. Medium Enterprises are those with asset size of P15,000,000.00 to P100,000,000.00 and with 100-199 employees.

Section 4. Obligation to Display Price Lists – MSMEs are hereby obligated to make a price list of the goods being sold in their outlets. MSMEs are disallowed to charge prices which are different from the list provided by them. The list shall be displayed at a very visible area where the consumer is able to see the matrix without the need of directly inquiring.

Section 5. *Penalties* – Any person who shall violate the provisions of this Act or its Implementing Rules and Regulations shall be subjected to a fine of not less than five thousand pesos (PHP 5,000.00), but not more than twenty five thousand pesos (PHP 25,000.00) for each instance of violation.

Section 6. *Implementing Agency* – The Department of Trade and Industry shall enforce the provisions of this Act, as well as its Implementing Rules and Regulations.

Section 7. *Implementing Rules and Regulations* – The Department of Trade and Industry, in close coordination with the Department of the Interior and Local Government, shall have responsibility over the formulation of the Implementing Rules and Regulations necessary for the effective enforcement of the provisions of this Act. The Implementing Rules and Regulations shall be crafted within ninety (90) days from the effectivity of this Act.

Section 8. *Repealing Clause* – All laws, presidential decrees, executive orders, rules and regulations, and parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 9. *Separability Clause* – If, for any reason, any section or provision of this Act, or any portion thereof, or the application of such section, provision, or portion to any person, group, or circumstance is declared invalid or unconstitutional, the remainder of this Act or the application of such section, provision, or portion thereof to other persons, groups, or circumstances shall not be affected by such declaration.

Section 10. *Effectivity* – This Act shall take effect fifteen (15) days following its publication in three (3) newspapers of general circulation.

Approved,