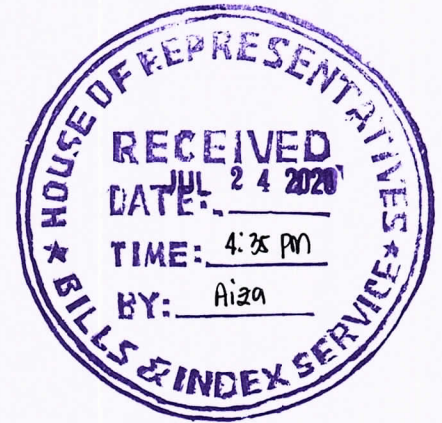


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7173



**INTRODUCED BY
REP. ALFRED VARGAS**

AN ACT
PROVIDING PROTECTION TO CONSUMERS AND THEIR MEDICAL
NECESSITIES DURING PUBLIC HEALTH EMERGENCIES, EPIDEMICS OR
OUTBREAKS, AND PANDEMICS, AMENDING REPUBLIC ACT NO. 7581,
AS AMENDED OTHERWISE KNOWN AS THE "PRICE ACT"
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Epidemics or outbreaks, pandemics, and public health emergencies affect not only the health and well-being of the people, but their socio-economic life as well.

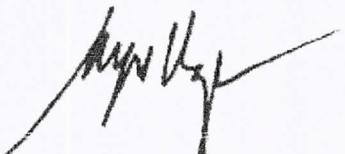
As soon as international and local health officials announced the beginning of what is to be known as the COVID-19 pandemic, news of hoarding and panic-buying of medical supplies among consumers have occurred immediately. Given the limited supply, these unnecessary stockpiling of medical goods have robbed some of our citizens the critical medical care and equipment they deserve. What is worse is that some of the hoarders have taken advantage of the unfortunate situation and have tried to re-sell these important medical necessities at an overprice, much to the detriment of the ailing public. The health, well-being, and socio-economic situation of the greater public needs to be protected.

This bill seeks to provide protection to consumers and their medical necessities during public health emergencies, epidemics or outbreaks, and pandemics, amending Republic Act No. 7581, as amended by Republic Act No. 10623, otherwise known as the Price Act, by ensuring that the price and supply of personal protective equipment,

including face masks and safety goggles and medical devices such as nebulizers, ethyl alcohol solution and oxygen cannulas remain stable during times of emergencies. In order to fulfill these goals, this bill seeks to:

- 1) Define and include personal protective equipment and medical devices as prime commodities, the price of which may be subjected to price ceilings;
- 2) Clarify that price control measures for basic necessities and prime commodities, including personal protective equipment and relevant medical devices may also be imposed in times of outbreaks or epidemics, pandemics, or public health emergencies; and
- 3) Increase the administrative fines and criminal penalties for violations of the Price Act.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



ALFRED VARGAS

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

SECTION 1. Section 2 of Republic Act No. 7581, as amended, is hereby amended to read as follows:

“SEC. 2. **Declaration of Basic Policy.** – It is the policy of the State to ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate business a fair return on investment. It is also a declared policy of the State to provide effective and sufficient protection to consumers against hoarding, profiteering and cartels with respect to the supply, distribution, marketing and pricing of said goods, especially during periods of calamity, emergency, PUBLIC HEALTH EMERGENCIES, EPIDEMICS OR OUTBREAKS, PANDEMICS, widespread illegal price manipulation and other similar situations. “

X X X

SECTION 2. Section 3 of Republic Act No. 7581, as amended, is hereby amended and renumbered accordingly as follows:

"SEC. 3. **Definition of Terms.** – For purposes of this Act, the term:

- (1) "Basic necessities" includes x x x
- (2) "Buffer fund" means x x x
- (3) **"EPIDEMIC/OUTBREAK" REFERS TO AN OCCURRENCE OF MORE CASES OF DISEASES THAN NORMALLY EXPECTED WITHIN A SPECIFIC PLACE OR GROUP OF PEOPLE OVER A GIVEN PERIOD OF TIME;**
- (4) "Implementing agency" means x x x
- (5) **"MEDICAL DEVICE" MEANS ANY INSTRUMENT, APPARATUS, MACHINE, IMPLANTS, OR IN VITRO REAGENTS INTENDED FOR USE IN, OR ACTUALLY USED IN DIAGNOSIS, TREATMENT, MONITORING OR PREVENTION OF DISEASE OR INJURY;**
- (6) **"PANDEMIC" REFERS TO AN EPIDEMIC OCCURRING WORLDWIDE, OR OVER A VERY WIDE AREA, CROSSING INTERNATIONAL BOUNDARIES AND USUALLY AFFECTING A LARGE NUMBER OF PEOPLE;**
- (7) "Panic-buying" means x x x
- (8) "Person" means x x x
- (9) **"PERSONAL PROTECTIVE EQUIPMENT" MEANS EQUIPMENT INTENDED FOR USE TO PROTECT THE EYES, FACE, HEAD, HEARING, EXTREMITIES, OR A RESPIRATORY TRACT FROM HAZARDS OR TO FUNCTION AS PROTECTIVE CLOTHING, AS A PROTECTIVE SHIELD OR BARRIER, AS PERSONAL FALL ARREST OR LADDER SAFETY DEVICES OR AS SAFETY AND HEALTH MONITORING AND INSTRUMENTATION DEVICES;**
- (10) "Prevailing Price" means x x x
- (11) "Price ceiling" means x x x
- (12) "Prime Commodities" are goods not considered as basic necessities but are essential to consumers in times of any of the cases provided under Section 7 of this Act such as, but not limited to, flour; dried, processed or canned pork, beef and poultry meat; dairy products not falling under basic necessities; onions, garlic, vinegar, patis, soy sauce; toilet soap; fertilizer, pesticides and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies; *nipa* shingle; *sawali*; cement; clinker; GI sheets; hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies; light bulbs; steel wire; **PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES AS DETERMINED BY THE DEPARTMENT OF HEALTH**; all drugs not classified as essential drugs by the Department of Health and

such other goods as may be included under Section 4 of this Act;
AND

- (13) **“PUBLIC HEALTH EMERGENCY” REFERS TO AN OCCURRENCE OR IMMINENT THREAT OF AN ILLNESS OR HEALTH CONDITION AS DEFINED UNDER SECTION 3(I) OF REPUBLIC ACT NO. 11332, ENTITLED THE “MANDATORY REPORTING OF NOTIFIABLE DISEASES AND HEALTH EVENTS OF PUBLIC HEALTH CONCERN ACT.”**

SECTION 3. *Section 6 of Republic Act No. 7581, as amended, is hereby amended to read as follows:*

“Sec. 6. *Automatic Price Control.* – Unless otherwise declared by the President, prices of basic necessities, **PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES AS DETERMINED BY THE DEPARTMENT OF HEALTH** in an area shall automatically be frozen at their prevailing prices or placed under automatic price control whenever:

X X X

SECTION 4. *Section 7 of Republic Act No. 7581, as amended, is hereby amended to read as follows:*

“Sec. 7. *Mandated Price Ceiling.* – The President, upon the recommendation of the implementing agency, or the Price Coordinating Council, may impose a price ceiling on any basic necessity or prime commodity if any of the following conditions so warrants:

X X X

- (2) The threat, existence, or effect of an emergency, **INCLUDING AN EPIDEMIC/OUTBREAK, PANDEMIC OR A PUBLIC HEALTH EMERGENCY;**

X X X

SECTION 5. *Section 10 of Republic Act No. 7581, as amended, is hereby amended to read as follows:*

“Sec. 10. *Powers and Responsibilities of Implementing Agencies.* – To carry out the intents and purposes of this Act, the head of the

implementing agency shall have the following additional powers and responsibilities:

(5) From time to time, he may issue suggested reasonable retail prices for any or all basic necessities and primes commodities under his jurisdiction, **UPON CONSULTATION WITH RELEVANT STAKEHOLDERS**, for this information and guidance of producers, manufacturers, traders, dealers, sellers, retailers, and consumers. **FOR THIS PURPOSE, THE IMPLEMENTING AGENCY SHALL ADOPT MECHANISMS TO ENSURE THE DISSEMINATION OF SUCH INFORMATION, INCLUDING THE DIFFERENCE BETWEEN SUGGESTED RETAIL PRICES AND MANDATORY PRICE CEILINGS OR PRICE FREEZE.**

x x x

(9) He may conduct investigations of any violation of this Act and, after due notice and hearing, impose administrative fine in such amount as he may deem reasonable which shall in no case be less than One thousand pesos (P1,000) nor more than **THREE MILLION PESOS (P3,000,000)**. In the imposition of administrative fines, the following factors shall be taken into consideration:

x x x

SECTION 6. *Section 15 of Republic Act No. 7581, as amended, 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 ten (10) 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 PENALTY FOR PERSONS WHO COMMIT ACTS OF ILLEGAL PRICE MANIPULATION OF PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES IDENTIFIED BY THE DEPARTMENT OF HEALTH AS A PRIME COMMODITY DURING TIMES OF EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS, PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL SUFFER THE PENALTY OF IMPRISONMENT FOR A PERIOD OF NOT LESS THAN FIVE (5) YEARS BUT NOT MORE THAN TWENTY (20) YEARS, AND SHALL BE IMPOSED A FINE OF NOT LESS THAN TEN THOUSAND PESOS (P10,000) BUT

**NOT MORE THAN FOUR MILLION PESOS (P4,000,000),
DEPENDING ON THE SEVERITY, FREQUENCY AND EXTENT OF
THE VIOLATION COMMITTED.**

SECTION 7. *Section 16 of Republic Act No. 7582, as amended, is hereby amended to read as follows:*

“Sec. 26. *Penalty for Violation of Price Ceiling.* – Any person who violates Section 6 or 7 of this Act shall suffer the penalty of imprisonment for a period of not less than one (1) year nor more than ten (10) years or a fine of not less than Five thousand pesos (P5,000) nor more than One million pesos (P1,000,000) or both, at the discretion of the court; **PROVIDED, THAT THE PENALTY FOR PERSONS WHO VIOLATE THE PRICE CEILING FOR THE SALE OF PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES IDENTIFIED BY THE DEPARTMENT OF HEALTH AS A PRIME COMMODITY DURING TIMES OF EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS, PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL SUFFER THE PENALTY OF IMPRISONMENT FOR A PERIOD OF NOT LESS THAN TWO (2) YEARS BUT NOT MORE THAN TWENTY (20) YEARS, AND SHALL BE IMPOSED A FINE OF NOT LESS THAN TEN THOUSAND PESOS (P10,000) BUT NOT MORE THAN TWO MILLION PESOS (P2,000,000), DEPENDING ON THE SEVERITY, FREQUENCY AND EXTENT OF THE VIOLATION COMMITTED.**

SECTION 8. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Department of Trade and Industry (DTI), in consultation with the members of the Price Coordinating Council and relevant stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SECTION 9. *Separability Clause.* – Any portion or provision of this Act that is declared unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof s long as such remaining portions can still subsist and be given effect in their entirety.

SECTION 10. *Repealing Clause.* – All laws, ordinances, rules, regulations, other issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

SECTION 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,