

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
EIGHTEENTH CONGRESS
Third Regular Session



HOUSE BILL NO. 10675

Introduced by: **CONG. “KUYA” JOSE ANTONIO R. SY-ALVARADO**

EXPLANATORY NOTE

The increased mobility during the holiday season, laxer compliance to health protocols, and the presence of the highly contagious Omicron variant have increased COVID-19 cases in the country.

As the pandemic continues to worsen during the flu season, the demand of paracetamol and other drugs for flu and cold skyrocketed. One pharmaceutical lab mentioned in their statement that some of their brands are out-of-stock due to extraordinary demands.

However, retailers and local drugstore owners said that there are no shortages in supplies. Rather, the suppliers of drugs for flu and cold increased their prices making them skip on replenishing their inventory.

This bill aims to penalize and deter practices like hoarding and profiteering that leads to unnecessary increase in prices of critical medicines for COVID-19 and supportive medicines for symptomatic treatment.

Thus, the immediate passage of this bill is earnestly sought.

CONG. “KUYA” JOSE ANTONIO R. SY-ALVARADO
Representative
1st District, Bulacan

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AN ACT
PENALIZING THE HOARDING, PRICE MANIPULATION OF PARACETAMOL AND
OTHER MEDICINES FOR FLU AND COLD, AND ENGAGING IN CARTEL
OPERATIONS IN ORDER TO INFLUENCE THE DEMAND AND SUPPLY OF
MEDICINES AND OTHER PHARMACEUTICAL PRODUCTS IN THE COUNTRY

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

SECTION 1. Short Title. This Act shall be known as “Lingkod Security and Stability of Medicines for Flu and Cold Act of 2022”

SECTION 2. Declaration of Policy. The 1987 Constitution provides that “the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living and an improved quality of life for all.”

SECTION 3. Coverage. This Act shall apply to all persons engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of medicine and other pharmaceutical products.

SECTION 4. Prohibited Acts. The following shall be punishable under this Act, to wit:

- a) **Hoarding-** refers to the undue accumulation by a person or combination of persons of medicine beyond his or their normal inventory levels or the unreasonable limitation or refusal to dispose of, sell or distribute the stocks of medicine to the general public. There shall be prima facie evidence of hoarding when a person has stocks of a specific medicine thirty percent (30%) higher than his usual inventory and unreasonably limits, refuses or fails to sell the same to the general public at any given time. 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.
- b) **Profiteering-** refers to the sale or offering for sale of medicine and other pharmaceutical products at a price grossly in excess of its market value. There shall be prima facie evidence of profiteering whenever a person raises the price of medicine and other pharmaceutical products for sale to the general public by more than five percent (5%) of its price in the immediately preceding month
- c) **Cartel-** refers to any combination of or agreement between two (2) or more persons engaged in the production, manufacture, processing, storage, supply, distribution, marketing, sale or disposition of medicines and other pharmaceutical products designed to artificially and unreasonably increase or manipulate its price. There shall be prima facie evidence of engaging in a cartel whenever two (2) or more persons perform uniform or complementary acts among themselves which tend to bring about artificial and unreasonable increase in the price of medicines and other pharmaceutical products or when they simultaneously and unreasonably increase prices on their competing products thereby lessening competition among themselves.

- d) **Price Manipulation-** is any act committed by any person engaged in the production, manufacture, importation, storage, transport, distribution, sale or other methods of disposition of medicines, which seeks to control and influence the price of medicine and other pharmaceutical products at any given time.

SECTION 5. Penalties. A fine of Fifty Million Pesos (P50,000,000) and imprisonment for a period not less than six (6) years but not exceeding twelve (12) years shall be imposed on any person who commits any of the prohibited acts.

A fine of One Hundred Million Pesos (P100,000,000) and imprisonment for a period not less than twelve (12) years but not exceeding twenty (20) years shall be imposed on any person for a violation of this Act for the second offense.

In addition, a single violation of this Act shall result in the revocation of all licenses, permits and registration given to any person as well as the confiscation and forfeiture of all pharmaceutical products in favor of the National Government.

SECTION 6. Disposal of Confiscated Medicine and Pharmaceutical Products. All medicine and pharmaceutical products confiscated and forfeited in favor of the National Government shall be appropriated for the immediate distribution primarily to those areas which are in need of relief, including but not limited to those areas hit by calamities and/or in strict quarantine zones. Any excess shall be sold in duly accredited market places by representatives of the DOH and the FDA. All proceeds of which will be remitted to the National Treasury to be utilized solely for the development and production of the local manufacturers.

SECTION 7. Implementing Rules and Regulations. Within thirty (30) days from the effectivity of this Act, the Department of Health (DOH), Food and Drug Administration (FDA) and Department of Trade and Industry (DTI), in consultation with the other relevant government agencies and stakeholders, shall issue necessary rules and regulations to implement the provisions of this Act.

SECTION 8. Separability Clause. If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SECTION 9. Repealing Clause. All laws, decrees, orders, issuances or portion thereof, which are inconsistent with the provisions of this Act are repealed or modified accordingly.

SECTION 10. Effectivity. This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,

