

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3865



Introduced by **HON. GUSTAVO S. TAMBUNTING**

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

The COVID-19 pandemic brought about challenges to Filipino households, especially with the massive economic impact on the nation's economy due to the long and strict community quarantine measures. During the earlier months of the COVID-19 pandemic, there was a huge shortage of medical necessities such as personal protective equipment and disinfectants which was taken advantage of by some unscrupulous individuals who hoarded and sold these essentials for twice or thrice the original price.

This proposed measure seeks to protect consumers from such activities and ensure the stability of the price and supply of these essential goods. This measure shall amend Republic Act No. 7581, as amended by Republic Act No. 10623, otherwise known as the Price Act, to include epidemics/outbreaks, pandemics, or public health emergencies to the conditions for the mandated price ceiling and include personal protective equipment and medical devices to items covered by the price control. This also seeks to penalize illegal price manipulation and violation of the price ceiling for personal protective and medical devices deemed as a priced commodity by the Department of Health during times of public health emergencies.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.

A handwritten signature in black ink, appearing to be "GUSTAVO S. TAMBUNTING".

REP. GUSTAVO S. TAMBUNTING
2nd District, Parañaque City

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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 necessities and prime commodities at reasonable prices at all times without denying legitimate businesses 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 concerning 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. "

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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;**
- (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 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 xx 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 A 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 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 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(1) 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 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:

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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 warrant:

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

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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 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 FREEZES.**

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(9) He may conduct investigations of any violation of this Act and, after due notice and hearing, impose administrative fined 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:

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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 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 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 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 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 as 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,