

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

NINETEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 5779

Introduced by CIBAC Party-List Representative
HON. EDUARDO “BRO. EDDIE” C. VILLANUEVA

AN ACT
AMENDING REPUBLIC ACT NO. 7581, AS AMENDED, OTHERWISE
KNOWN AS THE “PRICE ACT” AND FOR OTHER PURPOSES

EXPLANATORY NOTE

In 2020, the Philippines experienced two major calamities: the phreatic eruption of Taal Volcano in January, and the coronavirus disease (COVID-19) outbreak which is still affecting the country and the rest of the world today. In both instances, people flocked to pharmacies and other sellers of medical supplies to buy, and unfortunately for some, hoard and profit from the sale of personal protective equipment (PPEs), such as face masks, face shields and goggles, medical supplies, such as alcohol and disinfectants, and medicines.

For example, in the aftermath of the Taal Volcano phreatic eruption and consequent ashfall on January 12, 2020, N95 masks were allegedly sold in Manila for Php200 per piece, compared to the previously prevailing price of Php25 to Php40 per piece, which translated to a 400% to 700% price increase.¹

¹ 2020, January 15. Profiteering rap await those selling overpriced face masks: DTI. ABS-CBN News. Available at <https://news.abs-cbn.com/business/01/15/20/profiteering-raps-await-those-selling-overpriced-face-masks-dti> (date last accessed: July 24, 2022).

Meanwhile, a few days after the first confirmed COVID-19 patient in the Philippines was reported on January 30, 2020,² the Department of Trade and Industry (DTI) found that three profiteering pharmacies in Cebu City were selling overpriced surgical and N95 masks, by as much as 35%. Further, five (5) foreign nationals were also arrested by the Manila Police District for selling masks higher than the suggested retail price (SRP) set by DTI.³ At the height of the Omicron surge in January 2022, many private sellers on online marketplaces were selling rapid antigen test kits at exorbitant prices.

Two and a half years since the COVID-19 pandemic started, variants continue to persist, with the most recent BA.5 Omicron sub-variant causing another surge in cases globally. More recently, on July 23, 2022, the World Health Organization (WHO) declared the monkeypox outbreak as a global health emergency.⁴ The constant threat of global health emergencies necessitates the need to establish measures that would ensure an affordable supply of PPEs, medical devices and other medicines.

To avoid a repetition of what occurred in 2020, there is a need to amend Republic Act No. 7581, as amended by Republic Act No. 10623, otherwise known as the “Price Act,” to ensure that the price and supply of PPEs, including face masks, face shields, safety goggles, and the like, and medical devices, such as rapid antigen test kits, nebulizers, ethyl alcohol solution and oxygen cannulas, remain stable during times of emergencies. For this purpose, this bill seeks to:

- 1) Define and include PPEs 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 PPEs and relevant medical devices, may also be imposed in times of outbreaks/epidemics, pandemics or public health emergencies; and

² Coronavirus disease (COVID-19) in the Philippines. WHO. Available at <https://www.who.int/philippines/emergencies/covid-19-in-the-philippines> (date last accessed: July 24, 2022).

³ 2020, February 2. 5 Chinese nationals arrested for selling overpriced masks. GMA News Online. Available at <https://www.gmanetwork.com/news/news/metro/724531/5-chinese-nationals-arrested-for-selling-overpriced-masks/story/> (date last accessed: July 24, 2022).

⁴ July 24, 2022. WHO declares global health emergency over monkeypox outbreak. Reuters. Available at <https://www.reuters.com/business/healthcare-pharmaceuticals/monkeypox-outbreak-constitutes-global-health-emergency-who-2022-07-23/> (data last accessed: July 24, 2022).

- 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.

A handwritten signature in black ink, appearing to read "E.C. Villanueva", with a long horizontal flourish extending to the right.

HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA

1
2 “SEC. 3. **Definition of Terms.** – For purposes of this Act, the term:
3

4 (1) “*Basic necessities*” includes x x x
5

6 (2) “*Buffer fund*” means x x x
7

8 (3) “*EPIDEMIC/ OUTBREAK*” REFERS TO AN
9 OCCURRENCE OF MORE CASES OF DISEASES
10 THAN NORMALLY EXPECTED WITHIN A SPECIFIC
11 PLACE OR GROUP OF PEOPLE OVER A GIVEN
12 PERIOD OF TIME;
13

14 (4) “*Implementing agency*” means the department, agency
15 or office of the Government which has jurisdiction over a
16 basic necessity or prime commodity as defined in this
17 Act, which shall be:
18

19 x x x
20

21 (b) The Department of Health, with reference to drugs,
22 PERSONAL PROTECTIVE EQUIPMENT AND
23 MEDICAL DEVICES;
24

25 x x x
26

27 (5) “*MEDICAL DEVICE*” MEANS ANY INSTRUMENT,
28 APPARATUS, MACHINE, IMPLANTS, OR IN VITRO
29 REAGANTS INTENDED FOR USE IN, OR ACTUALLY
30 USED IN DIAGNOSIS, TREATMENT, MONITORING
31 OR PREVENTION OF DISEASE OR INJURY;
32

33 (6) “*PANDEMIC*” REFERS TO AN EPIDEMIC
34 OCCURRING WORLDWIDE, OR OVER A VERY WIDE
35 AREA, CROSSING INTERNATIONAL BOUNDARIES
36 AND USUALLY AFFECTING A LARGE NUMBER OF
37 PEOPLE;
38

39 (7) “*Panic-buying*” is the x x x
40

41 (8) “*Person*” means x x x
42

1 (9) "*PERSONAL PROTECTIVE EQUIPMENT*" MEANS
2 EQUIPMENT INTENDED FOR USE TO PROTECT THE
3 EYES, FACE, HEAD, HEARING, EXTREMITIES, OR
4 RESPIRATORY TRACT FROM HAZARDS OR TO
5 FUNCTION AS PROTECTIVE CLOTHING, AS A
6 PROTECTIVE SHIELD OR BARRIER, AS PERSONAL
7 FALL ARREST OR LADDER SAFETY DEVICES, OR
8 AS SAFETY AND HEALTH MONITORING AND
9 INSTRUMENTATION DEVICES;

10
11 (10) "*Prevailing Price*" means x x x

12
13 (11) "*Price ceiling*" means x x x

14
15 (12) "*Prime Commodities*" are goods not considered as basic
16 necessities but are essential to consumers in times of
17 any of the cases provided under Section 7 of this Act
18 such as, but not limited to, flour; dried, processed or
19 canned pork, beef and poultry meat; dairy products not
20 falling under basic necessities; onions, garlic, vinegar,
21 patis, soy sauce; toilet soap; fertilizer, pesticides and
22 herbicides; poultry, livestock and fishery feeds and
23 veterinary products; paper; school
24 supplies; *nipa* shingles; *sawali*; cement; clinker; GI
25 sheets; hollow blocks; plywood; plyboard; construction
26 nails; batteries; electrical supplies; light bulbs; steel wire;
27 PERSONAL PROTECTIVE EQUIPMENT AND
28 MEDICAL DEVICES AS DETERMINED BY THE
29 DEPARTMENT OF HEALTH; all drugs not classified as
30 essential drugs by the Department of Health and such
31 other goods as may be included under Section 4 of this
32 Act; AND

33
34 (13) "PUBLIC HEALTH EMERGENCY" REFERS TO AN
35 OCCURENCE OR IMMINENT THREAT OF AN
36 ILLNESS OR HEALTH CONDITION AS DEFINED
37 UNDER SECTION 3(I) OF REPUBLIC ACT NO. 11332,
38 OTHERWISE KNOWN AS THE "MANDATORY
39 REPORTING OF NOTIFIABLE DISEASES AND
40 HEALTH EVENTS OF PUBLIC HEALTH CONCERN
41 ACT."
42

SEC. 3. Section 5(3) of Republic Act No. 7581, as amended, is hereby deleted in its entirety.

SEC. 4. 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

(7) AN EPIDEMIC/OUTBREAK, PANDEMIC IS EXISTING, OR A PUBLIC HEALTH EMERGENCY IS DECLARED IN THAT AREA: *PROVIDED*, THAT THE PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICE IS RELATED TO TREATMENT FOR THE RELEVANT DISEASE CAUSING THE EPIDEMIC/OUTBREAK, PANDEMIC, OR PUBLIC HEALTH EMERGENCY.

If the prevailing price of any basic necessity is excessive or unreasonable, the—[implementing agency] PRICE COORDINATING COUNCIL may recommend to the President the imposition of a price ceiling for the sale of the basic necessity at a price other than its prevailing price.”

X X X

SEC. 5. 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

1
2 (2) The threat, existence, or effect of an emergency,
3 INCLUDING AN EPIDEMIC/ OUTBREAK, PANDEMIC OR A
4 PUBLIC HEALTH EMERGENCY;
5

6 X X X
7

8 UNLESS SOONER LIFTED BY THE PRESIDENT, THE
9 PRICE CEILING OF BASIC NECESSITIES AND PRIME
10 COMMODITIES UNDER THIS SECTION SHALL REMAIN
11 EFFECTIVE SO LONG AS THE CONDITION FOR ITS
12 DECLARATION PERSISTS, BUT IN ANY CASE NOT MORE
13 THAN SIX (6) MONTHS.
14

15 X X X"
16

17 **SEC. 6.** Section 10 of Republic Act No. 7581, as amended, is hereby
18 amended to read as follows:
19

20 "Sec. 10. ***Powers and Responsibilities of Implementing***
21 ***Agencies.*** – To carry out the intents and purposes of this Act,
22 the head of the implementing agency shall have the following
23 additional powers and responsibilities:
24

25 (5) From time to time, he may issue suggested reasonable
26 retail prices for any or all basic necessities and prime
27 commodities under his jurisdiction, UPON CONSULTATION
28 WITH RELEVANT STAKEHOLDERS, for the information and
29 guidance of producers, manufacturers, traders, dealers,
30 sellers, retailers, and consumers. FOR THIS PURPOSE, THE
31 IMPLEMENTING AGENCY SHALL ADOPT MECHANISMS
32 TO ENSURE THE DISSEMINATION OF SUCH
33 INFORMATION, INCLUDING THE DIFFERENCE BETWEEN
34 SUGGESTED RETAIL PRICES AND MANDATORY PRICE
35 CEILINGS OR PRICE FREEZE.
36

37 X X X
38

39 (9) He may conduct investigations of any violation of this Act
40 and, after due notice and hearing, impose administrative fines
41 in such amount as he may deem reasonable which shall in no
42 case be less than One thousand pesos (P1,000) nor more
43 than [One million pesos (P1,000,000)] THREE MILLION

1 PESOS (P3,000,000). In the imposition of administrative
2 fines, the following factors shall be taken into consideration:
3

4 X X X
5

6 **SEC. 7.** Section 11 of Republic Act No. 7581, as amended, is hereby
7 amended to read as follows:
8

9 "Sec. 11. Price Coordinating Council. – There is hereby
10 created a Price Coordinating Council, hereinafter referred to
11 as the Council, to be composed of the following members:
12

13 X X X
14

15 (14) THE CHAIRPERSON OF THE PHILIPPINE
16 COMPETITION COMMISSION;
17

18 (15) THE CHAIRPERSON OF THE NATIONAL WAGES
19 PRODUCTIVITY COMMISSION
20

21 X X X"
22
23

24 **SEC. 8.** Section 15 of Republic Act No. 7581, as amended, is hereby
25 amended to read as follows:
26

27 "Sec. 15. ***Penalty for Acts of Illegal Price Manipulation.*** –
28 Any person who commits any act of illegal price manipulation
29 of any basic necessity or prime commodity under Section 5
30 hereof shall suffer the penalty of imprisonment for a period of
31 not less than five (5) years nor more than ten (10) years, and
32 shall be imposed a fine of not less than Five thousand pesos
33 (P5,000) nor more than Two million pesos (P2,000,000);
34 *PROVIDED, THAT THE PENALTY FOR PERSONS WHO*
35 *COMMIT ACTS OF ILLEGAL PRICE MANIPULATION OF*
36 *PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL*
37 *DEVICES IDENTIFIED BY THE DEPARTMENT OF HEALTH*
38 *AS A PRIME COMMODITY DURING TIMES OF*
39 *EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS,*
40 *PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL*
41 *SUFFER THE PENALTY OF IMPRISONMENT FOR A*
42 *PERIOD OF NOT LESS THAN FIVE (5) YEARS NOR MORE*
43 *THAN TWENTY (20) YEARS, AND SHALL BE IMPOSED A*

1 FINE OF NOT LESS THAN TEN THOUSAND PESOS
2 (P10,000) NOR MORE THAN FOUR MILLION PESOS
3 (P4,000,000), DEPENDING ON THE SEVERITY,
4 FREQUENCY AND EXTENT OF THE VIOLATION
5 COMMITTED.
6

7 **SEC. 9.** Section 16 of Republic Act No. 7581, as amended, is hereby
8 amended to read as follows:
9

10 “Sec. 16. **Penalty for Violation of Price Ceiling.** – Any
11 person who violates Section 6 or 7 of this Act shall suffer the
12 penalty of imprisonment for a period of not less than one (1)
13 year nor more than ten (10) years or a fine of not less than
14 Five thousand pesos (P5,000) nor more than One million
15 pesos (P1,000,000) or both, at the discretion of the court;
16 *PROVIDED, THAT THE PENALTY FOR PERSONS WHO*
17 *VIOLATE THE PRICE CEILING FOR THE SALE OF*
18 *PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL*
19 *DEVICES IDENTIFIED BY THE DEPARTMENT OF HEALTH*
20 *AS A PRIME COMMODITY DURING TIMES OF*
21 *EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS,*
22 *PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL*
23 *SUFFER THE PENALTY OF IMPRISONMENT FOR A*
24 *PERIOD OF NOT LESS THAN TWO (2) YEARS NOR MORE*
25 *THAN TWENTY (20) YEARS, AND SHALL BE IMPOSED A*
26 *FINE OF NOT LESS THAN TEN THOUSAND PESOS*
27 *(P10,000) NOR MORE THAN TWO MILLION PESOS*
28 *(P2,000,000), DEPENDING ON THE SEVERITY,*
29 *FREQUENCY AND EXTENT OF THE VIOLATION*
30 *COMMITTED.”*
31

32 **SEC. 10. Implementing Rules and Regulation.** – Within ninety
33 (90) days from the effectivity of this Act, the Department of Trade and
34 Industry (DTI) shall, in consultation with the Price Coordinating Council
35 and relevant stakeholders, promulgate the necessary rules and
36 regulations for the effective implementation of this Act.
37

38 **SEC. 11. Separability Clause.** – Any portion or provision of this
39 Act that is declared unconstitutional or invalid shall not have the effect of
40 nullifying other portions or provisions hereof as long as such remaining
41 portions can still subsist and be given effect in their entirety.
42

1 **SEC. 12. *Repealing Clause.*** – All laws, ordinances, rules,
2 regulations, other issuances or parts thereof, which are inconsistent with
3 this Act, are hereby repealed or modified accordingly.
4

5 **SEC. 13. *Effectivity.*** – This Act shall take effect fifteen (15) days
6 after its publication in the *Official Gazette* or in two (2) newspapers of
7 general circulation.
8

9 ***Approved,***