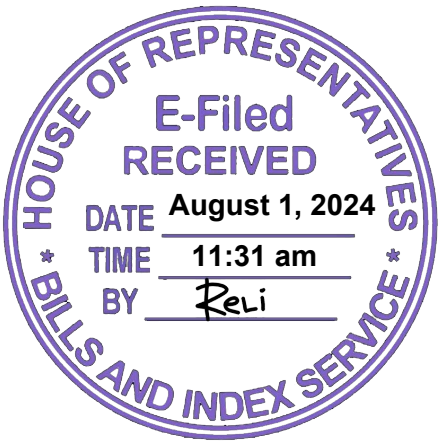
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
Third Regular Session

HOUSE BILL NO. **10703**



Introduced by Representative Michael L. Romero

EXPLANATORY NOTE

the **1987 constitution** mandates the state to support and establish the availability of **basic necessities and prime commodities at reasonable prices at all times** through appropriate technology and research, adequate financial services and other support services.

Hoarding, which is the undue accumulation by a person or combination of persons of any basic necessity or prime commodity beyond his or their normal inventory levels or the unreasonable limitation or refusal to dispose of, sell or distribute the stocks of any basic necessity or prime commodity to the general public or the unjustified taking out of any basic necessity or prime commodity from the channels of production, trade, commerce and industry. There shall be prima facie evidence of hoarding when a person has stocks of any basic necessity or prime commodity fifty percent (50%) higher than his usual inventory and unreasonably limits, refuses or fails to sell the same to the general public at the time of discovery of the stocks.

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;

Profiteering, which is the sale or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth. There shall be prima facie evidence of profiteering whenever a basic necessity or prime commodity being sold:

(a) has no price tag;

(b) is misrepresented as to its weight or measurement;

(c) is adulterated or diluted;

(d) whenever a person raises the price of any basic necessity or prime commodity he sells or offers for sale to the general public by more than ten percent (10%) of its price in the immediately preceding month: *Provided,* That, in the case of agricultural crops, fresh fish, fresh marine products, and other seasonal products covered by this Act and as determined by the implementing agency, the prima facie provision shall not apply; and

Cartel, which is 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 any basic necessity or prime commodity designed to artificially and unreasonably increase or manipulate its price.

In pursuant to RA7581, There shall be **prima facie evidence** of engaging in a cartel whenever two (2) or more persons or business enterprises competing for the same market and dealing in the same basic necessity or prime commodity, perform uniform or complementary acts among themselves which tend to bring about artificial and unreasonable increase in the price of any basic necessity or prime commodity or when they simultaneously and unreasonably increase prices on their competing products thereby lessening competition among themselves.

In addition to the foregoing criteria, within such reasonable time as respectively to promote and improve the social and economic well-being of those affected.

This House Bill seeks to ensure providing protection to consumers by **stabilizing the prices of basic necessities and prime commodities** and by prescribing measures against *undue price increases during emergency situations* and like occasions, thus providing for **stiffer penalties and sanctions**.

Thus, the early passage of this bill is earnestly requested.

MICHAEL L. ROMERO Ph.D.

Republic of the Philippines
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AN ACT

AMENDING **REPUBLIC ACT NO. 7581**, **"PRICE ACT"**, TO ENSURE THE AVAILABILITY OF BASIC NECESSITIES AND PRIME COMMODITIES AT REASONABLE PRICES AT ALL TIMES, PROVIDING FOR STIFFER PENALTIES AND SANCTIONS, AND FOR OTHER PURPOSES

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

SECTION 1. DECLARATION OF POLICY — It is hereby a declared 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, widespread illegal price manipulation and other similar situations.

To these purpose, the state shall:

1. Develop, adopt and promulgate measures to promote productivity in basic necessities and prime commodities;

2. Develop an improved and efficient transport and distribution system;

3. Develop, adopt and promulgate measures to stabilize prices at reasonable levels;

4. Institute appropriate penalties for illegal price manipulation and other violations of this Act; and

5. Establish a mechanism that will readily protect consumers from inadequate supply and unreasonable price increases on occasions of calamities, emergencies and like occurrences.

Towards this end, the state shall enforce all laws, rules and regulations to ensure adherence to standard fire prevention and safety measures and promote accountability and price stability for all consumers.

The state recognizes the important role of the **Price Coordinating Council** for nation-building and promotes the sustained development of reservoir of disaster awareness/response whose competence have been determined by honest and credible standards of professional practice and service are world-class and internationally recognized, globally competitive through preventive regulatory measures, programs and activities that foster their continuing professional development.

It shall be imperative for the state to promote and make quality services, protocols and support accessible to all Filipino citizens.

For these purposes, the state shall provide the mechanisms to improve fire safety by maximizing the use of existing resources of all government agencies and

branches, recognizing in the process the government's responsibility to provide a wholistic approach as having priority over its other functions.

It is a declared policy of the state in conformity with the mandate of the Constitution, to promote and make quality response accessible to all Filipino citizens. The state hereby recognizes the complementary roles of being empowered with policy-making, coordination, integration, supervision, monitoring and evaluation functions and the invaluable contribution that the present **Price Coordinating Council** they have made and will make to the republic.

For these purposes, the state shall provide the mechanisms to improve the status of contingency planning by maximizing the use of existing resources, recognizing in the process the government's responsibility to provide all administration/organization support as having priority over its other functions.

SECTION 2. EXCLUSION – Upon petition of the concerned parties and after public hearing, the implementing agency, with the approval of the **President**, may exclude from the coverage of this Act, types or brands of the goods included in the definition of basic necessities and prime commodities, which may be deemed as nonessential goods or luxury goods:

Provided, That, any type or brand so excluded may be reinstated by the implementing agency during occasions of acute shortage in the supply of the basic necessity or prime commodity to which the excluded type or brand used to belong.

SECTION 3. LIMITATION - In relation of the **Price Act** to other Laws, Presidential Issuances, nothing in this Act shall be construed as removing or diminishing the jurisdiction of any agency of Government on certain goods or products conferred by other laws or presidential issuances.

SECTION 4. section 15 of RA7581 is hereby amended to read as follows:

> **Section 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 six **(6)** years nor more than fifteen (15) years, and shall be imposed a fine of not less than Five hundred thousand pesos **(P500,000.00)** nor more than Two million pesos (P2,000,000).

> **SECTION 5. section 16 of RA7581 is hereby amended to read as follows:**

> **Section 16.** *Penalty for Violation of Price Ceilings.* – Any person who violates Section 6 or 7 of this Act shall suffer the penalty of imprisonment for a period of not less than six **(6)** years nor more than fifteen **(15)** years, or a fine of not less than Five hundred thousand pesos **(P500,000.00)** nor more than Two million pesos **(P2,000,000.00)**, or both, at the discretion of the court.

SECTION 6. PRESCRIPTION OF CRIMES. – The crimes punishable under this act shall be prescribed in twenty **(20)** years.

SECTION 7. INCREASE OF PERSONNEL. – The **Chairperson** of the **Price Coordinating Council** - shall maintain a sufficient staffing pattern. Hence, it is authorized to increase its manpower to meet such required and may continue to increase personnel per percentage rate increase of committed mandates annually or as the need arises.

The **Price Coordinating Council** shall be headed by the **Secretary** of the **Department of Trade and Industry DTI** as Chairperson

Section 8. MANDATORY PRICE CONTROL. – Unless otherwise declared by the **President**, prices of basic necessities in an area shall automatically be frozen at their prevailing prices or placed under automatic price control whenever:

1. That area is proclaimed or declared a disaster area or under a state of calamity;

2. That area is declared under an emergency;

3. The privilege of the writ of habeas corpus is suspended in that area;

4. That area is placed tinder martial law;

5. That area is declared to be in a state of rebellion; or

6. A state of war is declared in that area.

If the prevailing price of any basic necessity is excessive or unreasonable, the implementing agency 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.

Unless sooner lifted by the **President**, price control of basic necessities under this section shall remain effective for the duration of the condition that brought it about, but not for more than sixty (60) days.

SECTION 9. 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:

1. The impendency, existence, or effects of a calamity;

2. The threat, existence, or effects of an emergency;

3. The prevalence or widespread acts of illegal price manipulation;

4. The impendency, existence, or effect of any event that causes artificial and unreasonable increase in the price of the basic necessity or prime commodity; and

5. Whenever the prevailing price of any basic necessity or prime commodity has risen to unreasonable levels.

SECTION 10. ALLOCATION OF A SAFEGUARD FUND TO THE IMPLEMENTING AGENCY. – The implementing agency may procure, purchase, import, or stockpile any basic necessity or prime commodity, devise ways and means of distributing them for sale at reasonable prices in areas where there is shortage of supply or a need to effect changes in its prevailing price. For any or all of these purposes, a fund shall be allocated in the annual **General Appropriations of Act** the implementing agencies.

SECTION 11. ROLE OF THE PHILIPPINE STATISTICS AUTHORITY. – The **PSA** shall conduct independent periodic surveys and studies of the selling prices of all basic necessities and prime commodities all over the country as well as their share or effect on the family income of the different economic groups in the country for purposes of serving as data base for government efforts to stabilize prices, as well as evaluating the effectivity of the same.

SECTION 12. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six **(6)** months transitory period from the effectivity of the **IRR** or such other period as may be determined, to comply with the requirements of this Act.

SECTION 13. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within ninety **(90)** days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 14. SAVING CLAUSE. All pending cases shall be absorbed by the **DTI** after the publication of the Act containing rules and regulations relative to such matters.

Upon approval of this Act, assistance shall be given to all implementing agencies Provided, That the present allocation of **Price Coordinating Council** shall be used at the same proportion and allocation as provided by law.

in accordance with **Republic Act No. 7581**, subject to compliance with the requirements prescribed by **DTI**.

SECTION 15. RESPONSIBILITY FOR THE ENFORCEMENT OF THIS ACT. - This Act shall be administered and enforced by the **(Price Coordinating Council)**, under the direct supervision and control of the *Chairperson of the Council*, through the hierarchy of organization as provided for in **Republic Act No. 7581**.

With the approval of the Chairman of the **(Price Coordinating Council)** is hereby authorized to carry out full enforcement.

SECTION 16. PROHIBITION - No corporation, partnership, association or entity shall operate without securing a permit/license from the **(Price Coordinating Council)**, which shall be issued only after it has satisfied itself that such establishment is properly staffed/accredited.

Any unethical practice as may be defined in this act to be prepared by the **(Price Coordinating Council)**, is prohibited.

SECTION 17. VIOLATION, PENALTIES – security risks shall be abated immediately. The *Chairperson*, of the **(Price Coordinating Council)** his/her duly authorized representative, upon the report that a violation of this Act or other pertinent laws, rules and regulations is being committed, shall issue notice/order to comply to the owner, administrator, occupant or other person

responsible for the condition of the building or structure, indicating among other things, the period within which compliance shall be effected, which shall be within ten (10) to fifteen (15) days after the receipt of the notice/order, depending on the reasonableness to adequately comply with the same

SECTION 18. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

RA7581 is hereby repealed. All laws, presidential decrees, letters of instructions, executive orders, rules and regulations insofar as they are inconsistent with this Act, are hereby repealed or amended as the case may be.

SECTION 19. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 20. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,