

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

'13 JUL 10 A9:20

SENATE

S. B. No. 706

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Introduced by Senator FRANCIS G. ESCUDERO

**EXPLANATORY NOTE**

Republic Act No. 386 or the Civil Code was enacted into law on 18 June 1949. It contains provisions on amounts in Philippine peso for its application.

Among these provisions are: Articles 704, abatement of nuisance; 748, donations mandated to be in writing; 1358, contracts mandated to be in writing; 1403, Statute of Frauds; 1772, partnership for Securities and Exchange Commission registration; and 2206, damages for *quasi-delict* resulting in death.

This bill seeks to update the amounts provided for in the foregoing provisions given that the disparity between the peso values in 1949 and the present makes such amount antiquated and obsolete. Thus, what could have been the legislative intent then may no longer apply at present.

On the determination of the amounts to be placed as amendments the current value of the Philippine peso is taken into account, relying on the official Consumer Price Index as issued by the National Statistics Office (NSO). This is believed and theorized to be sound in reflecting the real and true figures to date.

In view of the foregoing, this representation fervently requests for the immediate passage of this bill.

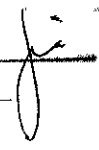
FRANCIS G. ESCUDERO



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AN ACT  
AMENDING CERTAIN PROVISIONS OF THE REPUBLIC ACT NO. 386 OR THE  
CIVIL CODE AS AMENDED

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

1           **SECTION 1.** Articles 704, 748, 1358, 1403, 1772 and 2206 of Republic Act No. 386, as  
2 amended, is hereby further amended to read as follows:

3           *“Article 704. Any private person may abate a public nuisance which is*  
4 *specially injurious to him by removing, or if necessary, by destroying the thing*  
5 *which constitutes the same, without committing a breach of the peace, or doing*  
6 *unnecessary injury. But it is necessary:*

7           (1) *That demand be first made upon the owner or possessor of the property to*  
8 *abate the nuisance;*

9           (2) *That such demand has been rejected;*

10           (3) *That the abatement be approved by the district health officer and executed*  
11 *with the assistance of the local police; and*

12           (4) *That the value of the destruction does not exceed [three thousand pesos] **ONE***  
13 ***HUNDRED SIX THOUSAND FIVE HUNDRED TWENTY SIX AND***  
14 ***THIRTY THREE CENTAVOS.**”*

15           *“Article 748. The donation of a movable may be made orally or in writing.*

16           *An oral donation requires the simultaneous delivery of the thing or of the*  
17 *document representing the right donated.*

18           *If the value of the personal property donated exceeds [five thousand pesos] **ONE***  
19 ***HUNDRED SEVENTY SEVEN THOUSAND FIVE HUNDRED FORTY***  
20 ***THREE AND EIGHTY EIGHT CENTAVOS,** the donation and the acceptance*  
21 *shall be made in writing. Otherwise, the donation shall be void. (632a)”*

22           *“Article 1358. The following must appear in a public document:*

23           (1) *Acts and contracts which have for their object the creation, transmission,*  
24 *modification or extinguishment of real rights over immovable property; sales of*

1 real property or of an interest therein are governed by articles 1403, No. 2, and  
2 1405;

3 (2) The cession, repudiation or renunciation of hereditary rights or of those of the  
4 conjugal partnership of gains;

5 (3) The power to administer property, or any other power which has for its object  
6 an act appearing or which should appear in a public document, or should  
7 prejudice a third person;

8 (4) The cession of actions or rights proceeding from an act appearing in a public  
9 document.

10 All other contracts where the amount involved exceeds [five hundred pesos]  
11 **SEVENTEEN THOUSAND SEVEN HUNDRED FIFTY FOUR AND THIRTY**  
12 **NINE CENTAVOS** must appear in writing, even a private one. But sales of  
13 goods, chattels or things in action are governed by articles, 1403, No. 2 and  
14 1405. (1280a)”

15 “Article 1403. The following contracts are unenforceable, unless they are  
16 ratified:

17 (1) Those entered into in the name of another person by one who has been given  
18 no authority or legal representation, or who has acted beyond his powers;

19 (2) Those that do not comply with the Statute of Frauds as set forth in this  
20 number. In the following cases an agreement hereafter made shall be  
21 unenforceable by action, unless the same, or some note or memorandum, thereof,  
22 be in writing, and subscribed by the party charged, or by his agent; evidence,  
23 therefore, of the agreement cannot be received without the writing, or a  
24 secondary evidence of its contents:

25 (a) An agreement that by its terms is not to be performed within a year from the  
26 making thereof;

27 (b) A special promise to answer for the debt, default, or miscarriage of another;

28 (c) An agreement made in consideration of marriage, other than a mutual  
29 promise to marry;

30 (d) An agreement for the sale of goods, chattels or things in action, at a price not  
31 less than [five hundred pesos] **SEVENTEEN THOUSAND SEVEN HUNDRED**  
32 **FIFTY FOUR AND THIRTY NINE CENTAVOS**, unless the buyer accept and  
33 receive part of such goods and chattels, or the evidences, or some of them, of such  
34 things in action or pay at the time some part of the purchase money; but when a  
35 sale is made by auction and entry is made by the auctioneer in his sales book, at  
36 the time of the sale, of the amount and kind of property sold, terms of sale, price,  
37 names of the purchasers and person on whose account the sale is made, it is a  
38 sufficient memorandum;

39 (e) An agreement for the leasing for a longer period than one year, or for the sale  
40 of real property or of an interest therein;

41 (f) A representation as to the credit of a third person.

1 (3) *Those where both parties are incapable of giving consent to a contract.*"

2 "Article 1772. Every contract of partnership having a capital of [three  
3 thousand pesos] **ONE HUNDRED SIX THOUSAND FIVE HUNDRED**  
4 **TWENTY SIX AND THIRTY THREE CENTAVOS** or more, in money or  
5 property, shall appear in a public instrument, which must be recorded in the  
6 Office of the Securities and Exchange Commission.

7 Failure to comply with the requirements of the preceding paragraph shall not  
8 affect the liability of the partnership and the members thereof to third persons.  
9 (n)"

10 "Article 2206. The amount of damages for death caused by a crime or  
11 quasi-delict shall be at least [three thousand pesos] **ONE HUNDRED SIX**  
12 **THOUSAND FIVE HUNDRED TWENTY SIX AND THIRTY THREE**  
13 **CENTAVOS**, even though there may have been mitigating circumstances. In  
14 addition:

15 (1) *The defendant shall be liable for the loss of the earning capacity of the*  
16 *deceased, and the indemnity shall be paid to the heirs of the latter; such*  
17 *indemnity shall in every case be assessed and awarded by the court, unless the*  
18 *deceased on account of permanent physical disability not caused by the*  
19 *defendant, had no earning capacity at the time of his death;*

20 (2) *If the deceased was obliged to give support according to the provisions of*  
21 *article 291, the recipient who is not an heir called to the decedent's inheritance by*  
22 *the law of testate or intestate succession, may demand support from the person*  
23 *causing the death, for a period not exceeding five years, the exact duration to be*  
24 *fixed by the court;*

25 (3) *The spouse, legitimate and illegitimate descendants and ascendants of the*  
26 *deceased may demand moral damages for mental anguish by reason of the death*  
27 *of the deceased."*

28 **SECTION 2.** All laws, presidential decrees, executive orders, proclamations and/or  
29 administrative regulations which are inconsistent with the provisions of this Act are hereby  
30 amended, modified, superseded or repealed accordingly.

31  
32 **SECTION 3.** This Act shall take effect fifteen (15) days from its publication in the  
33 Official Gazette or at least three (3) newspapers of national circulation.

34  
35 *Approved,*  
36  
37