

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



Senate
Office of the Secretary

13 AUG -1 P5:03

SENATE
S. No. 1210

RECEIVED BY: *ju*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 12, Section 19 provides:

The State shall regulate or prohibit monopolies when the public interest so requires. No combinations in restraint of trade or unfair competition shall be allowed.

Developed countries use anti-trust regulation to maintain competition that ensures an efficient working market economy and a modern democracy. A competition regulator is a government agency, usually a statutory authority, sometimes called an economic regulator, which oversees and enforces competition laws, and may sometimes also enforce consumer protection laws. Many nations implement competition laws, and there is general agreement on acceptable standards of behaviour. The degree to which countries enforce their competition policy does vary substantially, with the United States generally regarded as having the most strict competition laws and enforcement.

Competition regulators may also regulate certain aspects of mergers and acquisitions and business alliances and regulate or prohibit cartels and monopolies. Competition, through its distributive, allocative and incentive functions, can stop undue concentration of economic power and the consequent concentration of political power in the economic elite who use their economic and political powers to have their inefficiencies subsidized by the majority of the population. The current laws for fostering competition in the Philippines are inadequate to stop the detriments of anti-competitive structures and behavior in the market. Despite the large number of laws and their varied nature, competition has not been fully established in all sectors of the economy, nor has existing competition in other sectors of the market been enhanced. These laws have been hardly used or implemented as may be seen in the lack of cases litigated in court.

Given the large number of enforcement agencies, responsibility is too diffused and accountability for implementation of the laws is hard to pinpoint. There is also a lack of expertise in the appreciation and implementation of competition laws that rely heavily on economic thought, techniques of analysis, and value preferences as tools of enforcement. Identifying a single specialized agency under a specific competition law, with the necessary expertise and authority to oversee the enforcement of competition laws is a crucial first step.

Competition law must focus on the actual and/or potential business conduct of firms in a given market, and not on the absolute or relative size of firms. It should look at the business conduct of firms and on the business environment in which the firms operate. The law must be effectively harmonized and linked with other government policies. Promoting competition in the business environment restrains the anti-competitive behavior of firms and also fosters sound business practices and ethics. Philippine competition law must be a law of general application, addressing all sectors of the economy. Exemptions from its application may be allowed if they do not limit competition, are based on sound economic principles, and are aimed at facilitating legitimate economic activity. Competition law should contain provisions explicitly prohibiting business practices that are clearly against economic efficiency and consumer welfare.*

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MIRIAM DEFENSOR SANTIAGO

* This bill was originally filed in the Fourteenth Congress, Second Regular Session.

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1 AN ACT
2 PROHIBITING ANTI-COMPETITIVE PRACTICES AND CREATING THE COMPETITION
3 REGULATORY COMMISSION

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

4 ARTICLE 1 – SCOPE AND DEFINITIONS

5 SECTION 1. *Short Title.* – This Act shall be known as the “Anti-Trust Act of the
6 Philippines.”

7 SECTION 2. *Declaration of Policy.* – It is the policy of the State to maintain and enhance
8 free and full competition in trade, industry and all commercial economic activity and to penalize
9 all forms of unfair trade, anti-competitive conduct and combinations in restraint of trade in order
10 to improve consumer welfare.

11 SECTION 3. *Scope and Limitations.* – This Act shall be enforceable in the whole
12 territory of the Republic of the Philippines and applies to all areas of trade, industry and
13 commercial economic activity. This Act does not derogate from the direct enjoyment of the
14 privileges and protections conferred by Republic Act No. 8293, otherwise known as the
15 Intellectual Property Code, and other laws protecting intellectual property, including inventions,
16 industrial models, trademarks and copyrights. It does, however, apply to the use of such property
17 in such a manner as to cause the anti-competitive effects prohibited herein. This Act shall apply
18 neither to the combinations or activities of workers or employees, nor to agreements or
19 arrangements between two or more employers, when such combinations, activities, agreements

1 or arrangements are designed solely to facilitate collective bargaining in respect of conditions of
2 employment.

3 SECTION 4. *Definition of Terms.* – As used in this Act, the term–

4 (A) "Competition" refers to the process by which economic agents, acting independently
5 in a market, limit each other's ability to control the conditions prevailing in that market;

6 (B) "Commission" refers to the Competition Regulation Commission created in this Act;

7 (C) "Firm" refers to any natural or legal person, governmental body, partnership or
8 association in any form, engaged directly or indirectly in economic activity. Two firms, one of
9 which is controlled by the other, shall be treated as one firm. Two or more firms that are
10 controlled by a single firm shall be treated as one firm. The Commission shall, from time to time,
11 adopt a regular setting of what constitutes control;

12 (D) "Goods" refer to all property, tangible and intangible, and services;

13 (E) "Market" refers to a collection of goods that are capable of being substituted for each
14 other and that buyers are or would be willing to substitute, and a specific territory, which may
15 extend beyond the borders of the Republic of the Philippines, in which are located sellers among
16 whom buyers are or would be willing to substitute from whom they would buy.

17 ARTICLE 2 – ABUSE OF DOMINANT POSITION

18 SECTION 1. *Dominant Position.* – A firm shall be deemed to have a dominant position
19 if, acting on its own, it can profitably and materially restrain or reduce competition in a market
20 for a significant period of time.

21 SECTION 2. *Safe Harbor.* – A firm shall not be deemed to have a dominant position
22 unless its share of the relevant market exceeds the percentage set by the Commission in its
23 guidelines. A firm having a market share exceeding a percentage set by the Commission, may or
24 may not be found to be dominant, depending on the economic situation in that market.

1 SECTION 3. *Balancing Efficiencies.* – An agreement prohibited under Section 2 of this
2 Article may nevertheless be permissible and allowed by the Commission if said agreement has
3 brought about, or is likely to bring about, gains in real, as opposed to merely pecuniary,
4 efficiencies that –

5 (A) are greater than or more than offset the effects of any limitation on competition that
6 result or are likely to result from the agreement; or

7 (B) consumer well being is expected to be enhanced as a result of the agreement

8 SECTION 4. *Burden of Proof.* – The burden of proof to show that the agreement is not
9 prohibited lies with the parties seeking the exemption pursuant to Section 3. Such parties are
10 required to, among others; demonstrate that if the agreement were not implemented, it is not
11 likely that the relevant real efficiency gains would be realized by means that would limit
12 competition to a lesser degree than the agreement.

13 ARTICLE 3 – MERGERS AND ACQUISITIONS

14 SECTION 1. *Review of Concentrations.* – A concentration shall be deemed to arise
15 when:

16 (A) two or more previously independent firms merge, amalgamate or combine the whole
17 or a part of their business; or

18 (B) one or more natural or legal persons already controlling at least one firm, acquire,
19 whether by purchase of securities or assets, by contract or by other means, direct or indirect
20 control of the whole or parts of one or more oilier firms.

21 SECTION 2. *Control.* – For the purpose of this Article, control is defined as the ability to
22 materially influence a firm, in particular through:

23 (A) ownership or the right to use all or part of the assets of an undertaking; or

24 (B) rights or contracts which confer decisive influence on the composition, voting or
25 decisions of the organs of a firm.

1 SECTION 3. *Compulsory Notification.* – Parties to an agreement that will produce a
2 concentration larger than the minimum size as may be provided in regulations issued pursuant to
3 Section 7 of this Article, are prohibited from consummating such concentration until thirty (30)
4 days after providing notification to the Commission, in the form and containing the information
5 specified in regulations issued pursuant to section 7, An agreement consummated in violation of
6 this requirement shall be considered void and subject the parties to the corresponding penalties
7 therefor.

8 SECTION 4. *Further Information.* – The Commission may, in writing, request the
9 parties to the agreement, for further information, before the expiration of the thirty (30) day
10 period referred to in section 3 of this Article. The issuance of such a request has the effect of
11 extending the period within which the concentration may not be consummated for an additional
12 thirty (30) days, beginning on the day after substantially all of the requested information is
13 supplied to the Commission.

14 SECTION 5. *Voluntary Notification.* – Parties to an agreement who are not subject to the
15 notification requirement in Section 3 of this Article may voluntarily notify and, if they do so, be
16 subjected to the same procedures, restrictions and rights as are applied to cases of compulsory
17 notification.

18 SECTION 6. *Effect of Notification.* – If, before consummation of a concentration, the
19 Commission determines that such concentration is prohibited under Section 8, and does not
20 qualify for exemption under Section 9, of this Article, the Commission may:

21 (A) prohibit consummation of the concentration;

22 (B) prohibit consummation of the concentration unless and until it is modified by changes
23 specified by the Commission; or

24 (C) prohibit consummation of the concentration unless and until the pertinent party or
25 parties enter into legally enforceable agreements specified by the Commission.

1 SECTION 7. *Regulations of the Commission.* – The Commission shall from time to time
2 adopt and publish regulations, stipulating:

3 (A) the minimum size or size of concentrations subject to the notification requirement of
4 Section 3 of this Article;

5 (B) the information that must be supplied for notified concentrations;

6 (C) exceptions or exemptions from the notification requirements of Section 3 for
7 specified types of concentrations; and

8 (D) other rules relating to the notification procedures in Sections 3, 4 and 5 of this
9 Article.

10 SECTION 8. *Prohibited Concentrations.* – Concentrations that will significantly limit
11 competition as may be determined by the Commission are prohibited.

12 SECTION 9. *Permissible Concentrations.* – Concentrations prohibited under Section 8 of
13 this Article shall, nonetheless, be free from prohibition by the Commission where the parties
14 establish that either:

15 (A) the concentration has brought about or is likely to bring about gains in real, as
16 opposed to merely pecuniary, efficiencies that are greater than or more than offset the effects of
17 any limitation on competition that result or are likely to result from the concentration; or

18 (B) a party to the concentration is faced with actual or imminent financial failure, and the
19 concentration represents the least anti-competitive arrangement among the known alternative
20 uses for the failing firm's assets.

21 SECTION 10. *Burden of Proof.* – The burden of proof under Section 9 lies with the
22 parties seeking the exemption.

23 A party seeking to rely on the exemption specified in Section 9 (a) must demonstrate that
24 if the concentration were not consummated it is not likely that the relevant real efficiency gains
25 would be realized by means that would limit competition to a lesser degree than the
26 concentration.

1 A party seeking to rely on the exceptions specified in Section 9 (b) must:

2 (A) demonstrate that reasonable steps have been taken within the recent past to identify
3 alternative purchasers for the failing firm's assets; and

4 (B) fully describe the results of that search.

5 SECTION 11. *Determination by Commission.* The Commission may determine, within
6 three (3) years after consummation, that either:

7 (A) a non-notified concentration; or

8 (B) a notified concentration in which the provisions of Sections 3 to 5 of this Article are
9 not fully complied with or has led or will probably lead to a significant limitation of competition
10 and does not qualify for exemption set out in Section 9 of this Article. If it so determines, the
11 Commission may:

12 (1) undo the concentration by dissolving it into its constituent elements;

13 (2) require other modifications of the concentration, including sale of a portion of its
14 operations or assets; or

15 (3) require the surviving firm or firms to enter into legally enforceable agreements
16 specified by the Commission and designed to reduce or eliminate the competition
17 limiting effects of the concentration.

18 ARTICLE 4 – UNFAIR COMPETITION

19 SECTION 1. *Unfair Competition.* – Unfair competition is prohibited, including:

20 (A) the distribution of false or misleading information which is capable of harming the
21 business interests of another firm;

22 (B) the distribution of false or misleading information to consumers, including the
23 distribution of information lacking a reasonable basis, related to the price, character, method or
24 place of production, properties, suitability for use or quality of goods;

25 (C) false or misleading comparison of goods in the process of advertising;

26 (D) fraudulent use of another's trademark, firm name, or product labeling or packaging;

1 (E) unauthorized receipt, use, or dissemination of confidential scientific, technical,
2 production, business or trade information; or

3 (F) collusion in business practices that are clearly against economic efficiency and
4 consumer welfare, such as price fixing, bid rigging, restriction of output and market shares and
5 allocation of geographic markets and customers.

6 ARTICLE 5 – THE COMMISSION

7 SECTION 1. *The Competition Regulatory Commission.* – There is hereby created an
8 independent collegial body to be known as the Competition Regulatory Commission. The
9 Commission shall be composed of a Chair and four (4) Associate Commissioners, all of whom
10 shall be appointed by the President for a term of seven (7) years without reappointment. The
11 Chair and two (2) of the Associate Commissioners first appointed shall serve for a period of
12 seven (7) years, while the other two (2) Associate Commissioners shall serve for five (5) years as
13 shall be indicated in their respective appointments.

14 Appointment to any vacancy shall only be for the unexpired term of the predecessor. In
15 no case shall a member of the Commission be designated or appointed in a temporary' or acting
16 capacity. The Chair of the Commission can only be removed for patent disability to discharge
17 his/her functions.

18 SECTION 2. *Qualifications.* – The Chair and the Associate Commissioners shall be
19 citizens of the Philippines, at least forty (40) years of age, of recognized probity, integrity, and
20 competence in the field of law, economics, finance banking, commerce, industry and/or
21 consumer welfare, and must not have been a candidate for an elective national or local office in
22 the immediately preceding election, whether regular or special.

23 SECTION 3. *Rank and Salary.* – The members of the Commission shall have the same
24 rank, privileges, and salaries as the chair and members of a Constitutional Commission. Their

1 salaries shall be set, and from time to time be adjusted by the President. In no case shall their
2 salaries be decreased during their term of office.

3 SECTION 4. *Prohibitions and Disqualifications.* – The members of the Commission
4 shall not, during their tenure, hold any other office or employment. They shall not during their
5 tenure, directly or indirectly, practice any profession, participate in any business or financially
6 interested in any contract or any franchise, or special privilege granted by the government of any
7 subdivision, agency or instrumentality thereof, including government-owned and controlled
8 corporations or their subsidiaries: Provided, however, that they may, with the prior permission of
9 the President teach part time in any institution of learning. They shall, at all times, strictly avoid
10 conflict of interest situations in the conduct of their office. They shall not be qualified to run for
11 any office in any public election, regular or special, immediately preceding their cessation from
12 office. They shall not be allowed to appear or practice before the Commission for a period of one
13 (1) year following their cessation from office.

14 SECTION 5. *Meetings, Notice, and Quorum.* – The Commission shall meet as often as
15 may be necessary on such days as the Chair, or in his/her absence, as a majority of the
16 Commissioners may fix. The notice of meeting shall be given to all members at least one (1) day
17 before the scheduled date of the meeting.

18 The presence of at least three (3) Commissioners shall constitute a quorum. In the
19 absence of the Chair, one of the Associate Commissioners chosen by those present shall act as
20 the presiding officer of the meeting.

21 SECTION 6. *Secretariat.* – The Commission shall have a Secretariat with a staff
22 complement as may be determined by the Chair in consultation with the Department of Budget
23 and Management.

24 The Secretariat shall be headed by an Executive Director who shall be appointed by the
25 President. He/she shall act as the secretary of the Commission and shall be responsible for the

1 effective implementation of the policies, rules and standards set by the Commission and oversee
2 and coordinate the day-to-day activities of the different operating units of the Commission.

3 ARTICLE 6 – POWERS AND FUNCTIONS OF THE COMMISSION

4 SECTION 1. *Powers and Functions.* – To carry out the objectives of this Act, the
5 Commission shall have and exercise the following powers and functions:

6 (A) To enforce and effectively administer the provisions of this Act and other fair trade
7 laws, subject to the powers vested in the courts and other administrative agencies under this Act;

8 (B) Undertake and prepare industry studies to determine industry structures, and the state
9 of competition and competitiveness of Philippine industries, and collate, compile, distribute and
10 disseminate resource materials on competition policy, with the end in view of creating a national
11 database on competition;

12 (C) Conduct workshops and seminars, information campaigns for the public, and train or
13 develop a pool of experts on competition;

14 (D) Extend technical assistance to the Philippine delegations to international bodies and
15 meetings in regard to trade and competition law and policy;

16 (E) Draft and recommend proposed administrative and legislative measures for respective
17 consideration and adoption/enactment by the Executive or Legislative Branch of government;

18 (F) Make submissions to the government authorities engaged in designing or
19 administering legislation or regulations which could affect competition in any market in the
20 Philippines, intervene in hearings and proceedings held with regard to the adoption or
21 administration of such laws or regulations, and publish the submissions and interventions above
22 referred to, provided that confidential information is not divulged;

23 (G) Administratively adjudicate violations of this Act and rules and regulations issued
24 pursuant thereto, by conducting a formal investigation, independent of the corresponding
25 criminal and civil action for said violation(s). The imposition of administrative penalties in the
26 formal investigation is without prejudice to the imposition of penalties in the criminal action
27 and/or judgment in the civil action and vice versa.

1 As soon as a formal charge is filed with the Commission and even prior to the
2 commencement of the formal investigation, the Commission may *motu proprio* or upon verified
3 application of any person, issue preliminary orders prohibiting firms from carrying on the
4 anticompetitive or unfair practices referred to in this Act and, if necessary, requiring such firms
5 to take other specified actions to eliminate the harmful effects of such practices and to ensure
6 against recurrence of such practices. Before issuing any orders, the Commission shall be satisfied
7 that the proposed measures are urgently required to avoid serious, imminent and irreparable harm
8 to the economic interests of the Philippines, as expressed in this Act. Where the effectiveness of
9 the order would not thereby be prejudiced, the Commission may permit the firms that would be
10 subject to the order to present their views regarding the proposed order. The Commission shall
11 provide by rules and regulations the order procedures and restrictions for the issuance of such
12 preliminary orders.

13 All orders may, under this Section, lose effect twenty one (21) days after they are issued,
14 unless renewed by express decision of the Commission.

15 Upon its decision becoming final and executory, the Commission on its own initiative or
16 upon motion of the winning party shall issue a writ of execution. The Commission shall deputize
17 the Philippine National Police, National Bureau of Investigation or Armed Forces of the
18 Philippines in the enforcement of any of its decisions and orders. Orders and decisions issued
19 under this Section may be appealed to the pertinent appeal court, but do not lose their effect
20 pending the outcome of the appeal;

21 (H) Conduct its own administrative investigations for the purpose of:

22 (1) obtaining information relative to any activity that constitutes any past or present
23 violation of this Act and Other fair trade laws; and

24 (2) gathering and compiling trade information relative to:

25 (i) the nature, organization and resources of any person, firm, entity or association
26 doing business in and/or with the Philippines or a Philippine firm;

27 (ii) determining and evaluating the practices, acts methods, schemes, arrangements
28 and other trade conditions prevailing in an industry.

1 (I) The officials authorized to conduct the preliminary or administrative investigations,
2 including formal investigations for purposes of administrative adjudication referred to in the
3 Section 1 (G) of this Article, shall have the power to administer oaths, issue subpoena *duces*
4 *tecum* to compel the attendance of witnesses and the production of necessary papers and
5 documents, and to punish direct and indirect contempt as granted to superior courts under the
6 Rules of Court;

7 (J) Initiate or institute the appropriate civil action or proceeding before the proper court or
8 administrative agency in the implementation of the provisions of this Act and other fair trade
9 laws or restrain any threatened violations thereof;

10 (K) Institute the appropriate information and prosecute criminal cases for any and all
11 violations of this Act and other fair trade laws after conducting a preliminary investigation *motu*
12 *proprio* or upon complaint of any person, when there is sufficient ground to engender a well
13 founded belief that the violation(s) complained of is/are being or has/have been committed, and
14 in addition, and subject to the rules on prosecution of civil action under the Rules of Court,
15 institute the appropriate action for the recovery of civil liability;

16 (L) Recommend the amendment of existing franchises when, based on its own
17 evaluation, the same has adversely affected the growth of the relevant market or industry;

18 (M) Periodically conduct an inspection of any pertinent:

19 (1) factory, shop, laboratory, establishment, store, warehouse, any means of
20 transportation, and the like;

21 (2) papers, documents, and records found in such factory, shop, laboratory,
22 establishment, store, warehouse, means of transportation, and the like;

23 (3) equipment, finished or unfinished products, raw materials, containers, labeling and
24 other pertinent properties found in such factory, shop, laboratory, establishment,
25 store, warehouse, means of transportation, and the like;

26 (4) activity being undertaken in such factory, shop, laboratory, establishment, store,
27 warehouse, means of transportation and the like, which may be necessary to
28 determine violations or which may aid in the enforcement of this Act, other fair trade
29 laws, or rules and regulations issued pursuant thereto.

1 The officials authorized to conduct said inspection may obtain a reasonable quantity of
2 samples of the properties (except equipment) mentioned in Section 1 (M) (3) of this Article, to
3 take pictures or video tapes of the places things mentioned in Section 1 (M) (1) and 3 of this
4 Article, and secure copies of the papers mentioned in Section 1 (M) (2) of this Article.

5 All acts authorized under this subsection shall be conducted at reasonable promptness, in
6 a professional manner and without undue disturbance to any legitimate work or activity being
7 undertaken inside the premises of such places. Receipts shall be issued for samples which may
8 thereafter be so obtained;

9 (N) Require any person, firm, entity or association to submit to it periodically or
10 whenever necessary, such report, data, information, paper or document in such form as may be
11 prescribed by the Commission;

12 (O) Request the different government agencies for assistance in obtaining information
13 necessary for the proper discharge of its responsibilities under this Act, and examine, if
14 necessary, the pertinent records and documents in the possession of such government agency;

15 (P) Promulgate such rules and regulations as may be necessary to implement the
16 provisions and intent of this Act. Such rules shall be take effect fifteen (15) days following their
17 publication in at least two (2) newspaper of general circulation; and

18 (Q) Perform such other functions as it may deem appropriate for the proper enforcement
19 of this Act.

20 SECTION 2. *Advance Rulings.* – Parties may apply to the competition office for advance
21 rulings, binding on that office, regarding eligibility for exemptions. If it chooses to grant an
22 advance ruling, the competition office may include in it specified conditions and requirements.
23 The advance ruling shall by its terms exists for a specified period of time.

24 Advance rulings may be renewed upon application by the parties. An advance ruling may
25 be revoked or modified if:

26 (A) a significant change in circumstances has occurred since the ruling;

27 (B) the applicant infringed a condition or a requirement specified in the ruling;

1 (C) the decision to grant the ruling was materially influenced by inaccurate, fraudulent or
2 misleading data; or

3 (D) the applicant abused the exemption granted to it.

4 The competition office shall arrange for publication of its advance rulings, omitting any
5 confidential information. It may arrange similar publication of all other decisions taken under
6 this Act, again omitting any confidential information.

7 SECTION 3. *Rules on Confidentiality and Conflict of Interest.* – Officials of the
8 Commission, as well as their agents and consultants, shall maintain the confidentiality of all
9 business, commercial or official information of which they become aware during the course of
10 their official activities, except that which is otherwise public. Disclosure of such confidential
11 information may occur in the course of administrative or judicial proceedings arising under this
12 Act. or otherwise as permitted by a court of competent jurisdiction. All members of the
13 Commission shall inform the Office of the Chair of the Commission of any position held or
14 activity carried out in an economic field by the member, including all agents thereof The Chair
15 shall take all necessary steps to ensure there is no conflict of interest arising from such positions
16 or activities, including requiring that such positions be resigned or activities cease.

17 ARTICLE 7 – PENALTIES

18 SECTION 1. *Administrative Penalties.* – After formal investigation, the Commission
19 may impose one or more of the following administrative penalties:

20 (A) Censure of the erring firm(s); and/or

21 (B) Issuance of a Cease and Desist order which must specify the acts that the respondent
22 shall cease and desist from and shall require him to submit a report of compliance therewith a
23 reasonable time which shall be fixed in the order, and/or

24 (C) Condemnation or Seizure of Products or Property, in such manner as may be deemed
25 appropriate by the Commission and in coordination with the proper authorities and remain in the
26 custody of the Commission subject to the finality of the decision: Provided, That perishable

1 goods shall be disposed of and the proceeds of such disposition shall be subject to the final order
2 or decision of the Commission in the case; and/or

3 (D) Other analogous penalties as may be deemed proper by the Commission.

4 SECTION 2. *Imposition of Administrative Fines.* – Administrative fines may be imposed
5 in such an amount deemed reasonable by the Commission, which, in the case of an individual,
6 shall not be less than Three Hundred Thousand Pesos (₱300,000.00) nor more than One Million
7 Pesos (₱1,000,000.00), and in the case of a corporation or other juridical entity, not less than
8 Three Million Pesos (₱3,000,000.00) nor more than One Hundred Million Pesos
9 (₱100,000,000.00), and in both instances, an additional fine of Ten Thousand Pesos (₱10,000.00)
10 for each day of continuing violation; Provided, that in case of violations by corporations,
11 associations, partnerships, or other juridical entities, individual fines may still be imposed on the
12 officers directly or indirectly responsible for the implementation of the prohibited act. The fine
13 imposed herein shall be regardless of the limit on the criminal fine in this Act and other fair trade
14 laws violated.

15 SECTION 3. *Criminal Penalties.* – Any person who shall violate any provision of this
16 Act shall be guilty of an offense and, upon conviction thereof shall suffer the penalty of
17 imprisonment of not less than five (5) years but not more than twenty (20) years and a fine of not
18 less than Three Hundred Thousand Pesos (₱300,000.00) in the case of an individual, and not less
19 than Three Million Pesos (₱3,000,000.00) in the case of a corporation or other juridical entity;
20 Provided, That in case of violation by corporations, associations, partnerships, or other juridical
21 entities, the penalty of imprisonment shall be imposed on the officers directly or indirectly
22 responsible for the implementation of the prohibited act.

23 In addition to the foregoing penalties, the court may order the closure or dissolution of
24 the establishment or firm where circumstances warrant and any property owned under any
25 contract or by any combination, or pursuant to any conspiracy, and subject thereof as mentioned
26 in the preceding sections, shall be forfeited in favor of the government.

1 SECTION 4. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
2 publication in at least two (2) newspapers of general circulation.

Approved,