



SENATE

S. No. 649

INTRODUCED BY HON. MANUEL B. VILLAR JR.

EXPLANATORY NOTE

The Constitution, Article 16, provides:

Section 9. The State shall protect consumers from trade malpractices and from substandard or hazardous practices.

R.A. No. 7394, a.k.a. the "Consumer Act of the Philippines" was enacted to protect the interests of the consumer, promote his general, welfare and to establish standards of conduct for business and industry.

These laws recognize that consumers play a key role in the Philippine economy. Hence, they seek to protect the rights of consumers and to put a stop to abusive practices of business establishments in the country.

The practice of giving insufficient change or giving no change at all to consumers by product sellers or service providers is something that is often taken for granted. This is usually because the change involves only a matter of five, ten, fifteen, or twenty centavos, or small bills, which when added up at the end of the day, amount to thousands of pesos. The failure to give the change or the exact change constitutes a trade malpractice that must be stopped.

This bill seeks to: (a) prohibit the giving of insufficient change or no change at all to consumers; (b) to prohibit the giving of change in any form other than money; (c) require the posting of signs reminding consumers to ask for their exact change; and (d) require the use of price tags, when appropriate, that will reflect the exact retail price per unit or services, already incorporating the applicable tax or taxes.

MANUEL B. VILLAR, JR.



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AN ACT REQUIRING BUSINESS ESTABLISHMENTS TO GIVE EXACT CHANGE TO CONSUMERS

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

1 SECTION 1. Short Title.-- This Act shall be known as the "Exact Change Act."

2 SECTION 2. Declaration of Policy.-- It is the policy of the state to protect the interests of the
3 consumer, promote his general welfare and to establish standards of conduct for business and
4 industry. Towards this end, the state shall implement measures to achieve the following objectives:

5 A) Protection against deceptive, unfair and unconscionable sales acts and practices;

6 B) Provision of information and education to facilitate sound choice and the proper exercise
7 of rights by the consumer;

8 C) Provision of adequate rights and means of redress; and

9 D) Provision of penalties for offenders.

10 SECTION 3. Definition of Terms.--

11 A) "Department" means the Department of Trade and Industry;

12 B) "Consumer" means a natural person who is a purchaser or recipient of consumer products,
13 services, or credit;

1 C) "Business Establishment" means any person or entity, whether single proprietorship, partnership,
2 or corporation, including government-owned and controlled corporations or a government entity
3 exercising its proprietary functions, engaged in, or doing business in the Philippines, either in
4 selling products or providing services;

5 D) "Consumer Products and Services" means goods, services and credits, debts or obligations which
6 are primarily for personal, family, household or agricultural purposes, which shall include but is not
7 limited to food, drugs, cosmetics, and devices;

8 E) "Services" means services that are subject of a consumer transaction, either together with, or
9 separate from, any kind of personal property, whether tangible or intangible;

10 F) "Price Tag" means any device, written, printed, affixed or attached to a consumer product or
11 displayed in a consumer retail or service establishment for the purpose of indicating the retail price
12 per unit or service;

13 G) "Change" means the excess in the payment given by a consumer for products or services
14 purchased or received; and

15 H) "Insufficient Change" means a change that is less than what is due the consumer;

16 SECTION 4. Regulated Acts.-- (A) In General -- It shall be unlawful; for any business establishment
17 to give insufficient change or no change at all to consumers who purchased or received products or
18 services, even if such change is only of a small amount. It shall be the duty of the business
19 establishment to give the exact change to the consumer without waiting for the consumer to ask for
20 the same.

21 (B) Other Prohibitions -- It shall also be unlawful for any business establishment which sells
22 products or provides services to give the change in any other form other than the present currency or
23 to ask the consumer for permission to be exempted from the provisions of this Act for any reason
24 including the non-availability of small bills or coins.

25 (C) Posting of Signs -- It shall be the duty of business establishments to put signs in every
26 counter which states: "Demand Your Exact Change."

1 (D) Price Tags -- It shall likewise be the duty of business establishments to use price tags,
2 when appropriate, indicating the exact retail price per unit or service which already includes the
3 taxes applicable to the goods or services being offered. These establishments shall also put signs in
4 conspicuous places within the establishment or reflect in the official receipts issued, the taxes
5 incorporated in the retail price per unit or services. This is to avoid misleading the consumer as to
6 the exact price they have to pay for the goods or services and consequently, the exact change due to
7 them.

8 SECTION 5. Procedures in Filing a Complaint.--

9 A) Not later than ten working days after a violation has been committed, the consumer shall
10 write and submit a letter of complaint to the Department.

11 B) The Department shall, in not more than ten working days after the complaint has been
12 submitted, conduct an investigation and shall issue a notice to the establishment involved.

13 C) After a full investigation shall have been made by the Department, it shall issue its
14 decision and findings not later than thirty days from the receipt of the complaint.

15 SECTION 6. Information Campaign.-- The Department shall undertake to implement an
16 education campaign to inform consumers of the provisions of this Act. It shall regularly publish a
17 list of the establishments found to have violated any provisions of this Act.

18 SECTION 7. Rules and Regulations.-- It shall be the duty of the Department, in coordination with
19 other executive departments or government agencies which may be involved, to formulate and issue
20 the necessary rules and regulations to implement the provisions of this Act.

21 SECTION 8. Penalties.-- Any violation of this Act shall be punished as follows: For the first
22 offense,, a violator shall be fined Five Hundred pesos (P 500.00); for the second offense, a violator
23 shall be fined Five Thousand pesos (P 5,000.00); for the Third offense, a violator shall be fined
24 Fifteen Thousand pesos (P 15,000.00) and the license to operate the business establishment shall be
25 suspended for three months; and for the fourth offense, a violator shall be fined Twenty-five
26 Thousand pesos (P25,000.00) and the license to operate shall be revoked.

1 SECTION 9. Separability Clause.- If any provision, or part hereof, is held invalid or
2 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid
3 and subsisting.

4 SECTION 10. Repealing Clause.- Any law, presidential decree or issuance, executive order, letter of
5 instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of
6 this Act is hereby repealed, modified or amended accordingly.

7 SECTION 11. Effectivity Clause.- This Act shall take effect fifteen (15) days after its publication in
8 at least two (2) newspapers of general circulation.

Approved.