

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



Senate
Office of the Secretary

'16 JAN 28 P3:37

SENATE
S. No. 3155

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

AN ACT
PROVIDING THE PROCEDURE FOR THE REGULAR ADJUSTMENT FOR INFLATION
OF CIVIL MONETARY PENALTIES AS PROVIDED IN THE PENAL CODE AND
AMOUNT OF DAMAGES CAUSED BY A CRIME OR QUASI-DELICT

EXPLANATORY NOTE

The power of the State to impose civil pecuniary penalties for violation of the penal law has a deterrent effect. But inflation has weakened this deterrent effect.

Thus, the government needs to provide for the assessment and adjustment of existing values of the civil monetary penalties. This bill provides for the regular adjustment for inflation of civil monetary penalties, and maintain their deterrent effect.

This bill is a product of the public hearings conducted by the Committee on Constitutional Amendments, Revision of Codes and Laws during the 13th Congress.¹


MIRIAM DEFENSOR SANTIAGO
at

¹ This bill was originally filed during the Thirteenth Congress, First Regular Session and refilled during the Fifteenth Congress, First Regular Session.



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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 "Civil Penalties and
2 Damages Inflation Adjustment Act."

3 SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State
4 to maintain the deterrent nature of its penal laws, more specifically, the civil monetary
5 penalties and damages for death caused by a crime or quasi-delict by adjusting its
6 amounts regularly in accordance with prevailing inflation rates.

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

8 (A) "Civil Penalty" means any penalty, fine, or other sanction that-

9 (1) Is for a specific monetary amount as provided by the Penal Code; or

10 (2) Has a minimum and/or maximum amount provided by the Penal Code;

11 or

12 (3) Is assessed or enforced by the courts pursuant to the Penal Code; and

13 (B) "Consumer Price Index" means the Consumer Price Index for all urban
14 consumers published by the National Economic and Development Authority (NEDA) and
15 National Statistics Office (NSO).

1 (C) "Cost-of-Living Adjustment" means the percentage, if any, for each civil
2 monetary penalty and damages by which the Consumer Price Index for the month of
3 June of the calendar year preceding the adjustment, exceeds the Consumer Price Index
4 for the month of June of the calendar year in which the amount of such civil monetary
5 was last set or adjusted pursuant to law.

6 (D) "Damages" means damages for death caused by crime or quasi-delict as
7 provided in the Civil Code, Article 2206.

8 (E) "Secretary" shall refer to the Secretary of the Department of Justice.

9 SECTION 4. *Civil Monetary Penalty Inflation Adjustment Reports.* – Within six
10 (6) months after the date of enactment of this Act, and on the first week of January of
11 each fifth calendar year thereafter, the Secretary shall submit a report on civil monetary
12 penalty inflation and damages adjustment to both Houses of Congress. Such report shall
13 include:

14 (A) Each civil monetary penalty and damages as defined under Section 3(A);

15 (B) The date each civil monetary and damages was not recently set pursuant to
16 law;

17 (C) The maximum amount of each civil monetary penalty and damages or, if
18 applicable, the range of the minimum and maximum amounts of each civil
19 monetary penalty and damages in effect on the date of submission of each report;

20 (D) The amount of each civil monetary penalty and damages prescribed under
21 paragraph (C) other than any such penalty for which inflation adjustment is
22 provided by law, if each such penalty is increased by the adjustment described
23 under Section 3(C) of this Act; and

24 (E) A listing of the modifications to the Penal Code that would require to:

25 (1) Increase each penalty described in paragraph (A) by the adjustment
26 described under Section 3(C), excluding any penalty for which inflation

1 adjustment is provided by law or that has been increased within the five (5)
2 year period immediately preceding the date of submission of such report;
3 and

4 (2) Provide that any increase in any civil monetary penalty and damages
5 shall apply only to violations which occur after the date any such increase
6 takes.

7 **SECTION 5. Cost-of-Living Adjustments of Civil Monetary Penalties. –**

8 (A) *Adjustment.* – The Adjustment described under Section 4, paragraph (D) and
9 (E)(I) shall be determined by increasing the maximum civil monetary penalty and
10 damages or the range of minimum and maximum civil monetary penalties and damages,
11 as applicable, for each civil monetary penalty and damages by the cost-of-living
12 adjustment. Any increase determined under this subsection shall be rounded to the
13 nearest:

14 (1) Multiple of Ten Pesos (₱10.00) in the case of penalties less than or
15 equal to One Hundred Pesos (₱100.00);

16 (2) Multiple of One Hundred Pesos (₱100.00) in the case of penalties
17 greater than One Hundred Pesos (₱100.00) but less than or equal to One Thousand
18 Pesos (₱1,000.00);

19 (3) Multiple of One Thousand Pesos (₱1,000.00) in the case of penalties
20 greater than One Thousand Pesos (₱1,000.00) but less than or equal to Ten
21 Thousand Pesos (₱10,000.00);

22 (4) Multiple of Five Thousand Pesos (₱5,000.00) in the case of penalties
23 greater than Ten Thousand Pesos (₱10,000.00) but less than or equal to One
24 Hundred Thousand Pesos (₱100,000.00);

1 (5) Multiple of Ten Thousand Pesos (₱10,000.00) in the case of penalties
2 greater than One Hundred Thousand Pesos (₱100,000.00) but less than or equal to
3 Two Hundred Thousand Pesos (₱200,000.00); and

4 (6) Multiple of Twenty Five Thousand Pesos (₱25,000.00) in the case of
5 penalties greater than Two Hundred Thousand Pesos (₱200,000.00).

6 **SECTION 6. *Annual Report.*** – No later than first week January of each year, the
7 Secretary in consultation with the National Economic and Development Authority
8 (NEDA) and the National Statistics Office (NSO) shall submit a report on civil monetary
9 penalties to the Congress which shall include:

10 (A) To the extent possible, the number and amount of civil monetary penalties and
11 damages imposed pursuant to each provision of law providing for such civil
12 monetary penalties and damages, during the complete fiscal year preceding the
13 submission of such report;

14 (B) To the extent possible, the number and amount of such civil penalties and
15 damages collected during such fiscal year; and

16 (C) Any recommendation that the Secretary determines appropriate to:

17 (1) Eliminate obsolete civil monetary penalties and damages;

18 (2) Modify the amount of any civil monetary and damages;

19 (3) Make any other legislative modifications concerning civil monetary
20 penalties and damages.

21 **SECTION 7. *Congressional Action.*** – The Chairpersons of the Senate Committee
22 on Constitutional Amendments, Revision of Codes and Laws, and the House of
23 Representatives' Committee on Revision of Codes and Laws shall, upon receipt of the
24 annual report, file the necessary bill to amend the present laws affected by the report with

1 the respective houses. The bill shall be immediately forwarded to the Senate President
2 and the Speaker of the House of Representatives for certification as urgent.

3 SECTION 8. *Separability Clause.* – If any provision of this Act is held invalid or
4 unconstitutional, the same shall not affect the validity and effectivity of the other
5 provisions hereof.

6 SECTION 9. *Repealing Clause.* – All laws, decrees, orders, and issuances, or
7 portions thereof, which are inconsistent with the provisions of this Act, are hereby
8 repealed, amended or modified accordingly.

9 SECTION 10. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
10 after its publication in the *Official Gazette* or in two (2) newspapers of general
11 circulation.

Approved,

clr/1Dec2015