

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

04 JUL 26 P1:10

SENATE
S. B. No. 1486

REGISTERED BY _____

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

This bill was originally drafted by the interns of the undersigned's *Summer sa Senado* program, namely: Lourdes E. Pulido, Kristine Erika M. Lutap, Mary Shiela M. Olaso, Eva Ann A. Manalo, Kristine Sarah R. Payuan, and Anamaine B. Asinas.

The Constitution, Article 16 provides:

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

Rep. Act No. 7934, 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 (5), ten (10), fifteen (15), or twenty (20) centavos, or small bills which when added up at the end of the day, amounts to thousands of pesos. That 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.

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO

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AN ACT
REQUIRING BUSINESS ESTABLISHMENTS TO GIVE EXACT CHANGE TO
CONSUMERS

SECTION 1. *Short Title.* – This Act shall be known as the “Exact Change Act.”

SECTION 2. *Declaration of Policy.* – It is the policy of the State to protect the interest of the consumer, promote his general welfare and to establish standards of conduct for business and industry.

Towards this end, the State shall implement measures to achieve the following objectives:

- (1) protection against deceptive, unfair, and unconscionable sales acts and practices;
- (2) Provision of information and education to facilitate sound choices and the proper exercise of rights by the consumer;
- (3) provision of adequate rights and means of redress; and
- (4) provision of penalties for offenders.

SECTION 3. *Definition of Terms.* –

- (1) “Department” means the Department of Trade and Industry;
- (2) “Consumer” means a natural person who is a purchaser or recipient of consumer products, services or credit;
- (3) “Business establishment” means any person or entity, whether single proprietorship, partnership, or corporation, including government-owned and controlled corporations or a government entity exercising its proprietary functions, engaged in, or doing business in the Philippines, either in selling products or providing services;

(4) "Consumer products and services" means goods, services and credits, debts or obligations which are primarily for personal, family, household, or agricultural purposes, which shall include, but is not limited to, food, drugs, cosmetics, and devices;

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

(6) "Price tag" means any device, written, printed, affixed or attached in a consumer product or displayed in a consumer retail or service establishment for the purpose of indicating the retail price per unit or service;

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

(8) "Insufficient change" means a change that is less than what is due the consumer;

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

SECTION 5. *Procedure in Filing a Complaint.* –

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

(2) The Department shall, in not more than ten (10) working days after the complaint has been submitted, conduct an investigation and shall issue a notice to the establishment involved.

(3) After a full investigation shall have been made by the Department, it shall issue its decision and findings not later than thirty (30) days from the receipt of the complaint.

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

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

SECTION 8. *Penalties.* – Any violation of this Act shall be punished as follows: For the first offense, a violator shall be fined Five Hundred Pesos (P500.00); for the second offense, a violator shall be fined Five Thousand Pesos (P15,000.00) and the license to operate the business establishment shall be suspended for three (3) months; and for the fourth offense, a violator shall be fined Twenty-five Thousand Pesos (P 25,000.00) and the license to operate shall be revoked.

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

SECTION 11. *Repealing Clause.* - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with, the provision of this Act is hereby repealed, modified, or amended accordingly.

SECTION 12. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.