

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

04 AUG -3 P3:18

SENATE
S. B. No. 1616

RECEIVED BY: _____

Introduced by Senator Miriam Defensor Santiago

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 last Congress.


MIRIAM DEFENSOR SANTIAGO

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

04 AUG -3 P3:18

SENATE
S. B. No. 1616

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

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

SECTION 1. *Short Title.* – This Act shall be known as the “Civil Penalties and Damages Inflation Adjustment Act.”

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

SECTION 3. *Definition of Terms.* –

- (1) “Civil Penalty” means any penalty, fine, or other sanction that –
 - (A) is for a specific monetary amount as provided by the Penal Code; or
 - (B) has a minimum and/or maximum amount provided by the Penal Code; or
 - (C) is assessed or enforced by the courts pursuant to the Penal Code.
- (2) “Damages” means damages for death caused by crime or quasi-delict as provided in the Civil Code, Article 2206.
- (3) “Consumer Price Index” means the Consumer Price Index for all urban consumers published by the [National Economic and Development Authority (NEDA)] National Census And Statistics Office (NCSO).
- (4) “Cost-of-Living Adjustment” means the percentage (if any) for each civil monetary penalty and damages by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment, exceeds the Consumer Price Index for the month of June

of the calendar year in which the amount of such civil monetary was last set or adjusted pursuant to law.

(5) The term "Secretary" shall refer to the Secretary of the Department of Justice.

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

- (1) each civil monetary penalty and damages as defined under section 3(1);
- (2) the date each civil monetary and damages was not recently set pursuant to law;
- (3) the maximum amount of each civil monetary penalty and damages or, if applicable, the range of the minimum and maximum amounts of each civil monetary penalty and damages in effect on the date of submission of each report;
- (4) the amount of each civil monetary penalty and damages prescribed under paragraph (3) other than any such penalty for which inflation adjustment is provided by law, if each such penalty is increased by the adjustment described under Section 3 (3) of this Act; and
- (5) a listing of the modifications to the Penal Code that would require to:
 - (A) increase each penalty described in paragraph (1) by the adjustment described under Section 3 (3), excluding any penalty for which inflation adjustment is provided by law or that has been increased within the five (5) year period immediately preceding the date of submission of such report; and
 - (B) provide that any increase in any civil monetary penalty and damages shall apply only to violations which occur after the date any such increase takes.

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

(1) Adjustment. The Adjustment described under section 4, paragraph (4) and (5) (A) shall be determined by increasing the maximum civil monetary penalty and damages or the range of minimum and maximum civil monetary penalties and damages, as applicable, for each civil monetary penalty and damages by the cost-of-living adjustment. Any increase determined under this subsection shall be rounded to the nearest:

- (2) multiple of Ten Pesos (P10) in the case of penalties less than or equal to One Hundred Pesos (P100);
- (3) multiple of One Hundred Pesos (P100) in the case of penalties greater than One Hundred Pesos (P100) but less than or equal to One Thousand Pesos (P1,000.00);
- (4) multiple of One Thousand Pesos (P1,000.00) in the case of penalties greater than One Thousand Pesos (P1,000.00) but less than or equal to Ten Thousand Pesos (P10,000);
- (5) multiple of Five Thousand Pesos (P5,000) in the case of penalties greater than Ten Thousand Pesos (P10,000.00) but less than or equal to One Hundred Thousand (P100,000);

(6) multiple of Ten Thousand Pesos (P10,000) in the case of penalties greater than One Hundred Thousand (P100,000) but less than or equal to Two Hundred Thousand (P200,000); and

(7) multiple of P25,000 in the case of penalties greater than P200,000.

SECTION 6. *Annual Report.* – No later than first week January of each year, the Secretary in consultation with the national economic development and authority (NEDA) and the national census statistics office (NCSO) shall submit a report on civil monetary penalties to the Congress which shall include:

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

(2) to the extent possible, the number and amount of such civil penalties and damages collected during such fiscal year; and

(3) any recommendation that the Secretary determines appropriate to:

(A) eliminate obsolete civil monetary penalties and damages;

(B) modify the amount of any civil monetary and damages; and

(C) make any other legislative modifications concerning civil monetary penalties and damages.

SECTION 7. *Congressional Action.* – The Chairpersons of the Senate Committee on Constitutional Amendments, Revision of Codes and Laws, and the House Of Representatives' Committee on Revision of Codes and Laws shall, upon receipt of the annual report, file the necessary bill to amend the present laws affected by the report with the respective houses. The bill shall be immediately forwarded to the Senate President and the Speaker of the House of Representatives for certification as urgent.

SECTION 8. *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 9. *Repealing Clause.* - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rules or regulations or part thereof, contrary to or inconsistent with the provision of this Act is hereby repealed, modified, or amended accordingly.

SECTION 10. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.

FN: 987