

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

SENATE
S. No. 1607

Introduced by **Senator Richard J. Gordon**

EXPLANATORY NOTE

Fines as penalties under the Revised Penal Code and other penal laws need to be updated regularly to take into consideration inflation and the present value of the peso to truly become effective in punishing various crimes and offenses.

For example, the crime of grave coercion is committed by any person who, without authority of law, shall, by means of violence, prevent another from doing something not prohibited by law, or compel him to do something against his will whether it be right or wrong. This is found under the Revised Penal Code, which became effective on January 1, 1932, and carries a penalty of *arresto mayor* and a fine not exceeding 500 pesos for its violation. Considering the gravity of the crime, the imposable fine not exceeding 500 pesos for grave coercion is now only a meager sum, which does not effectively punish nor forcefully deter. Taking into consideration inflation, assuming at 10% from 1932 to 2007, and the present value of the peso, this fine should already be an amount not exceeding 769,496.70 pesos.

Thus, this bill seeks to regularly index fines to adjust to inflation to ensure the efficacy of penal provisions imposing fines in Philippines laws.

RICHARD J. GORDON
Senator

Introduced by **Senator Richard J. Gordon**

AN ACT TO INDEX FINES OF THE REVISED PENAL CODE AND VARIOUS PENAL LAWS TO ADJUST TO INFLATION

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 “Indexation of Fines Act of
2 2007.”

3 **Sec. 2. Policy.** – It is the policy of the State to promote and maintain the efficacy of
4 penalties in the Revised Penal Code and various penal laws by indexing fines to adjust to
5 inflation.

6 **Sec. 3. Definitions.** – As used in this act,

7 (1) Fines shall refer to the pecuniary punishment provided in penal laws.

8 (2) NEDA shall refer to the National Economic Development Authority.

9 (3) Penal Laws shall refer to that branch or division of public law, which defines
10 crimes, treats of their nature, and provides for their punishment.

11 **Sec. 4. Indexation of Fines.** – The effective value of imposable fines adjusted to
12 inflation in the Revised Penal Code and various penal laws shall be computed as follows:

13 The inflation rate based on the data provided by the NEDA for each year shall be
14 derived by adding one to the decimal equivalent of the inflation rate. All computed inflation
15 rates for each year from the effectivity of the penal law until the year immediately preceding
16 the present year shall be multiplied against one other. The product shall be rounded off to
17 the nearest hundredth decimal point, which shall then be multiplied with the fine or range of
18 fine imposed by the penal law.

19 This is expressed in the following formula, $A_n = A_o (1+i)^t$, where A_n is the present
20 value of the fine, A_o is the original value of the fine from the effectivity of the penal law, i is

1 the inflation rate based on the data provided by NEDA, and t is the number of years from the
2 effectivity of the penal law until the year immediately preceding the present year.

3 **Sec. 5. *Applicability.*** – This Act shall apply to all fines imposed by penal laws,
4 including but not limited to the Revised Penal Code.

5 **Sec. 6. *Annual Index of Fines.*** – The NEDA shall compute, publish, and
6 disseminate an Annual Index of Fines containing the effective value of imposable fines
7 adjusted to inflation in the RPC and various penal laws for the guidance of the courts and
8 information of the people.

9 The first index of fines pursuant to this Act shall be issued within three (3) months
10 from the effectivity of this Act and every year thereafter.

11 **Sec. 7. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations or
12 other issuances or parts thereof inconsistent with the provisions of this Act are hereby
13 repealed or modified accordingly.

14 **Sec. 8. *Appropriation.*** – The initial funding to carry out this Act shall be charged
15 against the current year's appropriation. Thereafter, such sums as may be necessary shall
16 be included in the annual General Appropriations Act.

17 **Sec. 9. *Separability Clause.*** – If any portion or provision of this Act is declared
18 unconstitutional, the remainder of this Act or any provision not affected thereby shall remain
19 in force and effect.

20 **Sec. 10. *Effectivity.*** – This Act shall take effect after fifteen (15) days following the
21 completion of its publication either in the Official Gazette or in a newspaper of general
22 circulation in the Philippines.

23 Approved,