

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

8 MAR 19 1976

SENATE

RECEIVED BY: 

S. No 2135

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

Many times has this nation been rocked by large-scale fraud of endemic proportions, affecting the poor sectors of society.

The number of victims which runs to hundreds and even thousands, has obviously been the result of well advertised and effective sales propaganda and other promotional shows circulated in newspapers, aired in radio stations and televisions and other media for long periods of time.

Meantime, unaware that the promoted products, goods or services are not existent or are incapable of being performed but are in fact doomed to failure, the hapless victims continue to shell out whatever small amounts they save hoping that they will in the future achieve or acquire the much propagated ventures or plans.

Enough is enough of the so-called flopping or failed pre-need plans, unfinished subdivision or condominiums, pyramiding schemes and similar artifices and deceptive schemes that had victimized thousands and thousands of our countrymen.

It is pathetic to note that until now, victims of these frauds had found themselves helpless in bailing themselves out from the financial woes wrought by those who have enriched themselves.

Hence, the bill's purpose is to stop the propagation of false or fraudulent advertising of products, goods and services which can not be delivered or performed and save our poor people from being victimized by the professional charlatans whose obvious motive is to milk their victims.



ANTONIO "SONNY" F. TRILLANES IV
Senator

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8 MAR 19 4 51 PM '66

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AN ACT
PENALIZING FALSE OR FRAUDULENT ADVERTISING AND FOR OTHER PURPOSES

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

1 **SECTION 1. *False or Fraudulent Advertising, Prohibited.*** - It shall be unlawful
2 for any person, firm or corporation to advertise or promote his or its products, goods and
3 services, underwrite any obligation, such as, pre-need educational, medical or other
4 related services, through newspapers, magazines, radio, television, internet or other
5 means accessible to the public view, such as billboards, flyers, newsletters, leaflets, etc.,
6 when such products, goods, services or pre-need benefits are inexistent, in whole or in
7 part, or are incapable of being produced, delivered, performed, paid or discharged, and
8 which false or fraudulent advertising shall have induced another to part with his money or
9 valuable consideration to buy, acquire or avail of such products, goods, services or pre-
10 need benefits.

11
12 **SEC. 2. *Prima Facie Evidence of False or Fraudulent Advertising.*** - The failure,
13 or inability of such person, firm or corporation to fully or completely produce, deliver,
14 perform, pay or discharge the obligation, products, goods or services so promoted or
15 advertised, within a period of ninety (90) days from date of written demand from the
16 person defrauded shall be prima facie evidence of a violation of this Act.

17

1 **SEC. 3. *Liability Under this Act, Distinct from other Crimes Committed.*** - The
2 liability of persons found violating this Act shall be distinct from and in addition to the
3 penalties that such person, firm or corporation shall incur under the Revised Penal Code
4 and other special laws; provided, however, that the prosecution for violation of this Act
5 shall proceed independently and regardless of the status, stage or result of the prosecution
6 under the Revised Penal Code or other special laws; provided, further, that no filing fee
7 shall be imposed for the commencement of the criminal charge under this Act.

8
9 **SEC. 4. *Liability, if Violator is a Corporation or Unregistered Entity.*** - If the
10 violation under this Act is committed by a corporation, partnership or other unregistered
11 entity, the directors, president, treasurer, general manager or one performing similar
12 functions and other corporate officers or persons responsible for such false or fraudulent
13 advertisement shall be personally liable for such violation.

14
15 **SEC.5. *Multiple Liability.*** - Any person found violating this Act shall be charged
16 and convicted with as many counts of such violations as there are victims who have been
17 defrauded by reason of such false or fraudulent advertising.

18
19 **SEC 6. *Penalty.*** - Any person found liable for violating this Act shall be
20 sentenced to an imprisonment of not less than one (1) year but not exceeding six (6) years
21 or a fine of not less than twice the value of the amount defrauded; provided, that in case
22 the person convicted fails or refuses to pay the fine, he shall suffer subsidiary
23 imprisonment at the rate of P200 per day but not exceeding six (6) years.

24
25 **SEC. 7. *Effectivity.*** - This Act shall take effect fifteen (15) days after publication
26 in a newspaper of general circulation.

Approved,