

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

8 JUL -2 AIO:10

SENATE



RECEIVED BY: \_\_\_\_\_

S.B. No. 2422

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Introduced by Senator Ramon Bong Revilla, Jr.

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**EXPLANATORY NOTE**

Article 2 of Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, provides that "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."

Advertisement in any form, can educate the public about services available to them and the provider of such. However, public should be protected against false and misleading advertisement. False advertising is defined in the Merriam-Webster dictionary, as the crime or tort of publishing, broadcasting, or otherwise publicly distributing an advertisement that contains an untrue, misleading, or deceptive representation or statement which was made knowingly or recklessly and with the intent to promote the sale of property, goods, or services to the public.

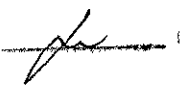
Hence, the passage of the bill is earnestly sought.

RAMON BONG REVILLA, JR

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AN ACT  
PENALIZING FALSE OR FRAUDULENT ADVERTISING AND FOR OTHER  
PURPOSES

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

**Section 1. Declaration of Policy** - It is the policy of the State to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry and to protect the consumers against deceptive, unfair and unconscionable sales acts and practices.

**Section 2. False or Fraudulent Advertising, Prohibited** - It shall be unlawful for any person, firm or corporation to advertise or promote his or its products, goods and services, underwrite any obligation, such as but not limited to pre-need educational, medical or other related services, through newspapers, magazines, radio, television, internet or other means accessible to the public view, such as billboards, flyers, newsletters, leaflets, etc., when such products, goods, services or pre-need benefits are inexistent, in whole or in part, or are incapable of being produced, delivered, performed, paid or discharged, and which false or fraudulent advertising shall have induced another to part with his money or valuable consideration to buy, acquire or avail of such products, goods, services or pre-need benefits.

**Section 3. Prima Facie Evidence of False or Fraudulent Advertising.** - The failure or inability of such person, firm or corporation to fully or completely produce, deliver, perform, pay or discharge the obligation, products, goods or services so promoted or advertised, within a period of ninety (90) days from date of written demand from the person defrauded shall be prima facie evidence of a violation of this Act.

**Section 4. Liability under this Act, Distinct from other Crimes Committed.** - The, liability of persons found violating this Act shall be distinct from and in addition to the penalties that such person, firm or corporation shall incur under the Revised Penal Code and other special laws; Provided, however, that the prosecution for violation of this Act shall proceed independently and regardless of the status, stage or result of the prosecution under the Revised Penal Code or other special laws.

**Section 5. *Liability, if violator is a Corporation or Unregistered Entity.*** - If the violation under this Act is committed by a corporation, partnership or other unregistered entity, the directors, president, treasurer, general manager or one performing similar functions and other corporate officers or persons responsible for such false or fraudulent advertisement shall be personally liable for such violation.

**Section 6. *Multiple Liability.*** – Any person found violating this Act shall be charged and convicted with as many counts of such violations as there are victim who have been defrauded by reason of such false or fraudulent advertising.

**Section 7. *Penalty*** - Any person found liable for violating this Act shall be sentenced to an imprisonment of not less than one (1) year but not exceeding six (6) years or a fine of not less than twice the value of the amount defrauded; provided, that in case, the person convicted fails or refuses to pay the fine, he shall suffer subsidiary imprisonment at the rate of P200 per day but not exceeding six (6) years.

**Section 8. *Effectivity*** – This Act shall take effect fifteen (15) days after publication in a newspaper of general circulation.

Approved,