

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



Senate
Office of the Secretary

'13 AUG 29 P5:06

SENATE
S. No. 1437

RECEIVED BY: *Ji*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Civil Code took effect on 30 August 1950. Since then, our country has endured tremendous currency turmoil which depreciated the value of the Philippine Peso.

The Civil Code, Article 1403, paragraph 2(d), requires in writing any sale of goods, chattels, or things in action in the amount of not less than five hundred pesos (P500.00) in order to be enforceable. This required amount of five hundred pesos (P500.00) is unrealistic considering the current prices of goods, chattels, or things in action. If we are to comply with this provision of the law then almost every sale of goods, chattels, or things in action should be in writing. This will amount to a virtual curtailment of trade and commerce. This bill seeks to comply with the demands of time by increasing the required amount to ten thousand pesos (P10,000.00).*

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAO

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* This bill was originally filed during the Thirteenth Congress, First Regular Session.



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1 AN ACT
2 AMENDING ARTICLE 1403 OF REPUBLIC ACT NO. 386,
3 ALSO KNOWN AS THE "CIVIL CODE OF THE PHILIPPINES"

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

4 Section 1. The Civil Code of the Philippines, Article 1403, is hereby amended to read as
5 follows:

6 "Art. 1403. The following contracts are unenforceable, unless they are
7 ratified:

8 (1) Those entered into in the name of another person by one who has
9 been given no authority or legal representation, or who has acted beyond his
10 powers;

11 (2) Those that do not comply with the Statute of Frauds as set forth in
12 this number. In the following cases an agreement hereafter made shall be
13 unenforceable by action, unless the same, or some note or memorandum, thereof,
14 be in writing, and subscribed by the party charged, or by his agent; evidence,
15 therefore, of the agreement cannot be received without the writing, or a secondary
16 evidence of its contents:

17 (a) An agreement that by its terms is not to be performed within a year
18 from the making thereof;

19 (b) A special promise to answer for the debt, default, or miscarriage of
20 another;

21 (c) An agreement made in consideration of marriage, other than a mutual
22 promise to marry;

- 1 (d) An agreement for the sale of goods, chattels or things in action, at a
2 price not less than [five hundred pesos] TEN THOUSAND PESOS,
3 unless the buyer accept and receive part of such goods and chattels, or
4 the evidences, or some of them, of such things in action or pay at the
5 time some part of the purchase money; but when a sale is made by
6 auction and entry is made by the auctioneer in his sales book, at the
7 time of the sale, of the amount and kind of property sold, terms of sale,
8 price, names of the purchasers and person on whose account the sale is
9 made, it is a sufficient memorandum;
- 10 (e) An agreement of the leasing for a longer period than one year, or for
11 the sale of real property or of an interest therein;
- 12 (f) A representation as to the credit of a third person.”

13 SECTION 2. *Repealing Clause.* – Any law, presidential decree or issuance, executive
14 order, letter of instruction, administrative order, rule, or regulation contrary to or inconsistent
15 with the provisions of this Act is hereby repealed, modified, or amended accordingly.

16 SECTION 3. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
17 publication in at least two (2) newspapers of general circulation.

Approved,