


13th CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'04 JUL -6 A10:59

SENATE

RECEIVED BY: 

S. BILL NO. 1347

Introduced by Senator Ralph G. Recto

EXPLANATORY NOTE

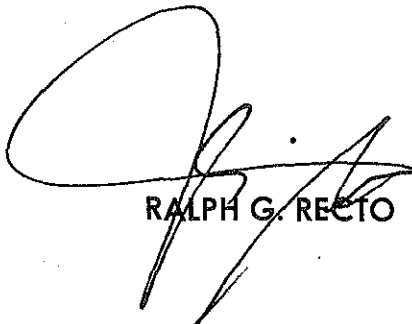
This bill seeks to increase the penalties for violations of certain provisions of Republic Act No. 7394, otherwise known as "The Consumer Act of the Philippines" by amending specific sections that fall under said provisions.

Republic Act No. 7394 was enacted primarily to protect the consumers against hazards to health and safety, and against deceptive, unfair and unconscionable sales acts and practices. Unfortunately, blatant disregard to the law is still practiced by several manufacturers, distributors, retailers, and suppliers that puts the consumer in the losing end.

The penalties provided in the Consumer Act are found to be less than what it is warranted to be. Throughout the world, people are increasingly coming to the understanding that substantial fines and appropriate prison terms are necessary deterrents. The law was enacted in 1992 when the penalties imposed have become too inconsequential relative to the standards of living today. The penalties are no longer effective deterrent against the commission of violations by persons who only wanted to increase profit.

Consumer advocacy has yet to take roots in the country and it is incumbent upon Congress to continuously review the Consumer Act and its related laws towards promoting the best interests and general welfare of the consuming public.

In view of the foregoing, immediate approval of this bill is earnestly urged.




RALPH G. RECTO

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**AN ACT
INCREASING THE PENALTIES FOR VIOLATIONS OF CERTAIN PROVISIONS OF
REPUBLIC ACT NUMBERED SEVEN THOUSAND THREE HUNDRED NINETY-FOUR
(R.A. NO. 7394), OTHERWISE KNOWN AS THE CONSUMER ACT OF THE
PHILIPPINES**

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

1 **SECTION 1.** Article 19 of Republic Act No. 7394 (R.A. No. 7394),
2 otherwise known as the Consumer Act of the Philippines, is hereby
3 amended to read as follows:

4 **"Article 19. Penalties.** - a) Any person who shall violate any
5 provision of Article 18 shall upon conviction, be subject to a fine of
6 not less than [One thousand pesos (P1,000.00)] TWENTY THOUSAND
7 PESOS (P20,000.00) but not more than [Ten thousand pesos
8 (P10,000.00)] TWO HUNDRED THOUSAND PESOS (P200,000.00) or
9 imprisonment of not less than [two (2) months] THREE (3) YEARS but
10 not more than [one (1) year] SIX (6) YEARS, or both upon the
11 discretion of the court."

12 "If the offender is an alien, he shall be deported after service
13 of sentence and payment of fine without further deportation
14 proceedings."

1 **SEC. 2.** Article 41 of R.A. 7394 is hereby amended to read as follows:

2 **"Article 41. Penalties.** – a) Any person who violates any of the
3 provisions of Article 40 shall, upon conviction, be subject to
4 imprisonment of not less than ~~one (1) year~~ THREE (3) YEARS but not
5 more than ~~five (5) years~~ SIX (6) YEARS, or a fine of not less than
6 ~~Five thousand pesos (P5,000.00)]~~ ONE HUNDRED THOUSAND PESOS
7 (P100,000.00) but not more than ~~Ten thousand pesos (P10,000.00)]~~
8 TWO HUNDRED THOUSAND PESOS (P200,000.00), or both such
9 imprisonment or fine, in the discretion of the Court."

10 **SEC. 3.** Article 47 of R.A. 7394 is hereby amended to read as follows:

11 **"Article 47. Penalties; exception** – a) Any person who
12 violates any of the provisions of Article 46 shall, upon conviction, be
13 subject to a fine of not less than ~~One thousand pesos (P1,000.00)]~~
14 TWENTY THOUSAND PESOS (P20,000.00) or an imprisonment of not
15 less than ~~six (6) months~~ THREE (3) YEARS but not more than ~~five (5)~~
16 ~~years~~ SIX (6) YEARS or both upon the discretion of the court."

17 **SEC. 4.** Article 60 of R.A. 7394 is hereby amended to read as follows:

18 **"Article 60. Penalties.** – a) Any person who violates any
19 of the provisions of Title III, Chapter I, shall upon conviction, be
20 subject to a fine of not less than ~~Five hundred pesos (P500.00)]~~ TEN
21 THOUSAND PESOS (P10,000.00) but not more than ~~Ten thousand~~
22 ~~pesos (P10,000.00)]~~ TWO HUNDRED THOUSAND PESOS (P200,000.00)
23 or imprisonment of not less than ~~five (5) months~~ THREE (3) YEARS

1 but not more than SIX (6) YEARS [one (1) year] or both upon the
2 discretion of the court."

3 **SEC. 5.** Article 65 of R.A. 7394 is hereby amended to read as follows:

4 "Article 65. Penalties. – a) Any person who shall violate the
5 provisions of paragraphs (a) to (f) and paragraph (l) of Article 64 or
6 its implementing rules and regulations shall, upon conviction, be
7 subject to a fine of not less than [Two hundred pesos (P200.00)] TEN
8 THOUSAND PESOS (P10,000.00) but not more than [One thousand
9 pesos (P1,000)] TWO HUNDRED THOUSAND PESOS (P200,000.00) or by
10 imprisonment of not more than [one (1) year] THREE (3) YEARS or
11 both upon the discretion of the court."

12 "b) Any person who shall violate the provisions of paragraph
13 (g) of Article 64 for the first time shall be subject to a fine of not less
14 than [Five hundred pesos (P500.00)] TEN THOUSAND PESOS
15 (P10,000.00) or imprisonment of not less than [one (1) month] THREE
16 (3) YEARS but not more than [five (5) years] SIX (6) YEARS or both,
17 upon the discretion of the court."

18 "c) The owner – possessor or user of instrument of weights and
19 measure enumerated in paragraphs (h) to (k) of Article 64 shall,
20 upon conviction, be subject to a fine of not less than [Three
21 hundred pesos (P300.00)] TEN THOUSAND PESOS (P10,000.00) or
22 imprisonment not exceeding [One (1) year] THREE (3) YEARS or both,
23 upon the discretion of the court.

24 **SEC. 6.** Article 73 of R.A. 7394 is hereby amended to read as follows:

1 **"Article 73. Penalties.** – a) Any person who shall violate the
2 provisions of Article 67 shall be subject to fine of not less than [Five
3 hundred pesos (P500.00)] TEN THOUSAND PESOS (P10,000.00) but not
4 more than [Five thousand pesos (P5,000.00)] ONE HUNDRED
5 THOUSAND PESOS (P50,000.00) or an imprisonment of not less than
6 [three (3) months] THREE (3) YEARS but not more than [two (2) years]
7 SIX (6) YEARS or both upon the discretion of the court. A second
8 conviction under this paragraph shall also carry with it the penalty
9 or revocation of his business permit and license."

10 "b) Any person, natural or juridical, committing any of the
11 illegal acts provided for in Chapter III, except with respect to Article
12 67, shall be liable for a fine of not less than [One thousand pesos
13 (P1,000.00)] TEN THOUSAND PESOS (P10, 000.00) but not more than
14 [Fifty thousand pesos (P50,000.00)] THREE HUNDRED THOUSAND
15 PESOS (P300,000.00) or imprisonment for a period of at least [one (1)
16 year] THREE (3) YEARS but not more than [five (5) years] SIX (6) YEARS
17 or both, at the discretion of the court."

18 "The imposition of any of the penalties herein provided is
19 without prejudice to any liability incurred under the warranty or
20 guarantee."

21 **SEC. 7.** Article 95 of R.A. 7394 is hereby amended to read as follows:

22 **"Article 95. Penalties.** – a) Any person who shall violate the
23 provisions of Title III, Chapter IV of this Act, or its implementing rules
24 and regulations, except Article 81 to 83 of the same Chapter of the

1 same Chapter, shall be subject to a fine of not less than [Five
2 hundred pesos (P500.00)] TEN THOUSAND PESOS (P10,000.00) but not
3 more than [Twenty thousand pesos (P20,000.00)] THREE HUNDRED
4 THOUSAND PESOS (P300,000.00) or imprisonment of not less than
5 [three (3) months] THREE (3) YEARS but not more than [two (2) years]
6 SIX (6) YEARS, at the discretion of the court: *Provided, That, if the*
7 *consumer product is one which is not a food, cosmetic, drug,*
8 *device or hazardous substance, the penalty shall be a fine of not*
9 *less than [Two hundred pesos (P200.00)] TEN THOUSAND PESOS*
10 *(P10,000.00) but not more than [Five thousand pesos (P5,000.00)]*
11 *ONE HUNDRED THOUSAND PESOS (P100,000.00) or imprisonment of*
12 *not less than [one (1) month] ONE (1) YEAR but not more than [one*
13 *(1) year] THREE (3) YEARS or both, at the discretion of the court."*

14 **SEC. 8.** Article 107 of R.A. 7394 is hereby amended to read as
15 follows:

16 **"Article 107. Penalties.** – Any person who shall violate any
17 provision of this Chapter or its implementing rules and regulations
18 with respect to any consumer product which is not food, cosmetic,
19 or hazardous substance shall upon conviction, be subject to a fine
20 of not less than [Five thousand pesos (P5,000.00)] ONE HUNDRED
21 THOUSAND PESOS (P100,000.00)and by imprisonment of not more
22 than [One (1) year] THREE (3) YEARS or both upon the discretion of
23 the court."

1 "In case of juridical persons, the penalty shall be imposed
2 upon its president, manager or head. If the offender is an alien, he
3 shall, after payment of fine and service of sentence, be deported
4 without further deportation proceedings."

5 **SEC. 9.** Article 123 of R.A. 7394 is hereby amended to read as
6 follows:

7 "**Article 123 . Penalties.** - (a) Any person, association,
8 partnership or corporation who shall violate any of the provisions of
9 Articles 110 to 115 shall, upon conviction, be subject to a fine of not
10 less than ~~Five hundred pesos (P500.00)]~~ TEN THOUSAND PESOS
11 (P10,000.00) but not more than ~~Five thousand pesos (P5,000.00)]~~
12 ONE HUNDRED THOUSAND PESOS (P100,000.00) or an imprisonment
13 of not less than ~~one (1) month]~~ ONE (1) YEAR but not more than ~~Six~~
14 ~~(6) months]~~ THREE (3) YEARS or both upon the discretion of the
15 court."

16 "(b) Any violations of the provisions of Article 116 to 121 shall,
17 upon conviction, subject the offenders to a fine of not less than
18 ~~Two hundred pesos (P200.00)]~~ TEN THOUSAND PESOS (P10,000.00)
19 but not more than ~~Six hundred pesos (P600.00)]~~ TWO HUNDRED
20 THOUSAND PESOS (P200,000.00) or an imprisonment of not less than
21 ~~one (1) month]~~ ONE (1) YEAR but not more than ~~Six (6) months]~~
22 THREE (3) YEARS or both upon the discretion of the court."

23 "If the violation was committed by a juridical person
24 responsible for the act shall be deported after service of sentence

1 and payment of the fine without need for further deportation
2 proceedings."

3 **SEC. 10.** Article 147 of R.A. 7394 is hereby amended to read as
4 follows:

5 **"Article 147. Penalties.** – Any creditor who in connection with
6 any credit transaction fails to disclose to any person any information
7 in violation of this Chapter or the Implementing Rules and
8 Regulations issued thereunder shall be liable to such person in the
9 amount of [~~One thousand pesos (P1,000.00)~~] TWENTY THOUSAND
10 PESOS (P20,000.00) or in amount equal to twice the finance charge
11 required by such creditor in connection with such transaction,
12 whichever is greater, except that such liability shall not exceed
13 Three thousand pesos (P3,000.00) for any credit transaction and
14 actual damages with the non-disclosure of the required
15 information. Action to recover such penalty may be brought by
16 such person within one (1) year from the date of the occurrence of
17 the violation in any court of competent jurisdiction."

18 **SEC. 11. Repealing Clause.** - All laws, presidential decrees,
19 executive orders, rules and regulations or parts thereof inconsistent with
20 the provisions of this Act are hereby repealed or modified accordingly.

21 **SEC. 12. Effectivity Clause.** - This Act shall take effect fifteen (15)
22 days after its complete publication in a newspaper of general circulation.
23 It take effect upon approval.

24 Approved,