


'19 JUL 16 A11:51

SENATE

Senate Bill No. 546



Introduced by Senator Juan Miguel F. Zubiri

**AN ACT
PROHIBITING MERCHANDISING STORES AND SERVICE ESTABLISHMENTS
FROM CHARGING MORE THAN THE CASH RETAIL PRICE OF GOODS AND
SERVICES PURCHASED WITH CREDIT CARDS AND PRESCRIBING PENALTIES
FOR ANY VIOLATION THEREOF**

EXPLANATORY NOTE

Manufacturers and service providers, to suit their profit margins, enjoy the liberty of assigning monetary value over their own products. Consumers are equally free to choose whether or not to purchase these products. These mutual freedoms set up an uncomplicated relationship between consumer and business, allowing for a fair and easy exchange of money and product.

Over time, though, the use of credit cards has become more prevalent, complicating the business-and-consumer relationship. Many consumers resort to credit cards to purchase products they need immediately, but do not have enough cash to cover at once. Accordingly, stores and service providers have accommodated credit cards in their accepted methods of payment. But while these businesses are happy to profit off credit card holders, they refuse to take on the burden of processing credit charges. As a result, these businesses fall to the practice of imposing higher prices on consumers opting to use their credit cards. The consumer, then, is made to pay more than the assigned value for a product. This is a discriminatory practice, and alienates consumers who do not readily have the requisite amount of cash, but are sure to acquire it over time.

This bill seeks to protect consumers' rights to purchase products at their assigned value, regardless of their method of payment. This will build consumer trust, and translate to a more vibrant national economy.

In view of the foregoing, approval of this bill is urgently sought.

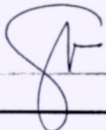


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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. It shall be unlawful for any merchandising store or service establishment to charge the customers more than the actual credit retail price of the goods and services purchased when such purchase is done with the use of a credit card and/or to list bargain sale items and services to cash purchases.

SEC. 2. Any person who shall violate the provision of this Act shall be punished with imprisonment of not less than six (6) months but not more than one (1) year or a fine of not less than Twenty Thousand Pesos (PHP20,000.00) but not more than One Hundred Thousand Pesos (PHP100,000.00) or both at the discretion of the court. In case of a partnership, association, corporation, or any other juridical person, the penalty shall be imposed on the president, treasurer or any other officer or person responsible for the violation. In addition, the license to operate the business establishment shall be suspended for six (6) months or in the case of recidivism, cancelled, as the case may be. If the offender is an alien, he shall, after service of sentence, be deported immediately without further proceedings in the Bureau of Immigration.

SEC. 3. Repealing Clause. - All laws, orders, issuances, circulars, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC 4. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

1 **SEC. 5. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
2 publication in the Official Gazette or in at least two (2) national newspapers of general
3 circulation.

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Approved,