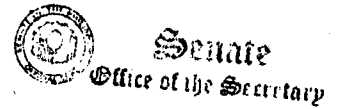


**EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
First Regular Session



20 APR 27 P12:36

RECEIVED BY

[Handwritten signature]

SENATE

S. B. NO. 1454

Introduced by **SENATOR JOEL VILLANUEVA**

**AN ACT AMENDING REPUBLIC ACT NO. 7581, AS AMENDED,
OTHERWISE KNOWN AS THE "PRICE ACT" AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

In a span of three months, the Philippines has experienced two major calamities: the phreatic eruption of Taal Volcano in January, and the coronavirus disease (COVID-19) outbreak, which has already infected 707 persons all over the Philippines as of March 26, 2020. In both instances, people flocked to pharmacies and other sellers of medical supplies to buy, and unfortunately for some, hoard personal protective equipment (PPEs), such as face masks and goggles, and medical supplies such as alcohol and disinfectants.

For example, in the aftermath of the Taal Volcano phreatic eruption and consequent ash fall on January 12, 2020, N95 masks were allegedly sold in Manila for for Php200 per piece, compared to the previously prevailing price of Php25 to Php40 per piece, which translates to a 400% to 700% price increase.¹

Meanwhile, a few days after the first confirmed COVID-19 patient in the Philippines was reported on January 30, 2020,² the Department of Trade and Industry (DTI) found that three profiteering pharmacies in Cebu City were selling overpriced surgical and N95 masks, by as much as 35%. Worse, even foreign nationals took advantage of the situation to profit from the unfortunate situation. For example, five foreign nationals were arrested by the Manila Police District for selling masks higher than the suggested retail price (SRP) set by DTI.³

¹ 2020, January 15. Profiteering rap await those selling overpriced face masks: DTI. ABS-CBN News. Available at <https://news.abs-cbn.com/business/01/15/20/profiteering-raps-await-those-selling-overpriced-face-masks-dti> (date last accessed: March 26, 2020).

² Coronavirus disease (COVID-19) in the Philippines. WHO. Available at <https://www.who.int/philippines/emergencies/covid-19-in-the-philippines> (date last accessed: March 26, 2020).

³ 2020, February 2. 5 Chinese nationals arrested for selling overpriced masks. GMA News Online. Available at

Given these troubling reports, there is a need to amend Republic Act No. 7581, as amended by Republic Act No. 10623, otherwise known as the Price Act, to ensure that the price and supply of personal protective equipment, including face masks and safety goggles and medical devices such as nebulizers, ethyl alcohol solution and oxygen cannulas remain stable during times of emergencies. For this purpose, this bill seeks to:

- 1) Define and include personal protective equipment and medical devices as prime commodities, the price of which may be subjected to price ceilings;
- 2) Clarify that price control measures for basic necessities and prime commodities, including personal protective equipment and relevant medical devices may also be imposed in times of outbreaks/epidemics, pandemics or public health emergencies; and
- 3) Increase the administrative fines and criminal penalties for violations of the Price Act.

The immediate passage of this bill is earnestly sought.

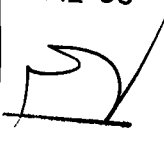

SENATOR JOEL VILLANUEVA



SENATE

S. B. NO. 1454

20 APR 27 P12:36

RECEIVED BY: 

Introduced by **SENATOR JOEL VILLANUEVA**

**AN ACT AMENDING REPUBLIC ACT NO. 7581, AS AMENDED,
OTHERWISE KNOWN AS THE "PRICE ACT" AND FOR OTHER
PURPOSES**

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

1 **SECTION 1.** Section 2 of Republic Act No. 7581, as amended, is hereby amended to
2 read as follows:
3

4 **"SEC. 2. Declaration of Basic Policy.** – It is the policy of the State to ensure
5 the availability of basic necessities and prime commodities at reasonable prices
6 at all times without denying legitimate business a fair return on investment. It is
7 also a declared policy of the State to provide effective and sufficient protection
8 to consumers against hoarding, profiteering and cartels with respect to the
9 supply, distribution, marketing and pricing of said goods, especially during
10 periods of calamity, emergency, PUBLIC HEALTH EMERGENCIES,
11 EPIDEMICS OR OUTBREAKS, PANDEMICS, widespread illegal price
12 manipulation and other similar situations.
13

14 x x x
15

16 **SEC. 2.** Section 3 of Republic Act No. 7581, as amended, is hereby amended and
17 renumbered accordingly as follows:

18 **"SEC. 3. Definition of Terms.** – For purposes of this Act, the term:
19

20
21 (1) *"Basic necessities"* includes x x x
22

23 (2) *"Buffer fund"* means x x x

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48

- (3) **"EPIDEMIC/ OUTBREAK"** REFERS TO AN OCCURRENCE OF MORE CASES OF DISEASES THAN NORMALLY EXPECTED WITHIN A SPECIFIC PLACE OR GROUP OF PEOPLE OVER A GIVEN PERIOD OF TIME;
- (4) **"Implementing agency"** means x x x
- (5) **"MEDICAL DEVICE"** MEANS ANY INSTRUMENT, APPARATUS, MACHINE, IMPLANTS, OR IN VITRO REAGANTS INTENDED FOR USE IN, OR ACTUALLY USED IN DIAGNOSIS, TREATMENT, MONITORING OR PREVENTION OF DISEASE OR INJURY;
- (6) **"PANDEMIC"** REFERS TO AN EPIDEMIC OCCURRING WORLDWIDE, OR OVER A VERY WIDE AREA, CROSSING INTERNATIONAL BOUNDARIES AND USUALLY AFFECTING A LARGE NUMBER OF PEOPLE;
- (7) **"Panic-buying"** is the x x x
- (8) **"Person"** means x x x
- (9) **"PERSONAL PROTECTIVE EQUIPMENT"** MEANS EQUIPMENT INTENDED FOR USE TO PROTECT THE EYES, FACE, HEAD, HEARING, EXTREMITIES, OR A RESPIRATORY TRACT FROM HAZARDS OR TO FUNCTION AS PROTECTIVE CLOTHING, AS A PROTECTIVE SHIELD OR BARRIER, AS PERSONAL FALL ARREST OR LADDER SAFETY DEVICES, OR AS SAFETY AND HEALTH MONITORING AND INSTRUMENTATION DEVICES;
- (10) **"Prevailing Price"** means x x x
- (11) **"Price ceiling"** means x x x
- (12) **"Prime Commodities"** are goods not considered as basic necessities but are essential to consumers in times of any of the cases provided under Section 7 of this Act such as, but not limited to, flour; dried, processed or canned pork, beef and poultry meat; dairy products not falling under basic necessities; onions, garlic, vinegar, patis, soy sauce; toilet soap; fertilizer, pesticides and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies; *nipa* shingles; *sawali*; cement; clinker; GI sheets; hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies; light bulbs; steel wire; PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES AS DETERMINED BY THE DEPARTMENT OF HEALTH; all drugs not classified as essential drugs by the Department of Health and such other goods as may be included under Section 4 of this Act; AND

1 (13) "PUBLIC HEALTH EMERGENCY" REFERS TO AN OCCURENCE OR
2 IMMIDENT THREAT OF AN ILLNESS OR HEALTH CONDITION AS
3 DEFINED UNDER SECTION 3(I) OF REPUBLIC ACT NO.11332,
4 ENTITLED THE "MANDATORY REPORTING OF NOTIFIABLE
5 DISEASES AND HEALTH EVENTS OF PUBLIC HEALTH CONCERN
6 ACT."
7

8 **SEC. 3.** Section 6 of Republic Act No. 7581, as amended, is hereby amended to
9 read as follows:

10
11 "Sec. 6. **Automatic Price Control.** – Unless otherwise declared by the
12 President, prices of basic necessities, PERSONAL PROTECTIVE EQUIPMENT
13 AND MEDICAL DEVICES AS DETERMINED BY THE DEPARTMENT OF
14 HEALTH in an area shall automatically be frozen at their prevailing prices or
15 placed under automatic price control whenever:
16

17 x x x

18
19 (7) AN EPIDEMIC/OUTBREAK, PANDEMIC IS EXISTING, OR A PUBLIC
20 HEALTH EMERGENCY IS DECLARED IN THAT AREA.
21

22 x x x
23

24 **SEC. 4.** Section 7 of Republic Act No. 7581, as amended, is hereby amended to
25 read as follows:
26

27 "Sec. 7. **Mandated Price Ceiling.** – The President, upon the recommendation
28 of the implementing agency, or the Price Coordinating Council, may impose a
29 price ceiling on any basic necessity or prime commodity if any of the following
30 conditions so warrants:
31

32 x x x
33

34 (2) The threat, existence, or effect of an emergency, INCLUDING AN
35 EPIDEMIC/ OUTBREAK, PANDEMIC OR A PUBLIC HEALTH EMERGENCY;
36

37 x x x
38

39 **SEC. 5.** Section 10 of Republic Act No. 7581, as amended, is hereby amended to
40 read as follows:
41

42 "Sec. 10. **Powers and Responsibilities of Implementing Agencies.** – To
43 carry out the intents and purposes of this Act, the head of the implementing
44 agency shall have the following additional powers and responsibilities:
45

46 (5) From time to time, he may issue suggested reasonable retail prices for any
47 or all basic necessities and prime commodities under his jurisdiction, UPON
48 CONSULTATION WITH RELEVANT STAKEHOLDERS, for the information and
49 guidance of producers, manufacturers, traders, dealers, sellers, retailers, and
50 consumers. FOR THIS PURPOSE, THE IMPLEMENTING AGENCY SHALL

1 ADOPT MECHANISMS TO ENSURE THE DISSEMINATION OF SUCH
2 INFORMATION, INCLUDING THE DIFFERENCE BETWEEN SUGGESTED
3 RETAIL PRICES AND MANDATORY PRICE CEILINGS OR PRICE FREEZE.
4

5 x x x
6

7 (9) He may conduct investigations of any violation of this Act and, after due
8 notice and hearing, impose administrative fines in such amount as he may
9 deem reasonable which shall in no case be less than One thousand pesos
10 (P1,000) nor more than THREE MILLION PESOS (P3,000,000). In the
11 imposition of administrative fines, the following factors shall be taken into
12 consideration:
13

14 x x x
15

16 **SEC. 6.** Section 15 of Republic Act No. 7581, as amended, is hereby amended to
17 read as follows:
18

19 "Sec. 15. **Penalty for Acts of Illegal Price Manipulation.** – Any person who
20 commits any act of illegal price manipulation of any basic necessity or prime
21 commodity under Section 5 hereof shall suffer the penalty of imprisonment for a
22 period of not less than five (5) years nor more than ten (10) years, and shall be
23 imposed a fine of not less than Five thousand pesos (P5,000) nor more than
24 Two million pesos (P2,000,000); *PROVIDED, THAT THE PENALTY FOR*
25 *PERSONS WHO COMMIT ACTS OF ILLEGAL PRICE MANIPULATION OF*
26 *PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES*
27 *IDENTIFIED BY THE DEPARTMENT OF HEALTH AS A PRIME COMMODITY*
28 *DURING TIMES OF EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS,*
29 *PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL SUFFER THE*
30 *PENALTY OF IMPRISONMENT FOR A PERIOD OF NOT LESS THAN FIVE*
31 *(5) YEARS NOR MORE THAN TWENTY (20) YEARS, AND SHALL BE*
32 *IMPOSED A FINE OF NOT LESS THAN TEN THOUSAND PESOS (P10,000)*
33 *NOR MORE THAN FOUR MILLION PESOS (P4,000,000), DEPENDING ON*
34 *THE SEVERITY, FREQUENCY AND EXTENT OF THE VIOLATION*
35 *COMMITTED.*
36

37 **SEC. 7.** Section 16 of Republic Act No. 7581, as amended, is hereby amended to
38 read as follows:
39

40 "Sec. 16. **Penalty for Violation of Price Ceiling.** – Any person who violates
41 Section 6 or 7 of this Act shall suffer the penalty of imprisonment for a period of
42 not less than one (1) year nor more than ten (10) years or a fine of not less than
43 Five thousand pesos (P5,000) nor more than One million pesos (P1,000,000)
44 or both, at the discretion of the court; *PROVIDED, THAT THE PENALTY FOR*
45 *PERSONS WHO VIOLATE THE PRICE CEILING FOR THE SALE OF*
46 *PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES*
47 *IDENTIFIED BY THE DEPARTMENT OF HEALTH AS A PRIME COMMODITY*
48 *DURING TIMES OF EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS,*
49 *PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL SUFFER THE*
50 *PENALTY OF IMPRISONMENT FOR A PERIOD OF NOT LESS THAN TWO*

1 (2) YEARS NOR MORE THAN TWENTY (20) YEARS, AND SHALL BE
2 IMPOSED A FINE OF NOT LESS THAN TEN THOUSAND PESOS (P10,000)
3 NOR MORE THAN TWO MILLION PESOS (P2,000,000), DEPENDING ON
4 THE SEVERITY, FREQUENCY AND EXTENT OF THE VIOLATION
5 COMMITTED.
6

7 **SEC. 8. Implementing Rules and Regulation.** – Within ninety (90) days from the
8 effectivity of this Act, the Department of Trade and Industry (DTI) shall, in
9 consultation with the members of the Price Coordinating Council and relevant
10 stakeholders, promulgate the necessary rules and regulations for the effective
11 implementation of this Act.
12

13 **SEC. 9. Separability Clause.** – Any portion or provision of this Act that is declared
14 unconstitutional or invalid shall not have the effect of nullifying other portions or
15 provisions hereof as long as such remaining portions can still subsist and be given
16 effect in their entirety.
17

18 **SEC. 10. Repealing Clause.** – All laws, ordinances, rules, regulations, other
19 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed
20 or modified accordingly.
21

22 **SEC. 11. Effectivity.** – This Act shall take effect fifteen (15) days after its
23 publication in the *Official Gazette* or in two (2) newspapers of general circulation.
24

25 **Approved,**