


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

SENATE  
OFFICE OF THE SECRETARY

10 JUL -6 8:25

SENATE

S/No. 175

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

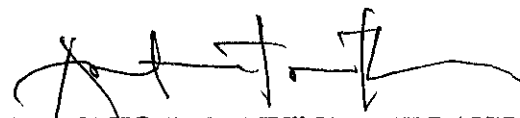
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#### EXPLANATORY NOTE

Competitive markets, when feasible, are demonstrably the most efficient way of locating resources in the economy. With our unstable economic situation, however, it is not difficult to imagine how the basic commodities can be artificially raised. The exercise of market power by cartels has often led to onerous increases in prices and shortages of basic commodities which have burdened the consumers.

This bill, therefore, seeks to amend Republic Act 7581, otherwise known as the "Price Act," by defining the situation constituting a prima facie case of cartelization in order to facilitate the enforcement of the prohibition against any form of cartel. The Price Act was passed to enable the government to address the problem of monopolies, cartels, unfair competition, and the hoarding of basic commodities, especially food.

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

  
ANTONIO "SONNY" F. TRILLANES IV  
Senator

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AN ACT  
TO STRENGTHEN THE PROHIBITION AGAINST MONOPOLIES AND  
CARTELS OF BASIC NECESSITIES OR PRIME COMMODITIES,  
AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBERED SEVENTY-  
FIVE HUNDRED AND EIGHTY-ONE, OTHERWISE KNOWN AS THE  
"PRICE ACT"

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

1 SECTION 1. Section 5, paragraph (3) of R.A. No. 7581, is hereby amended to read  
2 as follows:

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4 (3) Cartel, which is any combination of or agreement between two (2) or more  
5 persons engaged in the production, manufacturing, processing, storage, supply,  
6 distribution, marketing, sale or any disposition of any basic necessity or prime  
7 commodity designed to artificially and unreasonably increase and manipulate its  
8 price. There shall be *prima facie* evidence of engaging in a cartel whenever two (2) or  
9 more persons or business enterprises competing for the same market and dealing in  
10 the same basic necessity or prime commodity perform uniform or complementary acts  
11 among themselves which tend to bring about artificial and unreasonable increase in  
12 the price of any basic necessity or prime commodity, or when they simultaneously  
13 and unreasonably increase prices on their competing products thereby lessening  
14 competition among themselves, IF THEY CONTROL AT LEAST TWENTY

1 PERCENT (20%) OF THE MARKET, SALE, OR DISTRIBUTION OF THE BASIC  
2 NECESSITY OR PRIME COMMODITY IN A REGION.”

3  
4 **SEC. 2.** Section 10, paragraph 12 of the same Act is hereby amended to read as  
5 follows:

6 “SECTION 10. *Power and Responsibilities of Implementing Agencies.* - To carry  
7 out the intents and purposes of this Act, the head of the implementing agency shall  
8 have the following additional powers and responsibilities:

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10 “(12) WITHOUT PREJUDICE TO THE CRIMINAL PROSECUTION OF THE  
11 PERSONS ENGAGED IN ACTIVITES CONSTITUTING A CARTEL AS  
12 PROVIDED IN THIS ACT, UPON A SHOWING OF A *PRIMA FACIE* EVIDENCE  
13 PURSUANT TO SECTION (5) HEREOF, he may CAUSE THE SEIZURE of basic  
14 necessities and prime commodities subject of a violation of this Act and order their  
15 sale to the public at reasonable prices whenever the demand for such goods so  
16 requires, OR WHEN THERE IS A PUBLIC AND OFFICIAL DECLARATION OF  
17 ARTIFICIAL SHORTAGE IN THE MARKET OF SOME BASIC NECESSITIES  
18 AS DEFINED IN SECTION 3, PARAGRAPH 1, AND/OR PRIME COMMODITIES  
19 AS DEFINED IN SECTION 3, PARAGRAPH 8 OF THIS ACT: *Provided*, That,  
20 pending litigation, the proceeds of the sale shall be held in trust or escrow by the  
21 implementing agency: *Provided, further*, That, should the owner of the basic necessity  
22 or prime commodity seized and sold be found not liable for the violation which was  
23 the basis for the seizure, HE SHALL BE REFUNDED HIS ACQUISITION COST  
24 AND EXPENSES INCURRED IN THE MARKETING THEREOF, otherwise, they  
25 shall accrue to general fund of the Government and: *Provided, jinally*, That the head  
26 of the implementing agency AS DEFINED IN SECTION 3, SUBPARAGRAPHS (a),  
27 (b), (c) and (d) OF THIS ACT shall cause the broadcast in radio or television and the

1 publication in at least two (2) newspapers of general circulation of the fact of sale or  
2 disposition of such seized goods at least three (3) days before the date of sale or  
3 disposition;

4 XXXX

5 **SEC. 3.** This Act shall take effect upon its approval and fifteen (15) days after  
6 publication in the Official Gazette or a newspaper of general circulation.

Approved,