

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines
17TH CONGRESS
First Regular Session
2829
HOUSE BILL NO. _____

HOUSE OF REPRESENTATIVES	
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INTRODUCED BY REP. EMMANUEL A. BILLONES

AN ACT
PENALIZING FALSE OR FRAUDULENT ADVERTISING AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

Many companies whose main aim is profit have resorted to false or fraudulent advertising. They use misleading information, distort or omit important facts, and tried to conceal hidden costs just to convince consumers to purchase a product or acquire service.

They make use of the radio, newspapers, televisions, and other media fora to deceptively promote their products or services.

This type of marketing leads consumers to make uninformed decisions as they are not wholly told of the truth but are guaranteed of fabulous promises. Promises that made the consumers believed that all that glitters is gold.

May times in the past, consumers had immensely suffered from deceptive advertising like the failed pre-need plans, the unfinished subdivisions and condominiums, the pyramiding and similar deceptive schemes. Today, victims are still reeling from the effects of financial woes brought about by these fraudsters who have enriched themselves.

Worst, many of them are still out there somewhere hiding or out on bail courtesy of our Constitution that says they are presumed innocent until proven guilty beyond reasonable doubt.

Hence, this bill seeks to stop the propagation of false or fraudulent advertising of products, goods, and services and provides punishment to the culprits whose only aim is to make profit by way of deception.

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


EMMANUEL A. BILLONES
Representative
1st District-Capiz

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AN ACT

PENALIZING FALSE OR FRAUDULENT ADVERTISING AND FOR OTHER PURPOSES

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

SECTION 1. *False or Fraudulent Advertising, Prohibited.* – It shall be unlawful for any person, firm or corporation to advertise or promote his or its products, goods and services, underwrite any obligation, such as pre-need educational, medical or other related services, through newspapers, magazines, radio, television, internet or other means accessible to the public view, such as billboards, flyers, newsletters, leaflets, etc. when such products, goods, services or pre-need benefit are inexistent, in whole or in part, or are incapable of being produced, delivered, performed, paid or discharged, and which false or fraudulent advertising shall have induced another to part with his money or valuable consideration to buy, acquire or avail of such products, goods, services or pre-need benefits.

SEC. 2. *Prima Facie Evidence of False or Fraudulent Advertising.* – The failure or inability of such person, firm or corporation to fully or completely produce, deliver, perform, pay or discharge the obligation, products, goods or services so promoted or advertised, within a period of ninety (90) days from date of written demand from the person defrauded shall be prima facie evidence of a violation of this Act.

SEC. 3. *Liability under this Act, Distinction other Crimes Committed.* – The liability of persons found violating this Act shall be distinct from and in addition to the penalties that such person, firm or corporation shall incur under the Revised Penal Code and other special laws: *Provided, however, Provided, however,* That the prosecution for violation of this Act shall proceed independently and regardless of the status, stage or result of the prosecution under the Revised Penal Code or other special laws: *Provided, further,* That no filing fee shall be imposed for the commencement of the criminal charge under this Act.

SEC. 4. *Liability, if Violator is a Corporation or Unregistered Entity.* – If the violation under this Act is committed by a corporation, partnership or other unregistered entity, the directors, president, treasurer, general manager or one performing similar functions and other corporate officers or persons responsible for such false or fraudulent advertisement shall be personally liable for such violation.

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SEC. 5. Multiple Liability. – Any person found violation this Act shall be charged and convicted with as many counts of such violations as there are victims who have been defrauded by reason of such false or fraudulent advertising.

SEC. 6. Penalty. – Any person found liable for violating this Act shall be sentenced to an imprisonment of not less than one (1) year but not exceeding six (6) years or a fine of not less than twice the value of the amount defrauded: *Provided*, That in case the person convicted fails or refuses to pay the fine, he shall suffer subsidiary imprisonment at the rate of P200 per day but not exceeding six (6) years.

SEC. 7. Effectivity. – This Act shall take effect fifteen (15) days after publication in the Official Gazette and in two (2) newspapers of general circulation.

Approved,