

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4243



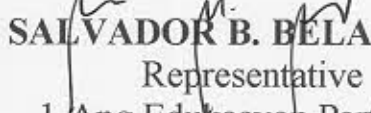
Introduced by Representative Salvador B. Belaro, Jr.

EXPLANATORY NOTE

One of the realities in doing business in the Philippines is the presence of malls, supermarkets, and other entities (hereinafter referred to as "markets") which sell goods from small and medium-sized suppliers usually on a consignment basis.

In this regard, the usual practice is that suppliers consign their products at these markets whereby the former do not get paid upon delivery but only after a period of time after the actual sale of said products. In many cases, the remittance of the payment to the supplier takes months even years after the actual sale of said products because of many administrative requirements imposed by said markets.

It is the objective of this Act that the above-mentioned practice be regulated by law so as to assist small and medium enterprises and to protect them from unfair predatory practices of big business.


SALVADOR B. BELARO, JR.
Representative
1-Ang Edukasyon Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4243

Introduced by Representative Salvador B. Belaro, Jr.

AN ACT
PROHIBITING CONSIGNEES FROM REMITTING SALES TO
CONSIGNORS AFTER ONE WEEK FROM ACTUAL PAYMENT

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

SECTION 1. Short Title. – This Act shall be known as the “Anti-Delay in Remittance of Consignment Sales Act of 2016”.

SEC. 2. Declaration of Policy. Predatory and monopolistic activities of supermarkets, malls and similar entities are contrary to law and public policy as it impose undue restraints on the promotion of trade and industry.

SEC.3. It shall be unlawful for any mall, supermarket or entity to pay its suppliers on consignment basis after one week from the actual payment for its products. For this purpose, it shall also be unlawful for such mall, supermarket or entity to impose administrative requirements of any kind and for any purpose which would prevent the payment of the supplier within one week from the actual payment for such products.

SEC. 4. Any mall or supermarket or any other entity which allows consignment of products in its market areas who remits the payment for the consigned product to the supplier in violation of this Act shall pay a fine equivalent to double the value of the sold product provided that such mall, supermarket or any similar entity shall be liable for the same amount of fine for every month of

delay in the remittance to the supplier of such payment. Three successive violations of this Act shall make the owner and manager of said mall, supermarket or similar entity punishable with imprisonment of *prision correccional*.

SEC. 5. The Department of Trade and Industry and the Philippine Competition Authority are jointly mandated to formulate the rules and regulations of this Act.

SEC. 6. Separability Clause. If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or provision not otherwise affected shall remain valid and subsisting.

SEC. 7. Repealing Clause. All laws, orders, issuances rules and regulations or parts thereof inconsistent with any provisions of this Act are hereby repealed, modified or amended accordingly.

SEC. 8. Effectivity Clause. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.