

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6658



Introduced by CIBAC Party-List Representatives
Eduardo "Bro. Eddie" C. Villanueva and Domingo C. Rivera

**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 8,772 persons all over the Philippines as of May 1, 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

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).

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

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.


HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA


HON. DOMINGO C. RIVERA

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 <https://www.gmanetwork.com/news/news/metro/724531/5-chinese-nationals-arrested-for-selling-overpriced-masks/story/> (date last accessed: March 26, 2020).

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**AN ACT AMENDING REPUBLIC ACT NO. 7581, AS AMENDED,
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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
2 amended to read as follows:

3
4 "SEC. 2. ***Declaration of Basic Policy.*** – It is the policy of the State to
5 ensure the availability of basic necessities and prime commodities at
6 reasonable prices at all times without denying legitimate business a fair
7 return on investment. It is also a declared policy of the State to provide
8 effective and sufficient protection to consumers against hoarding,
9 profiteering and cartels with respect to the supply, distribution, marketing
10 and pricing of said goods, especially during periods of calamity,
11 emergency, PUBLIC HEALTH EMERGENCIES, EPIDEMICS OR
12 OUTBREAKS, PANDEMICS, widespread illegal price manipulation and
13 other similar situations.

14
15 x x x

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

1 “SEC. 3. **Definition of Terms.** – For purposes of this Act, the term:

2
3 (1) “*Basic necessities*” includes x x x

4
5 (2) “*Buffer fund*” means x x x

6
7 (3) “*EPIDEMIC/ OUTBREAK*” REFERS TO AN OCCURRENCE OF
8 MORE CASES OF DISEASES THAN NORMALLY EXPECTED
9 WITHIN A SPECIFIC PLACE OR GROUP OF PEOPLE OVER A
10 GIVEN PERIOD OF TIME;

11
12 (4) “*Implementing agency*” means x x x

13
14 (5) “*MEDICAL DEVICE*” MEANS ANY INSTRUMENT, APPARATUS,
15 MACHINE, IMPLANTS, OR IN VITRO REAGENTS INTENDED
16 FOR USE IN, OR ACTUALLY USED IN DIAGNOSIS, TREATMENT,
17 MONITORING OR PREVENTION OF DISEASE OR INJURY;

18
19 (6) “*PANDEMIC*” REFERS TO AN EPIDEMIC OCCURRING
20 WORLDWIDE, OR OVER A VERY WIDE AREA, CROSSING
21 INTERNATIONAL BOUNDARIES AND USUALLY AFFECTING A
22 LARGE NUMBER OF PEOPLE;

23
24 (7) “*Panic-buying*” is the x x x

25
26 (8) “*Person*” means x x x

27
28 (9) “*PERSONAL PROTECTIVE EQUIPMENT*” MEANS EQUIPMENT
29 INTENDED FOR USE TO PROTECT THE EYES, FACE, HEAD,
30 HEARING, EXTREMITIES, OR A RESPIRATORY TRACT FROM
31 HAZARDS OR TO FUNCTION AS PROTECTIVE CLOTHING, AS A
32 PROTECTIVE SHIELD OR BARRIER, AS PERSONAL FALL
33 ARREST OR LADDER SAFETY DEVICES, OR AS SAFETY AND
34 HEALTH MONITORING AND INSTRUMENTATION DEVICES;

35
36 (10) “*Prevailing Price*” means x x x

37
38 (11) “*Price ceiling*” means x x x

1 (12) "*Prime Commodities*" are goods not considered as basic necessities
2 but are essential to consumers in times of any of the cases provided
3 under Section 7 of this Act such as, but not limited to, flour; dried,
4 processed or canned pork, beef and poultry meat; dairy products not
5 falling under basic necessities; onions, garlic, vinegar, patis, soy
6 sauce; toilet soap; fertilizer, pesticides and herbicides; poultry,
7 livestock and fishery feeds and veterinary products; paper; school
8 supplies; *nipa* shingles; *sawali*; cement; clinker; GI sheets; hollow
9 blocks; plywood; plyboard; construction nails; batteries; electrical
10 supplies; light bulbs; steel wire; PERSONAL PROTECTIVE
11 EQUIPMENT AND MEDICAL DEVICES AS DETERMINED BY THE
12 DEPARTMENT OF HEALTH; all drugs not classified as essential
13 drugs by the Department of Health and such other goods as may be
14 included under Section 4 of this Act; AND
15

16 (13) "PUBLIC HEALTH EMERGENCY" REFERS TO AN OCCURENCE
17 OR IMMINENT THREAT OF AN ILLNESS OR HEALTH
18 CONDITION AS DEFINED UNDER SECTION 3(I) OF REPUBLIC
19 ACT NO.11332, ENTITLED THE "MANDATORY REPORTING OF
20 NOTIFIABLE DISEASES AND HEALTH EVENTS OF PUBLIC
21 HEALTH CONCERN ACT."
22

23 **SEC. 3.** Section 6 of Republic Act No. 7581, as amended, is hereby amended
24 to read as follows:
25

26 "Sec. 6. ***Automatic Price Control.*** – Unless otherwise declared by the
27 President, prices of basic necessities, PERSONAL PROTECTIVE
28 EQUIPMENT AND MEDICAL DEVICES AS DETERMINED BY THE
29 DEPARTMENT OF HEALTH in an area shall automatically be frozen at
30 their prevailing prices or placed under automatic price control whenever:
31

32 x x x
33

34 (7) AN EPIDEMIC/OUTBREAK, PANDEMIC IS EXISTING, OR A
35 PUBLIC HEALTH EMERGENCY IS DECLARED IN THAT AREA.
36

37 x x x
38

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

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

5 x x x

6
7 (2) The threat, existence, or effect of an emergency, INCLUDING AN
8 EPIDEMIC/ OUTBREAK, PANDEMIC OR A PUBLIC HEALTH
9 EMERGENCY;

10
11 x x x

12
13 **SEC. 5.** Section 10 of Republic Act No. 7581, as amended, is hereby
14 amended to read as follows:

15
16 "Sec. 10. **Powers and Responsibilities of Implementing Agencies.** –
17 To carry out the intents and purposes of this Act, the head of the
18 implementing agency shall have the following additional powers and
19 responsibilities:

20
21 (5) From time to time, he may issue suggested reasonable retail prices
22 for any or all basic necessities and prime commodities under his
23 jurisdiction, UPON CONSULTATION WITH RELEVANT
24 STAKEHOLDERS, for the information and guidance of producers,
25 manufacturers, traders, dealers, sellers, retailers, and consumers. FOR
26 THIS PURPOSE, THE IMPLEMENTING AGENCY SHALL ADOPT
27 MECHANISMS TO ENSURE THE DISSEMINATION OF SUCH
28 INFORMATION, INCLUDING THE DIFFERENCE BETWEEN
29 SUGGESTED RETAIL PRICES AND MANDATORY PRICE CEILINGS
30 OR PRICE FREEZE.

31
32 x x x

33
34 (9) He may conduct investigations of any violation of this Act and, after
35 due notice and hearing, impose administrative fines in such amount as
36 he may deem reasonable which shall in no case be less than One
37 thousand pesos (P1,000) nor more than THREE MILLION PESOS
38 (P3,000,000). In the imposition of administrative fines, the following
39 factors shall be taken into consideration:
40

1 x x x

2
3 **SEC. 6.** Section 15 of Republic Act No. 7581, as amended, is hereby
4 amended to read as follows:

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

24
25 **SEC. 7.** Section 16 of Republic Act No. 7581, as amended, is hereby
26 amended to read as follows:

27
28 “Sec. 16. ***Penalty for Violation of Price Ceiling.*** – Any person who
29 violates Section 6 or 7 of this Act shall suffer the penalty of imprisonment
30 for a period of not less than one (1) year nor more than ten (10) years or
31 a fine of not less than Five thousand pesos (P5,000) nor more than One
32 million pesos (P1,000,000) or both, at the discretion of the court;
33 *PROVIDED, THAT THE PENALTY FOR PERSONS WHO VIOLATE*
34 *THE PRICE CEILING FOR THE SALE OF PERSONAL PROTECTIVE*
35 *EQUIPMENT AND MEDICAL DEVICES IDENTIFIED BY THE*
36 *DEPARTMENT OF HEALTH AS A PRIME COMMODITY DURING*
37 *TIMES OF EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS,*
38 *PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL SUFFER*
39 *THE PENALTY OF IMPRISONMENT FOR A PERIOD OF NOT LESS*
40 *THAN TWO (2) YEARS NOR MORE THAN TWENTY (20) YEARS, AND*

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

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

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

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

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

25 **Approved,**