AN ACT
FURTHER AMENDING REPUBLIC ACT NO. 7581, OTHERWISE KNOWN AS THE "PRICE ACT", AS AMENDED BY REPUBLIC ACT NO. 10623, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The year 2020 has undoubtedly gone down as one of the most turbulent years of our lifetime. It began with the eruption of Taal Volcano in January 2020 which blanketed the surrounding area of Batangas and Cavite, and even parts of Metro Manila with thick ash. The resulting ashfall raised various health concerns causing massive panic buying of face masks raising prices from P25.00 to P200.00 marking a 400% price increase.

While Southern Luzon was still reeling from the effects of the volcanic eruption, coronavirus spread like wildfire and by March 2020, most districts in the country were on lockdown. People began hoarding goods fearing prolonged confinement imposed by government restrictions and the sudden increase in demand caused an artificial spike in the price of these goods. The slowdown of manufacturing businesses also saw a considerable increase on the price of face masks, face shields, personal protective equipment (PPE), and test kits. This representation saw prices rise from anywhere between 100% to 1,000% preventing our front-liners access to these vital goods.

The country did not face any reprieve when the typhoon season rolled in. Typhoons ravaged our calamity-stricken country one after the other causing massive damage to our already faltering economy. Many had to be evacuated and had to stay in evacuation centers for prolonged periods of time. To make matters worse, their dire situation was taken advantage of by unscrupulous traders by increasing the prices of essential and basic goods.
Republic Act No. 7581, otherwise known as the Price Act, was meant to address these problems. When calamities or emergencies strike the country such as those experienced this past year, the State should have mechanisms to ensure the availability of basic necessities and prime commodities at reasonable prices without denying legitimate businesses a fair return on their investment. Further, the Price Act was meant to protect consumers against hoarding, profiteering and cartels with respect to the supply, distribution, marketing and pricing of goods.

However, the basic necessities and prime commodities needed during calamities and emergencies have changed since the Price Act was enacted 29 years ago and thus, needs updating. This bill seeks to amend the definition of basic necessities and introduce water containers, 3-in-1 coffee, tea, alcohol, hand sanitizers, disinfectants, and PPEs, among others, to form part of its definition. In addition, the definition of prime commodities will also be amended to include toothbrush, toothpaste, shampoo, umbrellas, and raincoats, among others.

Further, this bill seeks to relieve the President from the burden of having to approve any changes in the definition of basic necessities or prime commodities by shifting the responsibility to the National Price Coordinating Council.

As regards the unregulated increase of prices, heads of agencies shall have the responsibility to physically or digitally conduct regular price monitoring of all basic necessities and prime commodities. Moreover, a special suggested retail price may be issued by heads of agencies on basic necessities and prime commodities during Christmas, New Year, Valentine’s, All Saint’s Day, and Back-to-School seasons.

With these amendments, this representation hopes that in times of calamities and emergencies, consumers may adequately be protected against unscrupulous traders while at the same time, ensure a fair return on investment for honest business owners.

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

DEPUTY SPEAKER WES GATCHALIAN
Representative
1st District, Valenzuela City
AN ACT
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Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:

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

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

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

"SEC. 3. Definition of Terms. — For purposes of this Act, the term:

(1) 'Basic necessities' are goods vital to the needs of consumers for their sustenance and existence in times of any of the cases provided under Sections 6 or 7 of this Act such as, but not limited to, rice, corn, root crops, bread; fresh, dried or canned fish and other marine products; fresh pork, beef and poultry meat; fresh eggs; potable water in bottles and containers; WATER CONTAINERS; fresh and processed milk; fresh vegetables and fruits; locally manufactured instant noodles; coffee INCLUDING COFFEE MIXTURES OR 3-IN-1 COFFEE; TEA; sugar; cooking oil; salt; laundry soap and detergents; firewood; charcoal; household liquefied petroleum gas (LPG) and kerosene; candles; ALCOHOL, HAND SANITIZERS, AND DISINFECTANTS; INFRARED BODY THERMOMETER; MEDICAL DEVICE AS DEFINED IN PARAGRAPH 5 OF THIS SECTION; PERSONAL PROTECTIVE EQUIPMENT AS DEFINED IN PARAGRAPH 9 OF THIS SECTION SUCH AS FACE MASKS OF ALL KINDS, GLOVES, COVER-ALL, HAIR CAPS, SHOE COVER, FACE SHIELDS AND GOGGLES; WATERPROOF CANVAS OR 'TRAPAL', drugs classified as essential by the Department of Health and such other goods as may be included under Section 4 of this Act;

(2) 'Buffer fund' means a contingent fund in the budget of the implementing agency which shall not be used in its normal or regular operations but only for purposes provided for in this Act;

(3) 'EPIDEMIC/OUTBREAKS' REFER 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;
'Implementing agency' means the department or office of the Government which has jurisdiction over a basic necessity or prime commodity as defined in this Act, which shall be:

(a) The Department of Agriculture, with reference to agricultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, fertilizers, and other farm inputs;

(b) The Department of Health with reference to drugs;

(c) The Department of Environment and Natural Resources, with reference to wood and other forest products; [and]

(d) The Department of Trade and Industry, with reference to all other basic necessities and prime commodities[.]; AND

THE DEPARTMENT OF ENERGY WITH REFERENCE TO HOUSE LIQUEFIED PETROLEUM GAS AND KEROSENE.

'MEDICAL DEVICE' MEANS ANY INSTRUMENT, APPARATUS, MACHINE, IMPLANTS OR IN VITRO REAGNTES INTENDED FOR USE IN, OR ACTUALLY USED IN DIAGNOSIS, TREATMENT, MONITORING OR PREVENTION OF DISEASE OR INJURY;

'PANDEMIC' REFERS TO AN EPIDEMIC OCCURRING WORLDWIDE, OR A VERY WIDE AREA, CROSSING INTERNATIONAL BOUNDARIES AND USUALLY AFFECTING A LARGE NUMBER OF PEOPLE;

Panic buying' is the abnormal phenomenon where consumers buy basic necessities and prime commodities grossly in excess of their normal requirement resulting in undue shortages of such goods to the prejudice of less privileged consumers;

'Person' means a natural person or juridical person;
(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) [(6)] 'Prevailing price' means the average price at which any basic necessity has been sold in a given time within a month from the occurrence of any of the conditions enumerated under Section 6 of this Act;

(11) [(7)] 'Price ceiling' means the maximum price at which any basic necessity or prime commodity may be sold to the general public; [and]

(12) [(8)] '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, poultry meat; dairy products no falling under basic necessities; onions, garlic, vinegar, patis, soy sauce; toilet soap; TOOTHBRUSH; TOOTHPASTE; SHAMPOO; DIPPER; PAIL; UMBRELLA; RAINCOAT; fertilizer; pesticides and herbicides; poultry, livestock and fishery feeds and veterinary products; paper; school supplies SUCH AS UNIFORM, SOCKS, SHOES, SCHOOL BAGS, CRAYONS, PENCILS, ERASERS, BALLPENS, RULERS, NOTEBOOKS, AND PAPER; CONSTRUCTION MATERIALS SUCH AS nipa shingles,[;] sawali,[;] cement,[;] clinker,[;] GI sheets,[;] hollow blocks,[;] plywood,[;] plywood,[;] AND construction nails; batteries; electrical supplies; light bulbs; steel wire; all drugs not classified as essential by the Department of Health and such other goods as may be included under Section 4 of this Act;

(13) 'PUBLIC HEALTH EMERGENCY' REFERS TO AN OCCURRENCE OR IMMINENT THREAT OF AN ILLNESS OR HEALTH CONDITION
AS DEFINED UNDER SECTION 3(L) OF REPUBLIC ACT NO. 11332, 
ENTITLED THE 'MANDATORY REPORTING OF NOTIFIABLE 
DISEASES AND HEALTH EVENTS OF PUBLIC HEALTH CONCERN 
ACT; AND 

(14) ‘SUGGESTED RETAIL PRICE’ REFERS TO THE PRICE ISSUED 
BY THE CONCERNED IMPLEMENTING AGENCY TO BE USED AS 
REFERENCE IN THE MONITORING OF PRICES.”

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

“Sec. 4. Inclusion or Exclusion from the Coverage of this Act. – Upon 
petition of concerned parties or motu proprio action from the concerned 
agency of the Price Coordinating Council and after public hearing, the 
implementing agency, with the approval of the [President] NATIONAL 
PRICE COORDINATING COUNCIL, may include in the definition of 
basic necessities or prime commodities types and brands of the goods 
or may exclude from the coverage of this Act, types or brands of the 
goods included in the definition of basic necessities and prime 
commodities, which may be deemed as nonessential goods or luxury 
goods: Provided, That, any type or brand so excluded may be reinstated 
by the implementing agency during occasions of acute shortage in the 
supply of the basic necessity or prime commodity to which the excluded 
type or brand used to belong.”

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

“Sec. 6. Automatic Price Control. – Unless otherwise declared by the 
President, prices of basic necessities and construction 
MATERIALS in an area shall automatically be frozen at their prevailing 
prices or placed under automatic price control whenever:

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

If the prevailing price of any basic necessity OR CONSTRUCTION
MATERIAL is excessive or unreasonable, the implementing agency may
recommend to the President the imposition of a price ceiling for the sale
of the basic necessity OR CONSTRUCTION MATERIAL at a price other
than its prevailing price.

Unless sooner lifted by the President, price control of basic necessities
AND CONSTRUCTION MATERIALS under this section shall remain
effective for the duration of the condition that brought it about, but not
for more than sixty (60) days. The terms "disaster" and "calamity" shall
include those brought about by natural or man-made causes, whether
local or foreign."

SEC. 5. Section 7 of Republic Act No. 7581, as amended, is hereby
amended to read as follows:

"Sec. 7. Mandated Price Ceiling. – The [President] NATIONAL PRICE
COORDINATING COUNCIL, upon the recommendation of the
implementing agency, [or the Price Coordinating Council,] may impose
a price ceiling on any basic necessity or prime commodity if any of the
following conditions so warrants:

    xxx xxx xxx

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

    xxx xxx xxx

SEC. 6. Section 10 of Republic Act No. 7581, as amended is hereby
amended to read as follows:
Sec. 10. Powers and Responsibilities of Implementing Agencies. – To carry out the intents and purposes of this Act, the head of the implementing agency shall have the following additional powers and responsibilities:

xxx xxx xxx

(5) He shall conduct regular price monitoring of all basic necessities and prime commodities under his jurisdiction. Price monitoring may be done either physically or digitally, or both;

(6) [(5)] From time to time, he may, upon consultation with relevant stakeholders, issue suggested reasonable retail prices for any or all basic necessities and prime commodities under his jurisdiction for the information and guidance of producers, manufacturers, traders, dealers, sellers, retailers, and consumers. A special suggested retail price may be issued on basic necessities and prime commodities during the seasons of back-to-school, Christmas, New Year season, Valentine’s Day, and all Saint’s Day.

(7) [(6)] He shall cause the immediate dissemination of any mandated price ceiling for any basic necessity or prime commodity under his agency’s jurisdiction through publication in a newspaper of general circulation in the area affected, and through broadcast by radio, or whenever deemed to materially make dissemination of the information more effective, by television or by posting the same in the official website of his agency. He may also cause the information to be disseminated through posting in public markets, supermarkets or other public places. For this purpose, he shall adopt mechanisms to ensure the dissemination of such information, including the difference between suggested retail prices and mandatory price ceilings or price freeze;
(10) [(9)] He may conduct investigations for any violation of this Act and, after due notice and hearing, impose administrative fines in such amount as he may deem reasonable which shall in no case be less than One thousand pesos (P1,000) nor more than THREE MILLION PESOS (P3,000,000) [One million pesos (P1,000,000)]. In the imposition of administrative fines, the following factors shall be taken into consideration:

SEC. 7. Section 11 of Republic Act No. 7581, as amended, is hereby further amended to read as follows:

"Sec. 11. NATIONAL Price Coordinating Council. – There is hereby created a NATIONAL Price Coordinating Council, hereinafter referred to as the Council, to be composed of the following members:

(1) The Secretary of Trade and Industry, as chairman;
(2) The Secretary of Agriculture;
(3) The Secretary of Health;
(4) The Secretary of Environment and Natural Resources;
(5) The Secretary of Local Government;
(6) The Secretary of Transportation and Communications;
(7) The Secretary of Justice;
(8) The Secretary of Energy;
(9) The Director General of the National Economic and Development Authority;
(10) THE CHAIRPERSON OF THE PHILIPPINE COMPETITION COMMISSION;
(11) THE CHAIRPERSON OF THE NATIONAL WAGES PRODUCTIVITY COMMISSION;
(12) ONE (1) REPRESENTATIVE FROM THE CONSUMER'S SECTOR;
(13) One (1) representative from the consumers' sector;
(14) One (1) representative from the agricultural producers' sector;
(15) One (1) representative from the trading sector; and
(16) One (1) representative from the manufacturers' sector.

The sectoral representatives of the **NATIONAL** Price Coordinating Council shall be appointed by the President for a term of one (1) year, without prejudice to reappointment for another term.

xxx

SEC. 8. Section 12 of Republic Act No. 7581, as amended, is hereby amended to read as follows:

"Sec. 12. *Functions of the Price Coordinating Council.* – The **NATIONAL** Price Coordinating Council shall have the following council:

xxx     xxx     xxx

(2) It shall report, **AT LEAST SEMI-ANNUALLY**, to the President and to the Congress of the Philippines the status and progress of the programs, projects and measures undertaken by each implementing department, agency or office as well as the comprehensive strategies developed by the Council to stabilize the prices of basic necessities and prime commodities;

xxx     xxx     xxx

(6) Whenever automatic price control of basic necessities is imposed under Section 6 of this Act, it shall cause the immediate dissemination of their prevailing prices of the price ceilings imposed in lieu thereof, as the case may be, through publication in a newspaper of general circulation in the area affected, and through broadcast by radio and, whenever the same is deemed to materially make dissemination of the information more effective, by television **OR BY POSTING THE SAME IN THE OFFICIAL WEBSITE OF THE IMPLEMENTING AGENCY**
CONCERNED. It may also disseminate the information through posting
in public markets, supermarkets, and other public places."

SEC. 9. Section 14 of Republic Act No. 7581, as amended, is hereby
amended to read as follows:

AUTHORITY. – The [National Statistics Office] PHILIPPINE STATISTICS
AUTHORITY shall conduct independent periodic surveys and studies of
the selling prices of all basic necessities and prime commodities all over
the country as well as their share or effect on the family income of the
different economic groups in the country for purposes of serving as
database for government efforts to stabilize prices, as well as evaluating
the effectiveness of the same."

SEC. 10. Section 15 of Republic Act No. 7581, as amended, is hereby
amended to read as follows:

"Sec. 15. Penalty for Acts of Illegal Price Manipulation. – Any person who
commits any act of illegal price manipulation of any basic necessity or
prime commodity under Section 5 hereof shall suffer the penalty of
imprisonment for a period of not less than five (5) years nor more than
ten (10) years, and shall be imposed a fine of not less than [Five] FIFTY
thousand pesos ([P5,000]) [P50,000] nor more than [Two] THREE
million pesos ([P2,000,000]) [P3,000,000]; PROVIDED, THAT THE
PENALTY FOR PERSONS WHO COMMIT ACTS OF ILLEGAL PRICE
MANIPULATION OF PERSONAL PROTECTIVE EQUIPMENT AND
MEDICAL DEVICES IDENTIFIED BY THE DEPARTMENT OF
HEALTH AS A PRIME COMMODITY DURING TIMES OF
EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS,
PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL SUFFER
THE PENALTY OF IMPRISONMENT FOR A PERIOD OF NOT LESS
THAN FIVE (5) YEARS NOR MORE THAN TWENTY (20) YEARS, AND
SHALL BE IMPOSED A FINE OF NOT LESS THAN TEN THOUSAND
PESOS (P10,000) NOR MORE THAN FOUR MILLION PESOS
(P4,000,000), DEPENDING ON THE SEVERITY, FREQUENCY AND
EXTENT OF THE VIOLATION COMMITTED."

SEC. 11. Section 16 of Republic Act No. 7581, as amended, is hereby
amended to read as follows:

"Sec. 16. Penalty for Violation of Price Ceiling. – Any person who violates
Section 6 or 7 of this Act shall suffer the penalty of imprisonment for a
period of not less than one (1) year nor more than ten (10) years or a
fine of not less than [Five] FIFTY thousand pesos [(P50,000)] (P50,000)
nor more than [One] TWO million pesos [(P1,000,000)] (P2,000,000) or
both, at the discretion of the court; PROVIDED, THAT THE PENALTY
FOR PERSONS WHO VIOLATE THE PRICE CEILING FOR THE SALE
OF PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES
IDENTIFIED BY THE DEPARTMENT OF HEALTH AS A PRIME
COMMODITY DURING TIMES OF EMERGENCIES, INCLUDING
EPIDEMICS/OUTBREAKS, PANDEMICS OR PUBLIC HEALTH
EMERGENCY, SHALL SUFFER THE PENALTY OF IMPRISONMENT
FOR A PERIOD OF NOT LESS THAN TWO (2) YEARS NOR MORE
THAN TWENTY (20) YEARS, AND SHALL BE IMPOSED A FINE OF
NOT LESS THAN TEN THOUSAND PESOS (P10,000) NOR MORE
THAN TWO MILLION PESOS (P2,000,000) DEPENDING ON THE
SEVERITY, FREQUENCY AND EXTENT OF THE VIOLATION
COMMITTED."

SEC. 12. Implementing Rules and Regulations. – The Department of
Trade and Industry shall initiate the promulgation of the necessary rules,
regulations, and procedures for the effective implementation of this Act within one
hundred twenty (120) days upon its effectivity and shall monitor strict compliance
therewith. They shall also review the existing implementing rules and regulations of
Republic Act No. 7581, as amended, and revise its provisions as may be deemed
appropriate.

SEC. 13. Separability Clause. – If any provision or any part hereof is held
invalid or unconstitutional, the remainder of the law or the provisions not otherwise
affected shall remain valid and subsisting.
SEC. 14. **Repealing Clause.** – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or is inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

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

Approved