

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

22 JUL 28 P5 24

SENATE

RECEIVED BY: 

S. B. NO. 934

Introduced by **SENATOR JOEL VILLANUEVA**

**AN ACT AMENDING REPUBLIC ACT NO. 7581, AS AMENDED,
OTHERWISE KNOWN AS THE “PRICE ACT” AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

In 2020, the Philippines experienced two major calamities: the phreatic eruption of Taal Volcano in January, and the coronavirus disease (COVID-19) outbreak which is still affecting the country and the rest of the world today. In both instances, people flocked to pharmacies and other sellers of medical supplies to buy, and unfortunately for some, hoard and profit from the sale of personal protective equipment (PPEs), such as face masks, face shields and goggles, medical supplies, such as alcohol and disinfectants, and medicines.

For example, in the aftermath of the Taal Volcano phreatic eruption and consequent ashfall on January 12, 2020, N95 masks were allegedly sold in Manila for Php200 per piece, compared to the previously prevailing price of Php25 to Php40 per piece, which translated to a 400% to 700% price increase.¹

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%. Further, five (5) foreign nationals were also arrested by the Manila Police District for selling masks higher than the suggested retail price (SRP) set by DTI.³ At the height of the Omicron surge in January 2022,

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: July 24, 2022).

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: July 24, 2022).

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: July 24, 2022).


many private sellers on online marketplaces were selling rapid antigen test kits at exorbitant prices.

Two and a half years since the COVID-19 pandemic started, variants continue to persist, with the most recent BA.5 Omicron sub-variant causing another surge in cases globally. More recently, on July 23, 2022, the World Health Organization (WHO) declared the monkeypox outbreak as a global health emergency.⁴ The constant threat of global health emergencies necessitates the need to establish measures that would ensure an affordable supply of PPEs, medical devices and other medicines.

To avoid a repetition of what occurred in 2020, 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 PPEs, including face masks, face shields, safety goggles, and the like, and medical devices, such as rapid antigen test kits, nebulizers, ethyl alcohol solution and oxygen cannulas, remain stable during times of emergencies. For this purpose, this bill seeks to:

- 1) Define and include PPEs 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 PPEs 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.

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



SENATOR JOEL VILLANUEVA

⁴ July 24, 2022. WHO declares global health emergency over monkeypox outbreak. Reuters. Available at <https://www.reuters.com/business/healthcare-pharmaceuticals/monkeypox-outbreak-constitutes-global-health-emergency-who-2022-07-23/> (data last accessed: July 24, 2022).

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

22 JUL 28 PM 24

RECEIVED BY: _____



SENATE

S. B. NO. 934

Introduced by **SENATOR JOEL VILLANUEVA**

**AN ACT AMENDING REPUBLIC ACT NO. 7581, AS AMENDED,
OTHERWISE KNOWN AS THE "PRICE ACT" AND FOR OTHER
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, AND
9 profiteering [and cartels] with respect to the supply, distribution,
10 marketing and pricing of said goods, especially during periods of
11 calamity, emergency, PUBLIC HEALTH EMERGENCIES, EPIDEMICS
12 OR OUTBREAKS, PANDEMICS, widespread illegal price manipulation
13 and other similar situations.

14 x x x"
15

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

19 **"SEC. 3. Definition of Terms.** – For purposes of this Act, the term:
20

- 21 (1) *"Basic necessities"* includes x x x
22
23

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49

- (2) *"Buffer fund"* means x x x
- (3) *"EPIDEMIC/ OUTBREAK"* REFERS 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;
- (4) *"Implementing agency"* means the department, agency or office of the Government which has jurisdiction over a basic necessity or prime commodity as defined in this Act, which shall be:

x x x

(b) The Department of Health, with reference to drugs, PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES;

x x x

- (5) *"MEDICAL DEVICE"* MEANS ANY INSTRUMENT, APPARATUS, MACHINE, IMPLANTS, OR IN VITRO REAGANTS INTENDED FOR USE IN, OR ACTUALLY USED IN DIAGNOSIS, TREATMENT, MONITORING OR PREVENTION OF DISEASE OR INJURY;
- (6) *"PANDEMIC"* REFERS TO AN EPIDEMIC OCCURRING WORLDWIDE, OR OVER A VERY WIDE AREA, CROSSING INTERNATIONAL BOUNDARIES AND USUALLY AFFECTING A LARGE NUMBER OF PEOPLE;
- (7) *"Panic-buying"* is the x x x
- (8) *"Person"* means x x x
- (9) *"PERSONAL PROTECTIVE EQUIPMENT"* MEANS EQUIPMENT INTENDED FOR USE TO PROTECT THE EYES, FACE, HEAD, HEARING, EXTREMITIES, OR 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) *"Prevailing Price"* means x x x
- (11) *"Price ceiling"* means x x x
- (12) *"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

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

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

20
21 **SEC. 3.** Section 5(3) of Republic Act No. 7581, as amended, is hereby deleted
22 in its entirety.

23
24 **SEC. 4.** Section 6 of Republic Act No. 7581, as amended, is hereby amended
25 to read as follows:

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

32
33 x x x

34
35 (7) AN EPIDEMIC/OUTBREAK, PANDEMIC IS EXISTING, OR A
36 PUBLIC HEALTH EMERGENCY IS DECLARED IN THAT AREA:
37 *PROVIDED*, THAT THE PERSONAL PROTECTIVE EQUIPMENT AND
38 MEDICAL DEVICE IS RELATED TO TREATMENT FOR THE
39 RELEVANT DISEASE CAUSING THE EPIDEMIC/OUTBREAK,
40 PANDEMIC, OR PUBLIC HEALTH EMERGENCY.

41
42 If the prevailing price of any basic necessity is excessive or
43 unreasonable, the—[implementing agency] PRICE COORDINATING
44 COUNCIL may recommend to the President the imposition of a price
45 ceiling for the sale of the basic necessity at a price other than its
46 prevailing price."

47
48 x x x

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

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

8
9 x x x

10
11 (2) The threat, existence, or effect of an emergency, INCLUDING AN
12 EPIDEMIC/ OUTBREAK, PANDEMIC OR A PUBLIC HEALTH
13 EMERGENCY;

14
15 x x x

16
17 UNLESS SOONER LIFTED BY THE PRESIDENT, THE PRICE
18 CEILING OF BASIC NECESSITIES AND PRIME COMMODITIES
19 UNDER THIS SECTION SHALL REMAIN EFFECTIVE SO LONG AS
20 THE CONDITION FOR ITS DECLARATION PERSISTS, BUT IN ANY
21 CASE NOT MORE THAN SIX (6) MONTHS.

22
23 x x x"

24
25 **SEC. 6.** Section 10 of Republic Act No. 7581, as amended, is hereby amended
26 to read as follows:

27
28 **"Sec. 10. *Powers and Responsibilities of Implementing Agencies.*** –
29 To carry out the intents and purposes of this Act, the head of the
30 implementing agency shall have the following additional powers and
31 responsibilities:

32
33 (5) From time to time, he may issue suggested reasonable retail prices
34 for any or all basic necessities and prime commodities under his
35 jurisdiction, UPON CONSULTATION WITH RELEVANT
36 STAKEHOLDERS, for the information and guidance of producers,
37 manufacturers, traders, dealers, sellers, retailers, and consumers. FOR
38 THIS PURPOSE, THE IMPLEMENTING AGENCY SHALL ADOPT
39 MECHANISMS TO ENSURE THE DISSEMINATION OF SUCH
40 INFORMATION, INCLUDING THE DIFFERENCE BETWEEN
41 SUGGESTED RETAIL PRICES AND MANDATORY PRICE CEILINGS
42 OR PRICE FREEZE.

43
44 x x x

45
46 (9) He may conduct investigations of any violation of this Act and, after
47 due notice and hearing, impose administrative fines in such amount as
48 he may deem reasonable which shall in no case be less than One
49 thousand pesos (P1,000) nor more than [One million pesos
50 (P1,000,000)] THREE MILLION PESOS (P3,000,000). In the imposition

1 of administrative fines, the following factors shall be taken into
2 consideration:

3
4 x x x
5

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

8
9 "Sec. 11. Price Coordinating Council. – There is hereby created a Price
10 Coordinating Council, hereinafter referred to as the Council, to be
11 composed of the following members:

12
13 x x x
14

15 (14) THE CHAIRPERSON OF THE PHILIPPINE COMPETITION
16 COMMISSION;

17
18 (15) THE CHAIRPERSON OF THE NATIONAL WAGES
19 PRODUCTIVITY COMMISSION

20
21 x x x"
22
23

24 **SEC. 8.** Section 15 of Republic Act No. 7581, as amended, is hereby amended
25 to read as follows:

26
27 "Sec. 15. ***Penalty for Acts of Illegal Price Manipulation.*** – Any person
28 who commits any act of illegal price manipulation of any basic necessity
29 or prime commodity under Section 5 hereof shall suffer the penalty of
30 imprisonment for a period of not less than five (5) years nor more than
31 ten (10) years, and shall be imposed a fine of not less than Five
32 thousand pesos (P5,000) nor more than Two million pesos
33 (P2,000,000); *PROVIDED*, THAT THE PENALTY FOR PERSONS
34 WHO COMMIT ACTS OF ILLEGAL PRICE MANIPULATION OF
35 PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES
36 IDENTIFIED BY THE DEPARTMENT OF HEALTH AS A PRIME
37 COMMODITY DURING TIMES OF EMERGENCIES, INCLUDING
38 EPIDEMICS/OUTBREAKS, PANDEMICS OR PUBLIC HEALTH
39 EMERGENCY, SHALL SUFFER THE PENALTY OF IMPRISONMENT
40 FOR A PERIOD OF NOT LESS THAN FIVE (5) YEARS NOR MORE
41 THAN TWENTY (20) YEARS, AND SHALL BE IMPOSED A FINE OF
42 NOT LESS THAN TEN THOUSAND PESOS (P10,000) NOR MORE
43 THAN FOUR MILLION PESOS (P4,000,000), DEPENDING ON THE
44 SEVERITY, FREQUENCY AND EXTENT OF THE VIOLATION
45 COMMITTED.

46
47 **SEC. 9.** Section 16 of Republic Act No. 7581, as amended, is hereby amended
48 to read as follows:
49

1 “Sec. 16. **Penalty for Violation of Price Ceiling.** – Any person who
2 violates Section 6 or 7 of this Act shall suffer the penalty of imprisonment
3 for a period of not less than one (1) year nor more than ten (10) years or
4 a fine of not less than Five thousand pesos (P5,000) nor more than One
5 million pesos (P1,000,000) or both, at the discretion of the court;
6 *PROVIDED*, THAT THE PENALTY FOR PERSONS WHO VIOLATE
7 THE PRICE CEILING FOR THE SALE OF PERSONAL PROTECTIVE
8 EQUIPMENT AND MEDICAL DEVICES IDENTIFIED BY THE
9 DEPARTMENT OF HEALTH AS A PRIME COMMODITY DURING
10 TIMES OF EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS,
11 PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL SUFFER
12 THE PENALTY OF IMPRISONMENT FOR A PERIOD OF NOT LESS
13 THAN TWO (2) YEARS NOR MORE THAN TWENTY (20) YEARS, AND
14 SHALL BE IMPOSED A FINE OF NOT LESS THAN TEN THOUSAND
15 PESOS (P10,000) NOR MORE THAN TWO MILLION PESOS
16 (P2,000,000), DEPENDING ON THE SEVERITY, FREQUENCY AND
17 EXTENT OF THE VIOLATION COMMITTED.”
18

19 **SEC. 10. Implementing Rules and Regulation.** – Within ninety (90) days from
20 the effectivity of this Act, the Department of Trade and Industry (DTI) shall, in
21 consultation with the Price Coordinating Council and relevant stakeholders,
22 promulgate the necessary rules and regulations for the effective implementation of this
23 Act.
24

25 **SEC. 11. Separability Clause.** – Any portion or provision of this Act that is
26 declared unconstitutional or invalid shall not have the effect of nullifying other portions
27 or provisions hereof as long as such remaining portions can still subsist and be given
28 effect in their entirety.
29

30 **SEC. 12. Repealing Clause.** – All laws, ordinances, rules, regulations, other
31 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed
32 or modified accordingly.
33

34 **SEC. 13. Effectivity.** – This Act shall take effect fifteen (15) days after its
35 publication in the *Official Gazette* or in two (2) newspapers of general circulation.
36

37 **Approved,**