


SENATE

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Senate Bill No. 1306

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INTRODUCED BY SEN. MANNY VILLAR

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**EXPLANATORY NOTE**

During periods of abnormal disruption of the market caused by strikes, power failures, natural calamities, severe shortages or other extraordinary adverse circumstances, some parties within the chain of distribution of consumer goods have taken unfair advantages of consumers by charging grossly excessive prices for essential consumer goods and services.

In order to prevent such unscrupulous party from taking unfair advantage of consumers during abnormal disruptions of the market, a law must be enacted penalizing such acts and imposing penalties therefore. The attached bill seeks to deter any individual from committing such acts to the great detriment of the public.


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

  
MANNY VILLAR

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**AN ACT  
TO PROHIBIT PRICE GOUGING RELATING TO CERTAIN GOODS  
AND SERVICES IN AREAS AFFECTED BY MAJOR DISASTERS**

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

**SECTION 1. Title.** - This Act shall be known and cited as the "Protection From Price Gouging Against Disaster Victims Act".

**SECTION 2. Definition of Terms-** For purposes of this Act, the term:

- a. "Affected Area" means an area affected by a major disaster declared by the President.
- b. "Consumer good or service"
  1. In general- the term 'consumer good or service' means a good, piece of equipment, or service provided primarily for personal, family, or household purposes, including food, water, ice, a chemical, a building supply, a tool, a petroleum product, a residential construction, reconstruction, or repair service, or a service for the removal of debris (including a damaged tree) or garbage.
  2. Inclusion- The term 'consumer good or service' includes a property or a facility rented to a consumer for use as a residence or storage facility.
- c. "Price Gouging" means the charging of an unconscionably excessive price by a supplier in an affected area.
- d. "Supplier" includes a seller, reseller, wholesaler, distributor, retailer, lessor, provider, or licensed or unlicensed contractor, subcontractor, or laborer engaged in the provision or distribution of a consumer good or service.

e. "Unconscionably Excessive Price" means a price charged in an affected area for a consumer good or service that—

1. represents a gross disparity between the price charged for the good or service and the average price of the good or service charged by suppliers in the affected area during the 30-day period immediately before the President declares the existence of a major disaster; and
2. is not attributable to increased wholesale or operational costs incurred by the supplier in connection with the provision of the consumer good or service.

**SECTION 3.** Determination of the Department of Trade and Industry- Following the declaration of a major disaster by the President, the Department shall--

a. consult with the Regional Office of the Department of Trade and Industry in the place in which the disaster occurred and shall determine whether any supplier in the affected area is charging or has charged an unconscionably excessive price for any consumer good or service provided in the affected area; and

b. establish within the Commission--

1. a toll-free hotline that a consumer may call to report an incidence of price gouging in the affected area; and
2. a program to develop and distribute to the public informational materials in Filipino and English to assist residents of the affected area in detecting and avoiding price gouging.

**SECTION 4.** Offense- During the 180-day period after the date on which a major disaster is declared by the President, no supplier shall provide, or offer to provide, any consumer good or service in an affected area at an unconscionably excessive price.

Any person found who shall be found guilty of violating this Act shall suffer a prison term of not more than one (1) year plus a fine of Ten Thousand Pesos (P10,000.00).

**SECTION 5.** Report- Not later than 1 year after the date of enactment of the Protection From Price Gouging Against Disaster Victims Act , and annually thereafter, the Department shall submit to the Committee on Trade and Commerce of the Senate and of the House of Representatives a report describing-

a. the number of price gouging complaints received by the Department for each major disaster declared by the President during the preceding year;

b. the number of price gouging investigations of the Commission initiated, in progress, and completed as of the date on which the report is prepared;

c. the number of enforcement actions of the Commission initiated, in progress, and completed as of the date on which the report is prepared;

d. an evaluation of the effectiveness of the toll-free hotline and program established; and

e. recommendations for any additional action with respect to the implementation or effectiveness of this Act.

**SECTION 6.** Implementing Rules and Regulations- The Secretary of Trade and Industry shall promulgate such rules and regulations as may be necessary to implement the provisions of this Act within thirty (30) days after approval of this Act;

**SECTION 7.** All laws, decrees or executive issuances and any rules and regulations or any part thereof which may be inconsistent with any of the provisions of this Act are hereby deemed repealed, amended or modifies accordingly.

**SECTION 8.** This Act shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general publication.

Approved,