

**POLICY ADVISORY No. 23-03**  
Series of 2023

---

**ADDENDUM TO POLICY ADVISORY NO. 23-02 SERIES OF 2023 (PA23-02)  
RE: PRICE FREEZE PERIOD COMPUTATIONS UPON THE DECLARATION OF A  
STATE OF CALAMITY**

---

The Department of Trade and Industry (DTI) Consumer Protection Group (CPG) issues this Policy Advisory for the guidance of all concerned:

Republic Act No. 7581 (RA7581), or the Price Act, as amended, states that it is 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, widespread illegal price manipulation and other similar situations.

Therefore, in recognizing the importance of preserving a fair and equitable trading environment, the DTI acknowledges the necessity of augmenting PA23-02 concerning the penalties for the violation of RA7581.

### ***VIOLATION AND PENALTIES***

*Section 16 of RA7581 prescribes the penalty for violating the price ceiling, as outlined in Section 6<sup>1</sup> or 7<sup>2</sup> of the legislation. According to this section, the punishment for non-compliance includes Imprisonment; the convicted individual shall be subject to a*

---

<sup>1</sup> Sec. 6. *Automatic Price Control.* – Unless otherwise declared by the President, prices of basic necessities in an area shall automatically be frozen at their prevailing prices or placed under automatic price control whenever: (1) That area is proclaimed or declared a disaster area or under a state of calamity;

- (2) That area is declared under an emergency;  
(3) The privilege of the writ of habeas corpus is suspended in that area;  
(4) That area is placed under martial law;  
(5) That area is declared to be in a state of rebellion; or  
(6) A state of war is declared in that area.

If the prevailing price of any basic necessity 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 at a price other than its prevailing price. Unless sooner lifted by the President, price control of basic necessities 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.

<sup>2</sup> Sec. 7. *Mandated Price Ceiling.* – The President, 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:

- (1) The impendency, existence, or effects of a calamity;  
(2) The threat, existence, or effect of an emergency;  
(3) The prevalence or widespread acts of illegal price manipulation;  
(4) The impendency, existence, or effect of any event that causes artificial and unreasonable increase in the price of the basic necessity or prime-commodity; and  
(5) Whenever the prevailing price of any basic necessity or prime commodity has risen to unreasonable levels.

### **CONSUMER POLICY AND ADVOCACY BUREAU**

period of imprisonment lasting from a minimum of one (1) year to a maximum of ten (10) years. The specific duration of the imprisonment will depend on the court's assessment of the severity and circumstances of the violation. Monetary Fine; in addition to or in lieu of imprisonment, the court may impose a monetary fine ranging from Five thousand pesos (P5,000) to One million pesos (P1,000,000). The court will take into account various factors, such as the extent of the violation and any mitigating or aggravating circumstances, in determining the appropriate amount of the fine.

The DTI urges consumers to report any manufacturer, distributor, or retailer, whether online or offline, selling BNPCs above their prevailing prices, or committing any illegal manipulation of the prices of BNPCs to the Consumer Care Hotline at DTI (1-384) or [consumercare@dti.gov.ph](mailto:consumercare@dti.gov.ph).

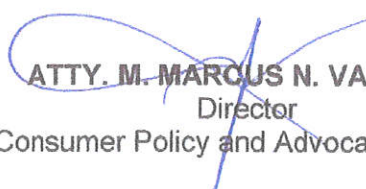
Issued this 1st day of August 2023, Makati City.

APPROVED BY:



**ATTY. RUTH B. CASTELO**  
Undersecretary  
Consumer Protection Group

PREPARED BY:



**ATTY. M. MARCUS N. VALDEZ II**  
Director  
Consumer Policy and Advocacy Bureau



**ATTY. CHERRYL G. CARBONELL**  
Assistant Director  
Consumer Policy and Advocacy Bureau

