

Republic of the Philippines
Congress of the Philippines
Metro Manila
Sixteenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand fifteen.



[REPUBLIC ACT NO. **10909**]

AN ACT PROHIBITING BUSINESS ESTABLISHMENTS FROM GIVING INSUFFICIENT OR NO CHANGE TO CONSUMERS AND PROVIDING PENALTIES THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as the “No Shortchanging Act of 2016”.

SEC. 2. *Declaration of Policy.* – It is the policy of the State to protect the interest and promote the general welfare of the consumer as well as establish standards of conduct for business and industry. Towards this end, the State shall implement measures to achieve the following objectives:

(a) Protection of consumers against deceptive, unfair and unconscionable sales acts and practices;

(b) Institutionalization of the industry practice of giving exact change to consumers of goods and services;

(c) Provision of information and education to facilitate sound choice and the proper exercise of rights by the consumer;

(d) Provision of adequate rights and means of redress for consumers; and

(e) Provision of penalties for offenders.

SEC. 3. *Definition of Terms.* – For the purpose of this Act, the following terms shall mean:

(a) *Business establishment* – any person, natural or juridical, whether single proprietorship, partnership or corporation, including a government-owned and -controlled corporation or a government entity exercising its proprietary functions, engaged in, or doing business in the Philippines, either in selling goods or providing services;

(b) *Change* – the excess in the payment given by a consumer for goods and services purchased or received from a business establishment;

(c) *Consumer* – a natural person who purchases goods or services in cash;

(d) *Goods* – all types of tangible property that could be bought and sold, and the possession of which could be transferred in whole or in part, temporarily or permanently;

(e) *Gross sales* – the total invoice value of sales, before deducting for customer discount, allowances and returns;

(f) *Insufficient change* – a change that is less than what is due the consumers;

(g) *Price – tag* any device written, printed, affixed or attached to a good, or displayed in a consumer retail or service establishment for the purpose of indicating the retail price per unit or services;

(h) *Services* – all types of commercial activities which enable the supply, access to, consumption or use of goods, intellectual property or other services; and

(i) *Shortchange* – the act of giving insufficient or no change to a consumer who purchased a product or service.

SEC. 4. *Regulated Acts.* – It shall be the duty of the business establishment to give the exact change to the consumer without waiting for the consumer to ask for the same.

(a) *In General.* – It shall be unlawful for any business establishment to shortchange a consumer, even if such change is only of a small amount. Nothing in this Act shall be construed as a restriction for business establishments to give an amount greater than the sufficient change.

(b) *Other Prohibitions.* – It shall also be unlawful for any business establishment which sells goods or provides services to give the change in any form other than the present currency or to ask the consumers for permission to be exempted from the provisions of this Act for any reason, including the nonavailability of small bills or coins.

(c) *Price Tags.* – It shall likewise be the duty of business establishments to use price tags, when appropriate, indicating the exact retail price per unit or service which already includes the taxes applicable to the goods or services being offered. These establishments shall also put signs in conspicuous places within the establishments or reflect in the official receipts issued, the taxes incorporated in the retail price per unit of goods or services. This is to avoid misleading the consumers as to the exact price they have to pay for the goods or services and, consequently, the exact change due them.

SEC. 5. *Procedures in Filing a Complaint.* – (a) The consumer shall write and submit a letter of complaint to the Department of Trade and Industry (DTI) not later than ten (10) working days after a violation has been committed.

(b) The DTI shall, in not more than ten (10) working days after the complaint has been submitted, conduct an investigation, and shall issue a notice to the establishment involved.

(c) After a full investigation shall have been made by the DTI, it shall issue its decision and findings not later than thirty (30) days from the receipt of the complaint.

(d) Nothing herein shall be construed to limit or impair the rights and remedies of a consumer under any other law.

SEC. 6. *Penalties.* – Any violation of this Act as determined by the DTI under Section 5 hereof shall be punished as follows: for the first offense, a violator shall be fined five hundred pesos (P500.00) or three percent (3%) of the gross sales of the business establishment on the day of the violation, whichever is higher; for the second offense, a violator shall be fined five thousand pesos (P5,000.00) or five percent (5%) of the gross sales of the business establishment on the day of the violation, whichever is higher; for the third offense, a violator shall be fined fifteen thousand pesos (P15,000.00) or seven percent (7%) of the gross sales of the business establishment on the day of the violation, whichever is higher, and the license to operate of the business establishment shall be suspended for three (3) months; and for the fourth offense, a violator shall be fined twenty-five thousand pesos (P25,000.00) or ten percent (10%) of the gross sales of the business establishment on the day of the violation, whichever is higher, and the license to operate of the business establishment shall be revoked.

In addition to the amount of the fine mentioned above, the total amount of change the establishment failed or refused to give, as determined from the audit of the DTI, shall be paid by the said establishment to the complainant.

SEC. 7. *Implementing Rules and Regulations.* – The DTI, in consultation with the appropriate stakeholders and other government agencies, shall, within one hundred twenty (120) days from the effectivity of this Act, promulgate the rules and regulations necessary to effectively implement the provisions of this Act.

SEC. 8. *Information Campaign.* – The DTI shall undertake to implement an education campaign to inform consumers of the provisions of this Act. It shall regularly publish a list of the establishments found to have violated any provision of this Act.

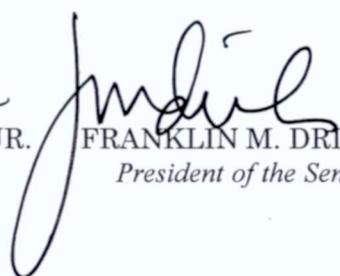
SEC. 9. *Separability Clause.* – If, for any reason, any part or provision of this Act is declared invalid, such declaration shall not affect the other provisions of this Act.

SEC. 10. *Repealing Clause.* – All laws, decrees, executive orders, issuances, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

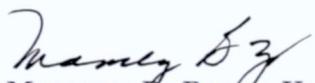
SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

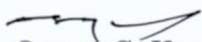
Approved,


FELICIANO BELMONTE JR.
*Speaker of the House
of Representatives*


FRANKLIN M. DRILON
President of the Senate

This Act which is a consolidation of Senate Bill No. 1618 and House Bill No. 4730 was finally passed by the Senate and the House of Representatives on May 23, 2016 and June 6, 2016, respectively.


MARILYN B. BARUA-YAP
*Secretary General
House of Representatives*


OSCAR G. YABES
Secretary of the Senate

Approved:

BENIGNO S. AQUINO III
President of the Philippines

Lapsed into law on JUL 21 2016
Without the signature of the President
In accordance with Article VI, Section
27 (1) of the Constitution