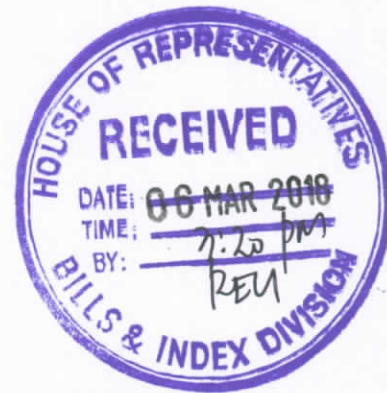


Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
Second Regular Session

House Bill No. **7337**



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INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

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**EXPLANATORY NOTE**

Article 2, Section 9 of the 1987 Philippine Constitution pronounces that:

“ The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.”

The use of credit cards for most everyday transactions is widely practiced here in the Philippines. However, a different, higher price are charged by merchandising stores and service establishments when a consumer is using a credit card. Wit the evident objective of passing the processing fees charged by the credit card companies to the consumers. Fairness dictates that it should be the burden of the merchandising stores and service establishments.

Nevertheless, whether or not the purchase is made through cash, credit card or any other payment mode, consumers must only pay the price indicated in the price tag

This bill is being proposed with the aide of leveling the playing field. The proponent acknowledges the right of businesses to take the necessary steps to ensure profitability, however, it does not follow that the consuming public shall always bear the burden of these businesses.

In view of the foregoing, the immediate enactment of this measure is earnestly sought.

  
ALFRED VARGAS

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**AN ACT PROHIBITING MERCHANDISING STORES AND SERVICE  
ESTABLISHMENTS FROM CHARGING MORE THAN THE CASH RETAIL  
PRICE OF GOODS AND SERVICES PURCHASED WITH CREDIT CARDS AND  
PRESCRIBING PENALTIES FOR ANY VIOLATION**

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

**SECTION 1.** It shall be unlawful for any merchandising store or service establishments to charge the customers more than the actual cash retail price of the goods and services purchased when such purchase is done with the use of a credit card. It shall also be unlawful for the said entities to limit bargain sale items and services to cash purchases.

**SECTION 2.** Any person who shall violate the provision of this Act shall be punished with imprisonment of not less than six (6) months but not more than one (1) year or a fine not less than Twenty Thousand Pesos (P20,000.00) but not more than One Hundred Thousand Pesos (P100,000.00), or both at the discretion of the court. In case of a partnership, association, corporation or any judicial person, the penalty shall be imposed on the president, treasurer or any other officer or person responsible for the violation.

**SECTION 3.** In addition, the license to operate the business establishments shall be suspended for six (6) months or in the case of recidivism, cancelled, as the case may be. If the offender is an alien, he shall, after service of sentence, be deported immediately without further proceedings in the Bureau of Immigration.

**SECTION 4. Repealing Clause.** All laws, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modify accordingly.

**SECTION 5. Separability Clause.** If any part, section or provision of this Act shall be held invalid or unconstitutional, no other part, section or provisions thereof shall be affected thereby.

**SECTION 6. Effectivity.** This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or two (2) newspapers of general circulation.

*Approved,*