

MEMORANDUM CIRCULAR NO. 20-07

ANTI-HOARDING AND ANTI-PANIC BUYING

WHEREAS, Section 20, Article II of the 1987 Philippine Constitution provides that, "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments."

WHEREAS, Section 6 of Art. XII of the same Constitution states that, "The use of property bears a social function, and all economic agents shall contribute to the common good. Individuals and private groups, including corporations, cooperatives, and similar collective organizations, shall have the right to own, establish, and operate economic enterprises, subject to the duty of the State to promote distributive justice and to intervene when the common good so demands."

WHEREAS, further Section 1, Art. XIII on Social Justice and Human Rights states that, The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good. To this end, the State shall regulate the acquisition, ownership, use, and disposition of property and its increments."

WHEREAS, Section 2 of Republic Act No. 7581, otherwise known as the Consumer Act, declares as a Basic Policy that, "It is the policy of the State to ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate businesses a fair return of their investment."

WHEREAS, under the same section mentioned in the preceding paragraph, "It is also 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." To these ends, the State shall, among others, "develop, adopt and promulgate measures to stabilize prices at reasonable levels" and "establish a mechanism that will readily protect consumers from inadequate supply and unreasonable price increases on occasions of calamities, emergencies and like occurrences."

WHEREAS, President Rodrigo Roa Duterte issued Proclamation No. 922 on 08 March 2020 declaring a "State of Public Health Emergency" throughout the Philippines.

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WHEREAS, it is the mandate of the Department of Trade and Industry to ensure the availability of supply of basic necessities especially during such time of a public health emergency;

WHEREAS, the Department of Trade and Industry has been assured by manufacturers and retailers of the sufficiency of supply of basic goods;

WHEREAS, in line with Proclamation No. 922, local government units have issued ordinances with corresponding sanctions;

WHEREAS, it has been observed that consumers have resorted to hoarding and panic buying, and that retailers have allowed the happening of the same in retail stores;

WHEREAS, this consumer behavior, if allowed to continue, not only will cause more fear and prevent other consumers from purchasing what they need, but will also cause artificial shortage and cause prices to soar;

WHEREFORE, foregoing considered this Memorandum Circular (MC) is hereby issued for the information and guidance of those concerned.

Section 1. Objective. – The objective of this MC is to implement measures to prevent the unreasonable increase in the prices of all basic necessities as enumerated in the Price Act regardless of the implementing agency assigned, and strictly ensure the availability of all such products during the duration of the declared Public Health Emergency. For purposes of such emergency, products intended for the protection of health including, but not limited, to surgical and industrial masks, medical devices, alcohol, hand sanitizers and other disinfectants, are hereby covered.

Section 2. Scope. – The provisions hereof shall apply to any and all persons, natural or juridical, who purchase or sell or offer for sale products covered by this MC.


Section 3. Shared Responsibility. – Ensuring the availability of vital and essential commodities, especially during periods of calamity or emergency is a social responsibility and moral duty shared among businesses, consumers, government regulators and law enforcement authorities.

Section 4. Reasonable Limit in the Sale/Purchase of Covered Goods. – To meet the objectives of this Circular, retailers are hereby enjoined to sell and consumers to buy products referred to herein in such quantity sufficient as to meet their needs only for a maximum of seven (7) days.

Section 5. Additional products with Reasonable Limit. – The following products for sale shall likewise be limited in quantity in accordance with the following:

N	GOODS	QUANTITY LIMIT PER TRANSACTION
O	70% Solution antiseptic or	2 pcs., regardless of

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N : F O O D	Disinfectant alcohol	volume
	Hand Sanitizer	2 pcs., regardless of size
	Disinfecting Liquids	2 pcs., regardless of size
	Bath Soap	5 bars (if individually sold) 1 pack (if sold as a pack)
	Toilet Paper	10 pcs (if sold per roll) 1 pack (if sold as a pack)
	Face Mask	5 pcs N88 (surgical) any type or brand 5 pcs N95 (industrial) any type or brand
F O O D	Locally produced instant noodles (mami, pancit canton)	5 pcs. per type per brand
	Locally produced canned sardines	5 cans per type per brand (regular size) 3 cans per type per brand (big size)
	Canned Regular Milk	5 cans per type per brand (small) 2 cans per type per brand (other than small)
	Powdered Milk in Sachet	2 bundles per brand
	Instant Coffee in Sachet	2 bundles per brand
	Mineral Water	10 bottles any brand (small) 8 bottles any brand (medium) 5 bottles any brand (large) 2 bottles any brand (extra large)

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	Loaf Bread	4 packs any kind, any brand (half loaf) 2 packs any kind, any brand (whole loaf)
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Sec. 6. Notice to Consumers. – Retailers are hereby directed to post notices in conspicuous places within their outlets advising consumers of the quantity of basic necessities that they are allowed to purchase.

Sec. 7. Price Freeze. – Considering the declaration of a Public Health Emergency, prices of basic necessities are automatically frozen at their prevailing price. As such, all retailers are mandated to abide by the provisions of the Price Act and ensure that basic necessities are sold at their prevailing prices. No price increase on basic necessities may take place for the entire duration of the Public Health Emergency.

Section 8. Charges and Penalties Under the Price Act and Consumer Act. – Without prejudice to the penalties prescribed under relevant ordinances issued by local government units, any person or entity found violating the provisions of this Circular shall, if circumstances warrant, be further charged with appropriate violations of the said laws such as Illegal Acts of Price Manipulation, particularly hoarding, punishable under the Price Act with a fine ranging between P5,000.00 and P2,000,000.00 and imprisonment of not less than 5 years, but not more than 15 years.

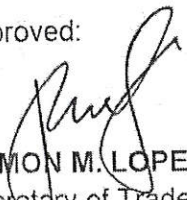
Section 9. Interpretation. - Any doubt shall be construed strictly against any person violating the provisions hereof and, given the declared State of Public Health Emergency, shall be meted the maximum penalty under applicable laws, regulations and ordinances.

Section 10. Effectivity. – This Memorandum Circular shall be effective immediately and shall be applicable during the entire period of Public Health Emergency.

This Memorandum Circular shall take effect immediately upon signing hereof.


Issued this 19th day of March 2020 in Makati City, Philippines.

Approved:


RAMON M. LOPEZ
 Secretary of Trade and Industry

Date: 19 March 2020

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