

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

5 MAY -3 P6:32

SENATE

S.B. No. 1992

RECEIVED BY: _____

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

EXPLANATORY NOTE

Section 20 of Article II of the 1987 Constitution mandates that: *"The State recognizes the indispensable role of the private sector, encourages private enterprises, and provides incentives to needed investments."*

True to his administration's program of increasing the literacy rate of the Filipinos especially the poorest of the poor, President Joseph Ejercito Estrada has signed on July 4, 1999 an Executive Order adopting the National Book Policy (NBP). Under said NBP all government policies towards the growth and development of the book publishing industry have been institutionalized. In order to ensure the effective, sustained and successful implementation of the NBP, the National Book Development Board (NBDB) is tasked to implement the said policies. Under the present administration, the NBP is still enforceable and implementable.

Among the policies enunciated therein is that: *"The State shall support the development of the book publishing in all regions of the country, streamline the bureaucracy with respect to book publishing and provide fiscal or non-fiscal incentives to book publishing industry."*

Consistent with the abovequoted policy, there is an imperative need to outline said incentives in order to ensure the affordability, accessibility and quality of the textbooks and related educational materials as well as to be transparent in all transactions concerning the same.

There is no doubt that until today, there are no clear guidelines or incentives on book trade transactions. Said lack of clear guidelines is manifested in the textbook scandal which hit the media brought about by the Maslog incident. Based on news report, "under the table considerations and/or exorbitant discounts," serve as the criteria for the purchase of books, textbooks and other reading materials instead of the merits and quality thereof.

Consistent with the NBP, this bill seeks to adopt the Retail Price Maintenance and Uniform Discounting Scheme. It is hoped that with the enactment of the bill, the government could ensure for our children affordable, accessible and quality-laden textbooks and related educational materials.

The bill provides for a uniform discount scheme of not lower than ten (10) percent but not more than twenty five (25) percent to bookstores or private educational institutions.

Records show that Japan, South Korea, Germany and other progressive countries have been adopting the Retail Price Maintenance and Uniform Discounting Scheme. Under the said scheme the publisher shall maintain the retail prices of their products everywhere while giving a uniform discount to bookstores.

Considering that school year 2005-2006 is fast approaching and the students and parents are purchasing books, regulation on the discounting scheme is necessary if not imperative.

In view of the foregoing the immediate enactment of the bill is earnestly sought.


LUISA "LOI" P. EJERCITO ESTRADA
Senator

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

DEPARTMENT OF THE SENATE

5 MAY -3 P.M. 2005

SENATE
S.B. No. 1902

RECEIVED BY: _____

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

AN ACT

ADOPTING A RETAIL PRICE MAINTENANCE AND UNIFORM DISCOUNTING SCHEME IN BOOK TRADE WITH THE END *IN* VIEW OF ENSURING AFFORDABLE, ACCESSIBLE AND QUALITY-LADEN TEXTBOOKS AND OTHER RELATED EDUCATIONAL MATERIALS TO BE USED BY PRIVATE AND PUBLIC SCHOOLS

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

SECTION 1. This Act shall be known as the "Retail Price Maintenance and Uniform Discounting Act of 2005".

SEC. 2. It is declared a policy of the State to support the development of the book publishing industry in all regions of the country and to provide fiscal and non-fiscal incentives to book publishing industry.

SEC. 3. In order to encourage the establishment of bookstores that shall be situated outside the cities and provincial capitals, such bookstores in such localities shall be registered with the duly organized publishing association and accredited by the National Book Development Board (NBDB).

- 3.1 Complying with the said criteria, said bookstores shall be entitled to the following:
- a. A six-year tax holiday from the commencement of commercial operations for upstart firms and a four-year tax holiday for established firms;
 - b. Deductions from taxable income for five years of 50% of the wages corresponding to the increment in the number of direct labor hired;
 - c. Low interest loans with participating banks;
 - d. Availment of the retail price and uniform discounting scheme.

SEC. 4. There is hereby adopted a retail price maintenance and uniform discounting scheme in the procurement of textbooks and related educational materials used in private and public schools. The uniform discount scheme shall be not lower than ten (10%) percent but not more than twenty-five (25%) percent to be given by the publishers only to bookstores accredited and registered with the duly organized publishing association and registered with the NBDB irrespective of their location.

SEC. 5. The uniform discount scheme of not lower than ten (10%) percent but not higher than twenty-five (25%) percent shall also be given by publishing association or its educational agent or material consultant to private educational institutions, schools'

bookstores or to private book coordinators or subject coordinators. Likewise, it is prohibited to provide such other consideration aside from the discount such as loan facilities, motor vehicles, travel abroad, accommodation and the likes.

SEC. 6. A declared retail price shall be forwarded by the duly organized and accredited publishing association to the NBDB and be observed nationwide. Said price can only be altered or changed upon a formal pronouncement by the publisher concerned and that the same must be forwarded to the NBDB to have efficacy.

SEC. 7. Any persons who violate any provisions of this Act shall in addition to the penalties imposed under R.A. No. 8047 and the Executive Order adopting the National Book Policy shall suffer the imprisonment of four (4) years to six (6) years and a fine of Two Million (P 2M) Pesos. In case of juridical person, the president, chief executive officer or chief operating officer shall be held liable.

SEC. 8. The NBDB in consultation with the Department of Education (DepEd), and the other appropriate agencies from the government sectors with the active participation of the private sector shall promulgate the implementing rules and regulations within sixty (60) days from the enactment of this Act. A copy of such guidelines, rules and regulations shall be furnished to the Congress of the Philippines through the Committee on Education, Culture and Arts of both houses.

SEC. 9. If any provision of this Act or the application of such provision to any person or circumstances is declared unconstitutional, the remainder of the Act or the application of such provision to other provision, to other person, entity or circumstances shall not be affected by such declaration.

SEC. 10. All laws, decrees, rules and regulations and other administrative issuances or circulars or provisions therefore which are contrary to or inconsistent herewith are hereby repealed or modified accordingly.

SEC. 11. This Act shall take effect fifty (15) days from the date of its publication in the Official Gazette or in any newspaper or general circulation.

Approved,