

PRICE TAG LAW



WHAT IS THE PRICE TAG LAW UNDER R.A.7394?

- ✓ The Price Tag Law as embodied in RA 7394, requires that all consumer products sold in retail to the public shall bear an appropriate price tag, label or marking indicating the price of the article. Such consumer products shall not be sold at a price higher than that stated therein.



WHY IS THERE A NEED FOR PRICE TAG ?

- ✓ To provide buyers with adequate information and guide to enable them to compare quality and prices of goods and patronize stores selling quality products at low prices.
- ✓ Its presence will discourage and minimize haggling which is a waste of time, money and energy of both buyer and seller.



- ✓ It also expedites transactions and enables both the buyer and the seller to use the time and energy for more productive endeavors.



WHAT SHOULD A PRICE TAG BE?

Price tag should :

- ✓ Be clearly written and visible upon examination in 3 meters
- ✓ State the price of the commodity per unit (piece, package, pair, dozen, set, kilogram, meter, liter, etc.) in pesos and centavos, Phil. Currency, except when a law or regulations allows consumer products to be sold in foreign currency as in the case of duty free shops.



- ✓ Bear no erasures or alterations of any sort nor superimpositions
- ✓ Bears only one price



When are erasures or alterations in price tag allowed ?

- ✓ Erasures or alterations in price allowed only in price reduction sales promotions campaigns. (with sales promotion permit)



Are articles offered for sale at wholesale covered by the law ?

- ✓ No, only goods at retails are covered by the law



IS THE USE OF CODES IN PRICE TAG ALLOWED ?

- ✓ Generally, price of consumer products and services shall not be written in code.
- ✓ Code if used in addition to price tags, labels, markings or price lists, it is then allowed.



WHEN IS A PRICE LIST ALLOWED ?

- ✓ When a consumer product is too small or the nature of which makes it impractical to place a price tag thereon.
- ✓ In case of consumer services.
- ✓ Perishable products like meat, vegetables & poultry products.



Is a Price Tag required on dummies on display?

- ✓ Yes, samples or dummies of products offered for sale on retail when displayed within the retail outlets shall also bear the prices of products which they represent.



Is Price Tag required on Lumber?

- ✓ Yes, in the case of lumber sold, displayed or offered for sale to the public, the same shall be tagged or labeled indicating thereon the price and the corresponding official name of the wood.



SHELF PRICING



DAO NO. 09 S. OF 2002

“ Providing Rules on Price Tags/
Labels Authorizing the Use of Shelf
Pricing in Combination with Modern
Technology for Automatic Product
Identification”



COVERAGE :

- ✓ All consumer products for retail sale except those which are too small or the nature of which makes it impractical to place an individual price thereon (which shall continue to be required a price list or price poster)



PRE-REQUISITES FOR SHELF PRICING:

- ✓ Use of itemized receipt or cash register tape which states the description, size, quantity and individual price of the consumer goods purchased;
- ✓ Presence of at least one (1) PRICE VERIFICATION COUNTER or similar electronic system; for multi-storey establishment; at least one per storey.



What about establishments that cannot comply with the above requirements?

- ✓ They shall be governed by the policy on individual price tagging or the requirement on price list/poster as the case may be.



WHAT SHELF PRICE MUST INDICATE ?


- ✓ Retail price per unit in pesos and centavos
- ✓ Brand name
- ✓ Product description
- ✓ Net quantity of contents (in terms of weight or measure in the metric system or the numerical count of the product)




Other Requirements in Implementing Shelf Price :

1. Strategically posted beneath or above the shelf on which the goods are on display; a sufficient number of similar price tags in case the goods on display cover a wide area of the shelf;







2. Minimum Size – the price shall be at least 8 mm high; other labeling information at least 4 mm high.




3. Size of Display Area – one (1) shelf price for each brand displayed in every one (1) meter or fraction in excess thereof shall warrant placement of another shelf price of same type;



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4. Price tag sign shall be attached to the shelf and properly secured to minimize tampering, misplacing, transfer or loss of the same;
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5. Establishment shall ensure at all times that the price indicated on the shelf is consistent with the price stated in the Price Verification Counter and/or at the Cash Register Counter upon payment.



In case of inconsistencies in the price shown on the shelf, on the product itself or in the database price when the item is scanned, what price shall prevail?

 The price which appears the **lowest** shall prevail (Sec. 6)



WHAT IS THE PENALTY FOR
THE VIOLATION OF THIS
PROVISION?



CRIMINAL PENALTIES

- ✓ A fine of not less than Two Hundred pesos (P 200.00) but not more than Five Thousand pesos (P 5,000.00) or imprisonment of not less than one (1) month but not more than six (6) months or both, at the discretion of the court.



- ✓ A violation for the second time shall also carry with it the penalty of revocation of business permit and license (Art. 95b, Consumer Act)



ADMINISTRATIVE PENALTIES:

- ✓ Imposition of an administrative fines in such amount as deemed reasonable by the secretary, which in no case be less than Five Hundred pesos (P 500.00) nor more than One Hundred Fifty Thousand Pesos (P 150,000.00) depending on the gravity of the offense and an additional fine of not more than One Thousand pesos (P 1,000) for each day of continuing violations.

