

# An Act to Regulate the Retail Business

The Congressional Session's Most Controversial Bill

Third Congress of the Republic  
of the Philippines

First Session

\*H. No. 2523

## REPUBLIC ACT NO.—

### AN ACT TO REGULATE THE RETAIL BUSINESS

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

**SECTION 1.** No person who is not a citizen of the Philippines, and no association, partnership, or corporation the capital of which is not wholly owned by citizens of the Philippines, shall engage directly or indirectly in the retail business: *Provided*, That a person who is not a citizen of the Philippines, or an association, partnership, or corporation not wholly owned by citizens of the Philippines, which is actually engaged in the said business on May 15, 1954, shall be entitled to continue to engage therein, unless its license is forfeited in accordance herewith, until his death or voluntary retirement from said business, in the case of a natural person, and for a period of ten years from the date of the approval of this Act or until the expiration of the term of the association or partnership or of the corporate existence of the corporation, whichever event comes first, in the case of juridical persons. Failure to renew a license to engage in retail business shall be considered voluntary retirement.

Nothing contained in this Act shall in any way impair or abridge whatever rights may be granted to citizens and juridical entities of the United States of America under the Executive Agreement signed on July Fourth, nineteen hundred forty-six, between that country and the Republic of the Philippines.

The license of any person who is not a citizen of the Philippines and of any association, partnership, or corporation not wholly owned by citizens of the Philippines to engage in retail business, shall be forfeited for any violation of any provision of laws on nationalization, economic control, weights and measures, and labor and other laws relating to trade, commerce, and industry.

No license shall be issued to any person who is not a citizen of the Philippines and to any association, partnership, or corporation not wholly owned by citizens of the Philippines, actually engaged in the retail business, to establish or open additional stores or branches for retail business.

**SEC. 2.** Every person who is not a citizen of the Philippines and every association, partnership, or corporation

not wholly owned by citizens of the Philippines, engaged in the retail business, shall, within ninety days after the approval of this Act and within the first fifteen days of January every year thereafter, present for registration with the municipal or city treasurer a verified statement containing the names, addresses, and nationality of the owners, partners, or stockholders, the nature of the retail business it is engaged in, the amount of its assets and liabilities, the names of its principal officials, and such other related data as may be required by the Secretary of Commerce and Industry.

**SEC. 3.** In case of death of a person who is not a citizen of the Philippines and who is entitled to engage in retail business under the provisions of this Act, his or her heir, administrator or executor is entitled to continue with such retail business only for the purpose of liquidation for a period of not more than six months after such death.

**SEC. 4.** As used in this Act, the term "retail business" shall mean any act, occupation, or calling of habitually selling direct to the general public merchandise, commodities, or goods for consumption, but shall not include:

(a) a manufacturer, processor, laborer or worker selling to the general public the products manufactured, processed, or produced by him if his capital does not exceed five thousand pesos, or

(b) a farmer or agriculturist selling the product of his farm.

**SEC. 5.** Every license to engage in retail business issued in favor of any citizen of the Philippines or of any association, partnership, or corporation wholly owned by citizens of the Philippines shall be conclusive evidence of the ownership by such citizen, association, partnership, or corporation of the business for which the license was issued, except as against the Government or the State.

**SEC. 6.** Any violation of this Act shall be punished by imprisonment for not less than three years and not more than five years and by a fine of not less than three thousand pesos and not more than five thousand pesos. In the case of associations, partnerships, or corporations, the penalty shall be imposed upon its partners, president, directors, manager, and other officers responsible for the violation. If the offender is not a citizen of the Philippines, he shall be deported immediately after service of sentence. If the offender is a public officer or employee, he shall, in addition to the penalty prescribed herein, be dismissed from the public service, perpetually disenfranchised, and perpetually disqualified from holding any public office.

**SEC. 7.** This Act shall take effect upon its approval.

Approved,

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**"INDUSTRY'S** story can not be told to the public by professional writers and public-relations people. It can only be told by the people who know... and form policy on the subject. There's just one way... stand up on your hind legs and tell people what you believe in."—Clarence B. Randall.

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**"R**ALPH J. CORDINER, President of General Electric, stated in a speech last month that G. E. could no more guarantee its employees an annual wage than the employees could guarantee G. E. annual sales. He added that the electrical industry is still, after seventy-five years, doubling in size every ten years."—*Fortune*, December, 1953.