

# [ PRESIDENTIAL DECREE NO. 714, May 28, 1975 ]

## AMENDING REPUBLIC ACT NO. 1180 ENTITLED "AN ACT TO REGULATE THE RETAIL BUSINESS".

**WHEREAS**, the statutory definition in Republic Act No. 1180, otherwise known as the Retail Trade Nationalization Law, of the term "retail business" is vague and ambiguous, and this ambiguity has given rise to conflicting theories as to its precise scope;

**WHEREAS**, it is believed to be not within the intendment of the said nationalization law to include within its scope sales made to industrial or commercial users or consumers;

**WHEREAS**, it is likewise in the interest of the national economy to exclude from the provisions of the said law the business of restaurants located in hotels, irrespective of the amount of capital, as long as the restaurant is merely incidental to the hotel business;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

**SECTION 1.** Section 4 of Republic Act No. 1180 is hereby amended to read as follows:

"**SECTION 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.

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

"(c) a *manufacturer or processor selling to industrial mid commercial users or consumers who use the products bought by them to render service to the general public and/or to produce or manufacture goods which are in turn sold by them.*

"(d) a *hotel-owner or keeper operating a restaurant, irrespective of the amount of capital, provided that the restaurant is necessarily included in, or incidental to, the hotel business.*"

**SECTION 2.** This decree shall take effect immediately.

Done in the City of Manila, this 28th day of May, in the year of Our Lord, nineteen hundred and seventy-five.