

**[ DTI, DA, DOH, DENR JOINT ADMINISTRATIVE  
ORDER NO. 03, s. 2006, September 30, 2006 ]**

**AMENDING THE PROVISION OF THE RULES AND REGULATIONS  
IMPLEMENTING REPUBLIC ACT NO. 7581, SERIES OF 1993,  
SPECIFICALLY SECTION 3 RULE X ON THE DEFINITION OF  
PROFITEERING**

WHEREAS, RA No. 7581 was enacted to ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate business a fair return of investment;

WHEREAS, it is a declared policy of the State to provide effective and sufficient protection to consumers against illegal acts of price manipulation;

WHEREAS, Section 5 (2) of R.A. No. 7581 has defined profiteering as "the sale or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth";

WHEREAS, DTI, DA, DOH and DENR Joint Administrative Order No. 1 series of 1993 establishing the Rules and Regulations implementing RA No. 7581 has provided under the second paragraph of Section 3, Rule X, that "a price shall be deemed grossly in excess of its true worth if the price thereof has been raised by more than ten percent (10%) in the immediately preceding month";

WHEREAS, the adoption of more than Ten Percent (10%) price increase provided in Section 5 (2) (e) of RA No. 7581 establishing *prima facie* evidence of profiteering as the definition of a "price grossly in excess of its true worth" is erroneous and has no legal basis;

WHEREAS, *prima facie* evidence refers that evidence which standing alone, unexplained or uncontroverted, is sufficient to file or initiate a case of profiteering; hence to anchor the definition of a "price grossly in excess of its true worth" on ten percent (10%) benchmark is to circumvent the prohibitory provisions of RA No. 7581 on profiteering;

WHEREAS, profiteering may be committed in circumstances where there are no price increases yet evidence may be proven that a commodity "price is grossly in excess of its true worth";

WHEREAS, other evidence may be available to prove that "a price is grossly in excess of its true worth";

NOW, THEREFORE, in order to remove this loophole provision, the second paragraph of Section 3, Rule X of DAO No. 1, series of 1993 is hereby deleted. Section 3