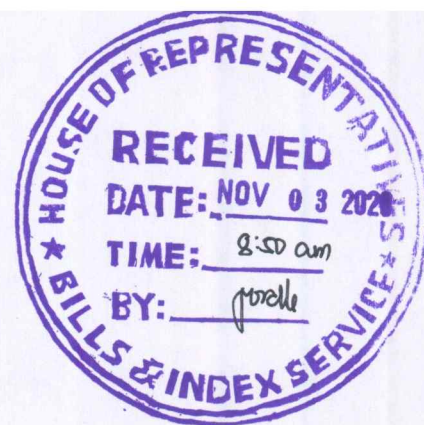


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7942



Introduced by **HON. JOY MYRA S. TAMBUNTING**

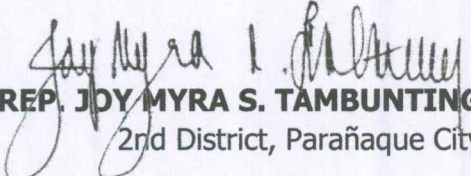
EXPLANATORY NOTE

Professor Hector De Leon, a recognized expert in the field of Civil Law, writes in his commentary that "The Bulk Sales Law is designed to prevent the defrauding of creditors by the secret sale or disposal or mortgage in bulk of all or substantially all of a merchant's stock of goods". He adds that "The general scheme of the law is to declare such bulk sales fraudulent and void as to creditors of the vendor, or presumptively so, unless specified formalities are observed, such as the demanding and the giving of a list of creditors, the giving of actual or constructive notice to such creditors, by record or otherwise, and the making of an inventory".

Despite these good intentions, it seems that the Bulk Sales Law has been ineffective in protecting creditors. This can be shown by the number of foreign jurisdictions which have repealed their own Bulk Sales Law. Richard Burt, an attorney based in California, noted how most states in the United States "have now repealed their bulk sales laws for the simple reason that the bulk sales law doesn't do much to protect creditors".

In fact, it has become more of a trap for a buyer whose transaction may be voided due to non-compliance with the Bulk Sales Law. The possible victim-buyer would be left with a void transaction after having already paid the purchase price. Foreign businesses have also expressed concern of how the Bulk Sales Law adds difficulty to doing business in our country. Our own Department of Trade and Industry has expressed support for the repeal of this measure given its obsolescence. It is high time for Congress to repeal this outdated and unnecessary statute.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


REP. JOY MYRA S. TAMBUNTING
2nd District, Parañaque City

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HOUSE BILL NO. 7942

Introduced by **HON. JOY MYRA S. TAMBUNTING**

AN ACT
REPEALING ACT NO. 3952, AS AMENDED BY REPUBLIC ACT NO. 111, OTHERWISE
KNOWN AS THE BULK SALES LAW

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

Section 1. Act No. 3952, "*An Act to Regulate the Sale, Transfer, Mortgage or Assignment of Goods, Wares, Merchandise, Provisions or Materials, in Bulk, and Prescribing Penalties for the Violation of the Provisions thereof,*" as amended by Republic Act No. 111, is hereby repealed.

Section 2. All acts, executive orders, administrative orders, proclamations, rules and regulation or parts thereof inconsistent with any provisions of this Act are hereby repealed or modified accordingly.

Section 3. This Act shall take effect (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,