



ACT No. 3952
THE BULK SALES LAW (as amended)

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

Section 1. This Act shall be known as "**The Bulk Sales Law.**"

Sec. 2. Sale and transfer in bulk. — Any sale, transfer, mortgage or assignment of a stock of goods, wares, merchandise, provisions, or materials otherwise than in the ordinary course of trade and the regular prosecution of the business of the vendor, mortgagor, transferor, or assignor, or sale, transfer, mortgage or assignment of all, or substantially all, of the business or trade theretofore conducted by the vendor, mortgagor, transferor, or assignor, or of all, or substantially all, of the fixtures and equipment used in and about the business of the vendor, mortgagor, transferor, or assignor, shall be deemed to be a sale and transfer in bulk, in contemplation of this Act: Provided, however, That if such vendor, mortgagor, transferor or assignor, produces and delivers a written waiver of the provisions of this Act from his creditors as shown by verified statements, then, and in that case, the provisions of this section shall not apply.

Sec. 3. Statement of creditors. — It shall be the duty of every person who shall sell, mortgage, transfer, or assign any stock of goods, wares, merchandise, provisions or materials in bulk, for cash or on credit, before receiving from the vendee, mortgagee, or his, or its agent or representative any part of the purchase price thereof, or any promissory note, memorandum, or other evidence therefor, to deliver to such vendee, mortgagee, or agent, or if the vendee, mortgagee, or agent be a corporation, then to the president, vice-president, treasurer, secretary or manager of said corporation, or, if such vendee or mortgagee be a partnership firm, then to a member thereof, a written statement, sworn to substantially as hereinafter provided, of the names and addresses of all creditors to whom said vendor or mortgagor may be indebted, together with the amount of indebtedness due or owing, or to become due or owing by said vendor or mortgagor to each of said creditors, which statement shall be verified by an oath to the following effect:

PHILIPPINE ISLANDS
PROVINCE OR CITY OF _____}

Before me, the undersigned authority, personally appeared _____ (vendor, mortgagor, agent or representative, as the case may be), bearing cedula No. _____ issued at _____ on the day of _____ who, by me being first duly sworn, upon his oath, deposes and states that the foregoing statement contains the names of all of the creditors of _____ (vendor, or mortgagor) together with their addresses, and that the amount set opposite each of said respective names, is the amount now due and owing, and which shall become due and owing by _____ (vendor or mortgagor) to such creditors, and that there are no creditors holding claims due or which shall become due, for or on account of goods, wares, merchandise, provisions or materials purchased upon credit or on account of money borrowed, to carry on the business of which said goods, wares, merchandise, provisions or materials are a part, other than as set forth in said statement.

Subscribed and sworn to before me this _____ day of _____, 19____, at _____

Sec. 4. Fraudulent and void sale, transfer or mortgage. — Whenever any person shall sell, mortgage, transfer, or assign any stock of goods, wares, merchandise, provisions or materials, in bulk, for cash or on credit, and shall receive any part of the purchase price, or any promissory note, or other evidence of indebtedness for said purchase price or advance upon mortgage, without having first delivered to the vendee or mortgagee or to his or its agent or representative, the sworn statement provided for in section three hereof, and without applying the purchase or mortgage money of the said property to the pro rata payment of the bona fide claim or claims of the creditors of the vendor or mortgagor, as shown upon such sworn statement, he shall be deemed to have violated this Act, and any such sale, transfer or mortgage shall be fraudulent and void.

Sec. 5. Inventory. — It shall be the duty of every vendor, transferor, mortgagor, or assignor, at least ten days before the sale, transfer or execution of a mortgage upon any stock of goods, wares, merchandise, provisions or materials, in bulk, to make a full detailed inventory thereof and to preserve the same showing the quantity and, so far as is possible with the exercise of reasonable diligence, the cost price to the vendor, transferor, mortgagor or assignor of each article to be included in the sale, transfer or mortgage, and notify every creditor whose name and address is set forth in the verified statement of the vendor, transferor, mortgagor, or assignor, at least ten days before

transferring possession thereof, personally or by registered mail, of the price, terms conditions of the sale, transfer, mortgage, or assignment.

Sec. 6. Any vendor, transferor, mortgagor or assignor of any stock of goods, wares, merchandise, provisions or materials, in bulk, or any person acting for, or on behalf of any such vendor, transferor, mortgagor, or assignor, who shall knowingly or willfully make, or deliver or cause to be made or delivered, a statement, as provided for in section three hereof, which shall not include the names of all such creditors, with the correct amount due and to become due to each of them, or shall contain any false or untrue statement, shall be deemed to have violated the provisions of this Act.

Sec. 7. It shall be unlawful for any person, firm or corporation, as owner of any stock of goods, wares, merchandise, provisions or materials, in bulk, to transfer title to the same without consideration or for a nominal consideration only.

Sec. 8. Nothing in this Act contained shall apply to executors, administrators, receivers, assignees in insolvency, or public officers, acting under judicial process.

Sec. 9. The sworn statement containing the names and addresses of all creditors of the vendor or mortgagor provided for in section three of this Act, shall be registered in the Bureau of Commerce. For the registration of each such sworn statement a fee of five pesos shall be charged to the vendor or mortgagor of the stock of goods, wares, merchandise, provisions or materials, in bulk.

Sec. 10. The provisions of this Act shall be administered by the Director of the Bureau of Commerce and Industry, who is hereby empowered, with the approval of the Department Head, to prescribe and adopt from time to time such rules and regulations as may be deemed necessary for the proper and efficient enforcement of the provisions of this Act.

Sec. 11. Any person violating any provision of this Act shall, upon conviction thereof, be punished by imprisonment not less than six months, nor more than five years, or fined in sum not exceeding five thousand pesos, or both such imprisonment and fine, in the discretion of the court.

Sec. 12. This Act shall take effect on its approval.

Approved: 01 December 1972