

## Penal Clause and Usury Law

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25 ATENEO L.J. 67 (1981)

*TAG(S): COMMERCIAL LAW, CREDIT TRANSACTIONS, LOANS*

The main argument of the Article is that rates in its penal clause should not be considered in determining the being usurious of a contract. In effect, the Article defines the scope of application of Act No. 2665 or “An Act Exempting Certain Articles from the Special Import Tax Levied under Republic Act Numbered Thirteen Hundred Ninety-Four by Amending Section One of Republic Act Numbered Twenty-Three Hundred and Fifty-Two, and Providing Penalties for Violations Thereof.”

In putting forward this argument, the Author begins by providing a background of Act No. 2665 and reasons why it was enacted. Then, he makes a distinction between “demanding or agreeing” in Section 3 and “actual taking or receiving” in Section 2 of the said law. After this, he focuses on penalties. He gives its definition, nature, purpose and limitations.