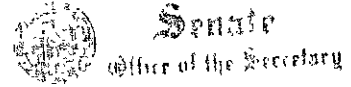



FIFTEENTH CONGRESS OF THE)
REPUBLIC OF PHILIPPINES)
FIRST REGULAR SESSION)



'11 JUN 13 P3:45

SENATE

RECEIVED BY: 

Senate Bill No. 2877

Introduced by: **Senator Teofisto "TG" L. Guingona III**

EXPLANATORY NOTE

International trade is a national concern. The subject, issues, and commitments covered by the ever-increasing number of international trade, commodity, and investment agreements are intricately intertwined with paramount national concerns which include, among others, job availability and security, food sovereignty, rural and industrial development, financial stability, and public revenue collection and management.

It is within this context that this measure be considered with a deliberate and committed sense of urgency.

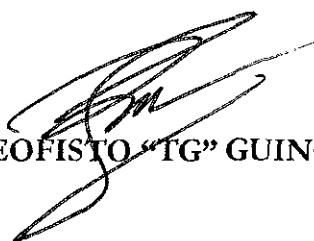
This bill hopes to establish a singular entity called the Philippine Trade Representative Office (PTRO) to be responsible and accountable for positions developed and commitments made in international trade agreements/treaties. The establishment of the Philippine Trade Representative Office seeks to improve and strengthen the negotiating capabilities of the Philippines in order to ensure that international trade, commodity, and/or investment agreements shall only be entered into only when these are beneficial to the Filipino people.

In establishing the PTRO, the following objectives are sought:

- Enhanced negotiation capacity for Philippine negotiators
- Increased transparency and relevant participation for stakeholders
- *Accountability for officials involved in the process of trade, investment, and commodity agreement negotiations*
- Coherence and cohesiveness in the Philippine trade, commodity, and investment strategy in relation to agreements with international players
- Participation of Congress in the processes relevant to international trade because of the clear recognition that while trade, investment, and commodity agreements involve foreign partners, the formulation of policies in relation to national economy, commerce, and development, whether these be purely domestic in application or international, is a shared duty of all different branches of the Philippine government. In other nations, the legislative branch plays an active role in treaty negotiations. In the United States,¹ members of Congress can join the negotiation teams and actually be present during the negotiation process. They can propose provisions to be included, modified, and even removed from the U.S. commitments in the treaty. In the European Union, the European Parliament does not only give its assent to proposed free trade agreements, it is also required that they be given a copy of the negotiation proposals [i.e. negotiation mandate] and that they are regularly

consulted during the course of the negotiations to ensure that the outcome commands broad support.²

For these reasons, let us enact this measure with dispatch.




TEOFISTO "TG" GUINGONA III

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF PHILIPPINES)
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Senate Bill No. **2877**

Introduced by: **Senator Teofisto "TG" Guingona III**

AN ACT ESTABLISHING A FRAMEWORK FOR RESPONSIBLE AND ACCOUNTABLE TRADE NEGOTIATIONS BY CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

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

2

3 **SECTION 1. TITLE.** This Act shall be known as the "Charter of the Philippine Trade
4 Representative Office".

5

6 **SECTION 2. DECLARATION OF POLICY.** The State shall pursue a trade policy that serves
7 the general welfare, creates jobs, ensures food sovereignty, and supports rural and industrial
8 development. This envisioned trade policy must utilize all forms and arrangements of exchange on
9 the basis of fair trade, equality, and reciprocity. In trade and investment negotiations, the State shall
10 pursue greater market access in harmony with its duty to protect Filipino citizens and enterprises
11 against unfair foreign and trade practices.

12

13 It is also the declared policy of the State to ensure the right of the people and/or their organizations
14 to be duly informed on matters of public concern and the right to effectively and reasonably
15 participate at all levels of social, political and economic decision-making.

16

17 Congress has the power to regulate commerce, including commerce with foreign nations, and has
18 the power to reorganize the bureaucracy in order to make it more responsive to the needs of all the
19 stakeholders in the Philippine economy and the exigencies of international economic relations. Any
20 international commodity, investment, economic, commercial and/or trade agreement entered into
21 by the government constitutes regulation of commerce and will affect the different stakeholders in
22 our economy. Hence, it is essential that any agreement is harmonized with our existing domestic
23 laws and our Constitution.

24

25 Moreover, Congress, as one of the three (3) political branches of the government, has power over
26 foreign relations, especially international economic relations.

27

28 For this purpose, and pursuant to the power of Congress to regulate commerce, the State shall
29 ensure that a single office shall, with competence and accountability, lead, direct, formulate and
30 coordinate government agencies towards formulating coherent and cohesive policies, positions and
31 measures, and conduct regular stakeholders' consultations with respect to international trade and
32 investment relations and negotiations.

33

34 **SECTION 3. DEFINITION OF TERMS.**

35

36 (a) "Ambassador" refers to a diplomatic official accredited to a foreign sovereign or
37 government, or to an international organization, to serve as the official representative of his
38 or her own country. In everyday usage, it applies to the ranking plenipotentiary minister

1 stationed in a foreign capital. The host country typically allows the ambassador control of
2 specific territory called an embassy, whose territory, staff, and even vehicles are generally
3 afforded diplomatic immunity from most laws of the host country.
4

5 (b) **“Civil society”** refers to the totality of voluntary civic and social organizations and
6 institutions that form the basis of a functioning society as opposed to the formal institutions
7 and structures of a State.
8

9
10 (c) **“Civil society organizations”** shall include non-government organizations (NGOs), cause
11 oriented groups, people’s organizations, cooperatives, trade unions, professional
12 associations, faith-based organizations, media groups, indigenous peoples movements,
13 foundations, and other citizen groups formed primarily for social and economic
14 development, which monitor government projects, engage in policy discussions, and actively
15 participate in collaborative activities with Government.
16

17
18 (d) **“Commerce”** refers to the entire range of activities connected with the production,
19 manufacturing, accumulation, gathering, mining, raising, harvesting, exchange or buying and
20 selling of something of economic value such as agricultural products, minerals, goods,
21 services, information, debt instruments, shares of stock or equity, derivatives and money. It
22 also includes capital formation, either through debt or equity, savings, and investments.
23 Finally, it likewise includes the obligations, rights and duties of all economic entities such as
24 natural persons, corporations, partnerships and governmental entities.
25

26 (e) **“Consultation mechanism”** refers to the means by which stakeholders and sectors could
27 participate effectively and meaningfully in the governmental process of drawing up our
28 international trade policy, and in coming up with all other policies and rules affecting all
29 aspects of international trade.
30

31 (f) **“Fair trade”** refers to a trading partnership based on dialogue, transparency and respect,
32 that seeks greater equity in international trade. It contributes to sustainable development by
33 offering better trading conditions to, and securing the marginalized producers and workers.
34

35 (g) **“Investment”** refers to the act of putting money to a business, either by directly buying or
36 leasing assets, hiring personnel, and entering into a whole gamut of contracts needed to run
37 an ongoing concern, or by buying equity in a business – typically in the form of shares of
38 stock.
39

40 (h) **“Legal”** refers to the characterization of an act that is not contrary to Philippine laws,
41 including international commercial agreements to which the Philippines is a party, and the
42 accession of the parties to a trade and/or investment agreement.
43

44 (i) **“Multi-sectoral”** refers to a grouping of different sectors of the economy.
45

46
47 (j) **“Private sector”** refers to that sector of the economy that is owned by or is composed of
48 private individuals, including natural persons doing business in their personal capacities.
49

50 (k) **“Research”** refers to the study of the potential or actual economic implications of a
51 proposed or existing trade agreement and the validation of its findings among the
52 stakeholders.
53

54 (l) **“Sectors”** refers to the different economic or commercial groups composed of members
55 with substantially common legitimate commercial interest, including but not limited to
56 business, labor, peasants, farmers, fisherfolk, consumers, private sector, public sector, service
57 sector and manufacturing sector.
58

59 (m) **“Stakeholders”** refers to persons or groups of persons with legitimate interest in commerce
60 or whose economic well-being will be affected by any government policy or law affecting

1 commerce – either as factors in the production, sale, or distribution of goods and services,
2 or as consumers or beneficiaries thereof.

3
4 (n) **“Trade”** refers to the voluntary exchange of goods, services and all things of economic
5 value, whether or not across national borders.

6
7 (o) **“Trade and investment agreement or international trade and investment agreement”**
8 refers to an accord whereby two (2) or more countries bind themselves to a set of rules that
9 govern the commercial and investment transactions of persons originating from any of the
10 parties to the agreement. When it is just between two (2) countries, it is called a Bilateral
11 Agreement. On the other hand, if it involves more than two (2) countries, then it is called a
12 Multilateral Agreement. Regional Agreements are those among countries within the same
13 geographical area as contemplated by the agreement. Plurilateral Agreements are specialized
14 agreements included in a multilateral agreement, and where the parties have the option of
15 acceding.

16
17 (p) **“Trade dispute”** refers to a disagreement between two (2) or more countries to a trade
18 agreement that arises when at least one country adopts a trade policy measure or takes some
19 action that one or more fellow members consider to be a breach of the agreement, or a
20 failure to live up to obligations under the agreement.

21
22 **SECTION 4. CREATION.** There is hereby created the Philippine Trade Representative Office,
23 hereinafter referred to as the “Trade Office” that shall be attached to the Office of the President.

24
25 The Trade Office shall be headed by the Philippine Trade Representative who shall be appointed by
26 the President and confirmed by the Commission on Appointments. S/he shall hold a fixed term of
27 six (6) years, shall be entitled to receive the same allowances as a Chief-of-Mission, and shall have
28 the rank of Cabinet Secretary.

29
30 Further, the Trade Office shall have three (3) Deputy Philippine Trade Representatives who shall be
31 appointed by the President upon the endorsement of various stakeholders and shall have the rank of
32 senior undersecretary.

33
34 The deputies shall have a term of six (6) years each and can be re-appointed for no more than a
35 second term. Of those first appointed under this Act, one deputy shall serve for six (6) years,
36 another deputy for four (4) years and another deputy for two (2) years.

37
38 **SECTION 5. QUALIFICATIONS AND LIMITATION ON APPOINTMENTS.**

39
40 (a) **Qualifications.** – The Philippine Trade Representative and Deputy Trade Representatives
41 must be natural-born citizens of the Philippines, and must be at least forty (40) and thirty-
42 five (35) years of age, respectively, of good moral character, unquestionable integrity, and
43 known probity and patriotism, and should possess the academic training, experience, and
44 competence in business, economics, international trade law and policy or trade negotiations.

45
46 The Philippine Trade Representative and Deputy Trade Representatives shall not, during
47 their tenure in office, engage in the practice of any profession, or intervene directly or
48 indirectly in the management or control of any private enterprise which may, in any way, be
49 affected by the functions of their office, nor shall they be financially interested, whether
50 directly or indirectly, in any contract with the government, or in any franchise, or special
51 privilege granted by the government or any subdivision, agency or instrumentality thereof,
52 including government-owned or -controlled corporations or their subsidiaries. They shall
53 strictly avoid *conflicts of interest* in the conduct of their office.

54
55 (b) **Limitations on Appointments; Disqualifications.** No person shall be appointed
56 Philippine Trade Representative or Deputy Trade Representative if he/she has directly
57 represented, aided, or advised a foreign entity in any trade and/or investment dispute against
58 the Philippines.

59
60
61

1 Likewise, the Philippine Trade Representative, Deputy Trade Representatives, and all
2 members of the research and legal staff of the Office of the Philippine Trade Representative
3 shall not be allowed to be employed, commissioned, or retained by foreign entities, or to do
4 any kind of consultancy or related work for foreign clients on trade and investment issues
5 within two (2) years after the expiration or termination of their service with the Office of the
6 Philippine Trade Representative. They shall likewise maintain at all times the confidentiality
7 of all matters that they have handled during their service with the Office of the Philippine
8 Trade Representative.
9

10 **SECTION 6. PRESIDENT'S ANNUAL TRADE POLICY PLAN.** The President, through
11 and with the Trade Office, shall submit an Annual Trade Policy Plan to the Joint Congressional
12 Oversight Committee on Trade and Investment Matters, on or before the 31st of January of every
13 year. The Annual Trade Policy Plan shall include, among others, the following:
14

- 15 (a) A summary of the president's trade agenda for the year, including the policy
16 priorities in relation to international trade, commodity, and/or investments matters;
- 17 (b) An outline of developments and plans in relation to engagements with the World
18 Trade Organization, including but not limited to, developments in the negotiations in
19 agriculture, services, non-agricultural market access (NAMA), trade facilitation, trade
20 in goods, intellectual property, and other related and relevant issues;
- 21 (c) Updates and plans for proposed, on-going, and concluded negotiations of bilateral
22 and/or regional agreements; including an identification of possible, proposed, and
23 existing trade partners with respect to the bilateral and/or regional agreements;
- 24 (d) Updates and plans for other multilateral activities and trade enforcement efforts;
- 25 (e) Other relevant matters related to international trade, commodity, and investment
26 agreements.
27

28 **SECTION 7. FUNCTIONS AND RESPONSIBILITIES OF THE PHILIPPINE**
29 **TRADE REPRESENTATIVE OFFICE.** The Trade Office, through the President's Annual
30 Trade Policy Plan, is responsible for developing, coordinating, and harmonizing Philippine trade,
31 commodity, and investment policies, and leading negotiations, with other countries on these same
32 matters. Pursuant to this task, it shall:
33
34

- 35 (a) Conduct research and legal studies related to trade and investments that will enhance
36 trade policy formulation;
37
- 38 (b) Obtain, collate and maintain a database that shall include, but not be limited to, trade
39 and investment statistics, trade and investment-related laws, policies, trade and
40 investment agreements, and initiatives which have implications on the development
41 of the Philippine negotiating position in trade and investment agreements, and which
42 shall be accessible to the stakeholders;
43
- 44 (c) Undertake consultations with stakeholders in all aspects of trade policy formulation,
45 negotiation, and execution. Stakeholders must also be directly involved in
46 formulating positions related to trade and investment negotiations in line with the
47 national development agenda;
48
- 49 (d) Through regular and meaningful consultation with relevant government agencies,
50 and various stakeholders, formulate the Philippine trade position aimed to support
51 the achievement of the economic goals defined in the Constitution.
52
- 53 (e) Negotiate trade and investment agreements on the basis of the Philippine
54 Constitution and other laws, and represent the Philippines in all international trade
55 negotiations, including, but not limited to, any matter considered under the auspices
56 of the World Trade Organization, and other regional and bilateral commodity and
57 direct investment negotiations: in which the Philippines participates;
58
- 59 (f) Advise the President and Congress on international trade and investment policies
60 and their implications on the domestic economy and the impact of domestic policies
61 on international trade and investment commitments;

- 1 (g) Assert and protect the rights and interests of the Philippines under all bilateral,
2 regional and multilateral trade and investment agreements by coordinating quick and
3 decisive inter-agency response including but not limited to cases of unfair trade
4 practices, import surges and rules on investment;
5
6 (h) Provide the necessary staff support for the Multi-sectoral and Sub-sectoral Advisory
7 Committee and the Inter-agency Coordinating Committee; and
8
9 (i) Subject to Civil Service Commission rules, elect, appoint, employ and fix the
10 compensation in accordance with the existing compensation laws of such officers
11 and employees as are necessary and prescribe their authority and duties;
12
13 (j) Employ and compensation, in accordance with the relevant laws, experts and
14 consultants.
15
16 (k) Promulgate such rules and regulations as may be necessary to carry out the functions,
17 powers and duties vested herein;
18
19 (l) Enter into and perform such contracts, leases, cooperative agreements, or other
20 transactions as may be necessary in the conduct of the work of the office and on
21 such terms as the Philippine Trade Representative may deem appropriate with any
22 agency or instrumentality of the Philippine government or with any public or private
23 person, firm, association, corporation or institution;
24
25 (m) Adopt an official seal, which shall be judicially noticed;
26
27

28 **SECTION 8. FUNCTIONS OF THE PHILIPPINE TRADE REPRESENTATIVE.** The
29 Philippine Trade Representative may, for the purpose of carrying out his functions in this Act:
30

- 31 (a) Create the organizational structure of Trade Office consistent with its mandate and
32 functions provided in this Act, and according to strategic needs, and review the same
33 regularly;
34
35 (b) Head the Philippine Trade Representative Office and exercise control and
36 supervision over all its functions and activities and including its organization;
37
38 (c) Serve as the chief trade negotiator of the Philippines in international trade and
39 investment agreements including, but not limited to, the WTO, regional, bilateral and
40 plurilateral negotiations, in which the Philippines participates, and shall be
41 responsible for the conduct of such;
42
43 (d) Create sectoral and thematic desks that will receive and facilitate referrals to
44 appropriate agencies, as may be required in this Act, complaints, information and
45 concerns pertaining to trade and investment matters;
46
47 (e) Chair the Inter-agency Coordinating Committee on international trade and
48 investments;
49
50 (f) Monitor and enforce the implementation of Philippine international trade policy,
51 including direct investment matters to the extent that they are related to international
52 trade policy;
53
54 (g) Coordinate with national agencies in connection with the performance of his
55 functions, subject to Section 15 of this Act;
56
57 (h) Call upon and deputize, in times of trade policy formulation and negotiation, the
58 national agencies and its personnel, and correspondingly use the services of the
59 deputized agency, whose functions are related to or affect international trade policy,
60 including direct investment matters to the extent that they are related to
61 international trade policy;

- 1 (i) Co-chair the Multi-sectoral Advisory Committee in their regular and special
2 meetings; and
3
4 (j) Perform such other functions inherent to his functions, and as the President may
5 direct pursuant to this Act.
6

7 **SECTION 9. EX-OFFICIO POSITIONS AND FUNCTIONS OF THE PHILIPPINE**
8 **TRADE REPRESENTATIVE.** The Philippine Trade Representative shall be entitled to the
9 following ex officio positions and functions:
10

- 11 (a) Senior representative on any office/committee/task force/similar bodies that the President
12 may establish for the purpose of advising the President on overall economic policies in
13 which international trade matters predominate; and
14
15 (b) Participant in all economic summits and other international meetings at which international
16 trade is a major topic.
17

18 **SECTION 10. FUNCTIONS AND DUTIES OF THE DEPUTY TRADE**
19 **REPRESENTATIVE.** Each Deputy Philippine Trade Representative shall have as his principal
20 function the conduct of trade negotiations under this Act and shall have such other functions as the
21 Philippine Trade Representative may direct.
22

- 23 (a) Lead the negotiations for their respective sectors and/or areas of concern;
24
25 (b) Convene and chair the Sub-sectoral Advisory Committees and the Inter-agency Coordinating
26 Subcommittee for their respective sectors and/or areas of concern;
27
28 (c) Ensure proper coordination among the various government agencies involved in their specific
29 sectors of concern, and harmonize conflicting negotiating positions;
30
31 (d) Prepare sector-specific proposals and negotiating positions and strategies; and
32
33 (e) Perform all other functions as may be delegated by the Philippine Trade Representative, or as
34 may be required by the nature or exigencies of their foregoing functions and responsibilities.
35

36 **SECTION 11. INTER-AGENCY COORDINATING COMMITTEES AND**
37 **SUBCOMMITTEES.** In connection with the performance of his/her functions, the Philippine
38 Trade Representative shall, to the extent necessary for the proper administration and execution of
39 the trade and investment agreements of the Philippines, draw upon the expertise of, and consult
40 with national agencies.
41

42 The Philippine Trade Representative shall consult with concerned agencies and any other agency on
43 trade and investment policy issues, without prejudice to the exercise by the Bangko Sentral ng
44 Pilipinas of its authority as an independent central monetary authority under the Constitution and
45 Republic Act No. 7653 or the New Central Bank Act. All agencies consulted by the Philippine
46 Trade Representative shall participate actively, cooperate fully, and promptly provide to the
47 Philippine Trade Representative all documents and information requested.
48

49 Further, there is hereby created Inter-agency Subcommittees to provide inputs and support to the
50 Deputy Trade Representatives.
51

52 **SECTION 12. MEMBERSHIP IN THE NEDA BOARD.** The Philippine Trade
53 Representative shall be an additional member of the NEDA Board, which is created under
54 Executive Order No. 230. The Philippine Trade Representative shall have the same rights and
55 obligations as all the other members.
56

57 **SECTION 13. ORGANIZATION OF THE PHILIPPINE TRADE REPRESENTATIVE**
58 **OFFICE.** Pursuant to the provisions of this Act and to function effectively, the Philippine Trade
59 Representative Office shall be internally supported by a Trade Research Service, Data Collection,
60 Analysis and Dissemination Office and a Legal Services and Programme Office.
61

1 **SECTION 14. TRADE RESEARCH SERVICE, DATA COLLECTION, ANALYSIS AND**
2 **DISSEMINATION.** The office shall improve and strengthen its capacity on research, data
3 collection, analysis, and dissemination of trade and investment statistics, laws and policies,
4 agreements and other related information.
5

6 The trade and investment research office under the Office of the Philippine Trade Representative
7 shall have the following specific functions and responsibilities:
8

- 9 (a) Generate, maintain, and update records/files of comprehensive national and
10 international trade statistics, tariff and non-tariff measures, and investment-related
11 data;
12
- 13 (b) Conduct sectoral and macrolevel impact assessment and/or potential effects of the
14 country's trade negotiating positions or an eventual trade agreement and validate
15 such studies;
16
- 17 (c) Provide the general public access to trade data and information and other relevant
18 documents through online databases, journals, publications, etc.
19
- 20 (d) Collaborate with government and nongovernment research institutions in research
21 concerning trade and investment policies and programs in relation to the national
22 development program;
23
- 24 (e) Tap the foreign trade service corps to get market intelligence information with regard
25 to commercial, industrial and general economic conditions, as well as non-economic
26 conditions affecting Philippine products both in the export and domestic markets;
27 and
28
- 29 (f) Perform other functions as may be provided by law or assigned by the Trade
30 Representative or Deputy Trade Representative.
31
- 32 (g) Conduct or facilitate the conduct of trainings and courses for the benefit of the
33 technical staff of the office and other government personnel directly or indirectly
34 engaged in trade and investment policy work in order to build, improve and enhance
35 their capacity and competence in trade and investment negotiations;
36

37 **SECTION 15. LEGAL SERVICES AND PROGRAMME.** The Office shall have a Legal
38 Services arm with the following functions and responsibilities:
39

- 40 (a) Provide legal advice to the Office of the Philippine Trade Representative, including
41 legal advice on trade and investment negotiations;
42
- 43 (b) Interpret laws and rules affecting the operation of the office;
44
- 45 (c) Prepare contracts and instruments to which the office is a party, and interpret
46 provisions of contracts covering work performed for the office by private entities;
47
- 48 (d) Assist in the promulgation of rules governing the activities of the office;
49
- 50 (e) Prepare comments on proposed legislation concerning the office;
51
- 52 (f) Assist the Solicitor General in suits involving the office or its officers or employees,
53 or act as their principal counsel in all actions taken in their official capacity before
54 judicial or administrative bodies;
55
- 56 (g) Assist the office in ensuring that the rights and interests of the Republic of the
57 Philippines are protected in the WTO agreements, other multilateral trade, regional,
58 plurilateral and bilateral trade and investment agreements, and ensure that
59 counterpart countries comply with their obligations in the agreements;
60

- 1 (h) Represent the Republic of the Philippines in any dispute settlement before the
2 WTO, other multilateral trade agreements, bilateral trade agreements, or in any other
3 suit involving international trade; and
4
5 (i) Perform such other functions as may be directed by the Philippine Trade
6 Representative Office.
7

8 **SECTION 16. ISSUANCE OF COMPULSORY PROCESSES.** Pursuant to Section 7 of this
9 Act, the Philippine Trade Representative Office, in aid of trade policy formulation and negotiation,
10 shall have the power and authority to invite or summon by subpoena ad testificandum any public
11 official, private citizen or any other person to testify before it, or require any person by subpoena
12 duces tecum to produce before it such records, reports, documents or other materials as it may
13 require. There shall be a compliance within 30 days to the subpoena issued otherwise any failure to
14 comply is punishable under Section 24 of this Act.
15

16 **SECTION 17. FILE CASES AGAINST VIOLATORS.** The PTRO shall have the authority to
17 file cases and other appropriate legal actions to further its mandate under Section 7 (f) and (g), and
18 collaborate, if necessary, with relevant government agencies and stakeholders in order to protect the
19 rights and interests of the Philippines in relation to trade and trade-related investments.
20

21 **SECTION 18. MULTI-SECTORAL ADVISORY COMMITTEE, Membership.** A Multi-
22 Sectoral Advisory Committee (MSAC), presided over by the Trade Representative, shall be
23 established and it shall be composed of representatives from civil society and the private sector
24 working on international trade, commodity, and/or investment policies. The Committee shall
25 consist of representatives of, among others but not limited to, industry, agriculture, labor, small
26 business, service industries, retailers, consumers. Subcommittees may also be organized to provide
27 information and advice on specific matters.
28

29 Members of the Committee and Subcommittees shall be appointed by the Philippine Trade
30 Representative, provided that they are representatives of civil society organizations and private
31 sector groups that are duly accredited in accordance with rules and regulations to be established by
32 the Trade Office. Members of the committee shall serve without either compensation or
33 reimbursement of expenses.
34

35 **SECTION 19. MSAC, Duties and Functions.** The Philippine Trade Representative shall seek
36 information and advice from the MSAC on matters related to:
37

- 38 (1) negotiating objectives and bargaining positions before entering into a trade and
39 investment agreement;
40
41 (2) the operation, implementation and monitoring of any trade and investment
42 agreement once entered into;
43
44 (3) trade remedies, dispute settlements, noncompliance and/or violations to any trade
45 and investment agreement; and
46
47 (4) other matters arising in connection with the development, implementation and
48 administration of the trade and investment policy.
49

50 Furthermore, it is the duty of the MSAC to:

- 51
52 (1) Provide the Philippine Trade Representative overall policy advice on trade and trade-
53 related matters;
54
55 (2) Provide technical support to the Philippine Trade Representative;
56
57 (3) Prior to any trade negotiation, participate in the development of the negotiation
58 objectives and bargaining positions of the country and at the conclusion of
59 negotiations for each trade agreement entered into, provide a report to the Philippine
60 Trade Representative to form part of the latter's report to the President and
61 Congress, pursuant to Section 5(g) hereof. The report of the Committee shall include

1 an assessment and evaluation of whether and to what extent the agreement promotes
2 Philippine economic interest and achieves the applicable overall and principal
3 negotiating objectives set forth; and
4

- 5 (4) As observers, be allowed to accompany and advise the Philippine delegation in trade
6 and investment negotiation missions.
7
8

9 **SECTION 20. THE PHILIPPINE TRADE REPRESENTATIVE OFFICE IN**
10 **RELATION TO THE MULTI-SECTORAL ADVISORY COMMITTEE.** The Philippine
11 Trade Representative shall also perform the following functions on the Multi-sectoral Advisory
12 Committee:
13

- 14 (a) Have the responsibility to approve and set the agenda for all Multi-sectoral Advisory
15 Committee meetings;
16
17 (b) Provide secretariat and other necessary staff support for the Multi-sectoral Advisory
18 Committee meetings; and
19
20 (c) Call for a regular meeting of MSAC during the First and Third Quarter of the year
21 and may call for special meeting as may be necessary depending on various factors
22 such as the level of activity of trade negotiations.
23
24

25 **SECTION 21. CONFIDENTIALITY AGREEMENT.** Members of the Multi-Sectoral
26 Advisory Committee and its Sub-committees shall enter into a confidentiality agreement with the
27 Trade Office and shall be prohibited from disclosing information previously classified by the Trade
28 Office as confidential.
29
30

31 **SECTION 22. JOINT CONGRESSIONAL OVERSIGHT COMMITTEE ON TRADE**
32 **AND INVESTMENT MATTERS.** There shall be a Joint Congressional Oversight Committee
33 on Trade and Investment matters, hereinafter referred to as the "Congressional Oversight
34 Committee". The Oversight Committee shall be composed of five (5) members from the Senate,
35 which shall include the Chairpersons of the Committee on Trade and Commerce and the
36 Committee on Foreign Relations, and five (5) members from the House of Representatives, which
37 shall include the Chairpersons of the Committee on Trade and Industry and the Committee on
38 Foreign Affairs.
39

40 The Congressional Oversight Committee, with the assistance of an independent panel of appointed
41 experts, shall conduct a periodic review and evaluation of the performance of the Philippine Trade
42 Representative Office, including its officials, every three (3) years. In preparing its recommendatory
43 assessment report for the Congressional Oversight Committee, the independent panel of experts
44 should conduct consultations with stakeholders.
45

46 The Members of the Congressional Oversight Committee shall be part of the pool of official
47 advisors on international trade, commodity, and investment policy for the PTRO. Subject to the
48 rules and procedures of the negotiating panel, they may likewise sit as observers during the
49 negotiations of treaties and other international trade and investment agreements.
50

51 **SECTION 23. REPORTORIAL REQUIREMENTS.** The PTRO shall comply with the
52 following:
53
54

- 55 (a) In relation to intentions to negotiate any international trade, economic, and/or
56 investment treaty or agreement, provide the Congressional Oversight Committee and
57 to the Multi-Sectoral Advisory Committee a report which shall contain, at a
58 minimum, the subject matter for negotiations and the general objectives of the
59 government.
60

- 1 (b) For ongoing negotiations, the PTR shall, on its own and/or upon request, regularly
2 update the Congressional Oversight Committee and the Multi-sectoral Advisory
3 Committee on the negotiations, including the offers, counter-offers and, tentative or
4 final agreements, of all the negotiating parties.
5
- 6 (c) Report at least twice a year and as may be directed by the President or Congressional
7 Oversight Committee and as may be requested by MSAC on the developments of
8 any international trade and investment negotiations and/or agreements.
9
- 10 (d) The Philippine Trade Representative shall submit a bi-annual report directly to the
11 President, Congressional Oversight Committee and the Multi-sectoral Advisory
12 Committee regarding the implementation, operation and effectiveness of any trade
13 and investment agreement entered into including the status of ongoing trade and
14 investment negotiations, in which the Philippines participates.
15
16

17 **SECTION 24. PROVISION ON ADMINISTRATIVE FINES AND PENALTIES.**
18

- 19 (a) Penalty for Non-compliance on Issuance of Compulsory Processes - Any person or entity
20 who fails to comply to the subpoena issued by the PTRO within the 30-day deadline shall
21 suffer the penalty of imprisonment for a period of not less than six (6) months nor more
22 than one (1) year or shall be imposed a fine of not less than One hundred thousand pesos
23 (Php 100,000.00) nor more than Five hundred thousand pesos (Php500,000.00), at the
24 discretion of the court.
25
- 26 (b) Penalty for Violation of Confidentiality Agreement - Any person or entity who shall violate
27 the confidentiality agreement under this Act shall suffer the penalty of imprisonment for a
28 period of not less than six (6) months nor more than one (1) year or shall be imposed a fine
29 of not less than Two hundred fifty thousand pesos (Php250,000.00) nor more than Five
30 hundred thousand pesos (Php500,000.00), at the discretion of the court. The PTRO shall
31 have the power to remove the membership in the MSAC of any member in violation of this
32 provision.
33
- 34 (c) Power to Impose Administrative Fines and Penalties - After due notice and hearing, the
35 Philippine Trade Representative shall have the power to impose administrative fines against
36 any person, organizations, or any other entity, in such amount as it may deem reasonable,
37 which in no case shall be less than Fifty thousand pesos (Php50,000.00) nor more than Five
38 million pesos (Php5,000,000.00) for violations of any provisions under this Act.
39

40 **SECTION 25. TRANSFER OF FUNCTIONS.** The functions of the Bureau of International
41 Trade Relations under the Department of Trade and Industry, Attaches and Permanent Mission to
42 the WTO, Association of Southeast Asian Nations (ASEAN) and United Nations International
43 Organization (UNIO), and the trade negotiating and policy-making functions of the Tariff and
44 Related Matters Committee (TRMC) are hereby transferred to the Office of the Philippine Trade
45 Representative.
46

47 The foregoing transfer of powers and functions shall include all applicable funds and appropriations,
48 records, equipment, property and personnel as may be necessary.
49

50 **SECTION 26. TRANSITORY PROVISION.** The Tariff and Related Matters Committee
51 (TRMC) created by Section 6 of Executive Order No. 230, series of 1987, together with the
52 Technical Committee on WTO Matters shall continue to function for six (6) months or until the
53 Office of the Philippine Trade Representative is set up whichever comes earlier, after which they
54 shall cease to function.
55

56 **SECTION 27. IMPLEMENTING PROVISIONS.** Within 30 days from the effectivity of
57 this Act, the President shall appoint the Philippine Trade Representative, together with his Deputies.
58

59 The PTRO shall, in consultation with the Departments of Trade and Industry, Agriculture, and
60 Foreign Affairs and the National Economic Development Authority, issue the implementing rules

1 and regulations necessary to implement the provisions of this Act, 60 days from the date of
2 appointment of the Philippine Trade Representative.

3
4 **SECTION 28. APPROPRIATIONS.** The amount necessary to implement the provisions of
5 this Act shall be charged against the current year's appropriations of the Bureau of International
6 Trade Relations under the Department of Trade and Industry, Attaches and Permanent Mission to
7 the WTO, ASEAN and UNIO, the TRMC and other concerned agencies. Thereafter, such sums as
8 may be necessary for its continued implementation shall be included in the annual General
9 Appropriations Act.

10
11 **SECTION 29. SEPARABILITY CLAUSE.** If any section or provision of this Act shall be
12 declared unconstitutional or invalid, the other sections or provisions not affected thereby shall
13 continue to be in full force and effect.

14
15 **SECTION 30. REPEALING CLAUSE.** All laws, rules and regulations and other issuances
16 inconsistent with the provisions of this Act, including Section 6 of Executive Order No. 230, series
17 of 1987 and relevant provisions of Executive Order No. 133, series of 1987 are deemed modified,
18 revoked or repealed accordingly.

19
20 **SECTION 31. EFFECTIVITY CLAUSE.** This Act shall take effect fifteen (15) days following
21 its publication in two (2) newspapers of general circulation or in the Official Gazette, whichever
22 comes earlier.

Approved,