

9 AUG 26 1912

SENATE

COMMITTEE REPORT NO. 566

Submitted by the Committee on Trade and Commerce joint with the Committee on Foreign Relations and the Committee on Finance on AUG 26 1912.

Re: Senate Bill No. 3417, prepared by the Committees

Recommending its approval in substitution of Senate Bill Nos. 252 and 1612, taking into consideration House Bill No. 5971 with Senators Roxas, Lapid, Defensor-Santiago and Angara as authors thereof

Sponsor: Senator Roxas

Mr. President:

The joint Committees on Trade and Commerce; Foreign Relations and on Finance to which were referred Senate Bill No. 252, introduced by Senator Roxas, entitled:

“AN ACT
CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE,
APPROPRIATING FUNDS THEREOF, AND FOR OTHER PURPOSES”;

Senate Bill No. 1612, introduced by Senator Lapid, entitled:

“AN ACT
CREATING THE OFFICE OF THE TRADE REPRESENTATIVE,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES”;

taking into consideration House Bill No. 5971, introduced by Reps. Tañada III, Nograles, Fabian, *et. al.* entitled:


“AN ACT
CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES”


have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, S.B. No. 3417, prepared by the Committees, entitled:

"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."

be approved in substitution of S. B. Nos. 252 and 1612, taking into consideration H. B. No. 5971 with Senators Roxas, Lapid, Defensor-Santiago and Angara as authors thereof.

Respectfully submitted:

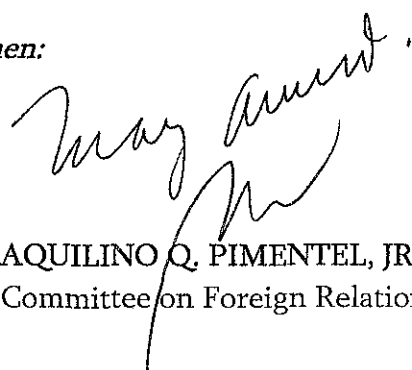

MIRIAM DEFENSOR SANTIAGO
Chairperson
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Vice-Chairperson, Committee on Finance

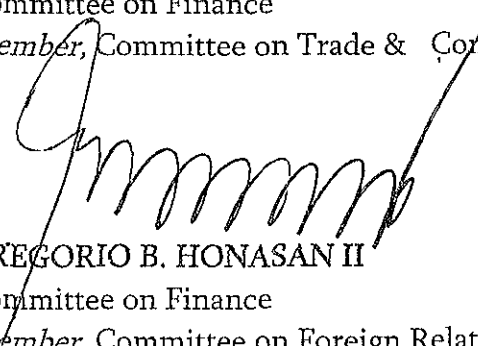

MAR ROXAS
Chairman
Committee on Trade and Commerce
Member, Committee on Foreign Relations
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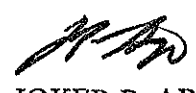

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BENIGNO S. AQUINO III
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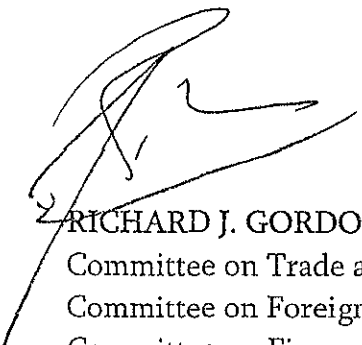

AQUILINO Q. PIMENTEL, JR.
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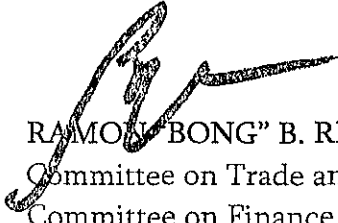

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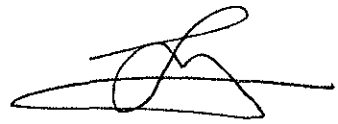

LOREN B. LEGARDA
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Committee on Finance


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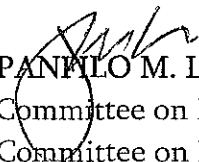

RAMON "BONG" B. REVILLA, JR.
Committee on Trade and Commerce
Committee on Finance

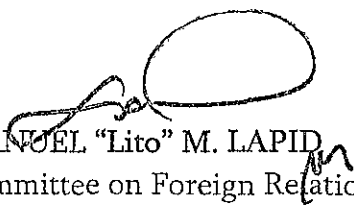

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Committee on Finance

"Compañera" PIA S. CAYETANO
Committee on Foreign Relations
Committee on Finance

Ex-Officio Members:



JINGGOY EJERCITO ESTRADA
President Pro-Tempore



JUAN MIGUEL F. ZUBIRI
Majority Floor Leader

May amend:



AQUILINO Q. PIMENTEL, JR.
Minority Floor Leader

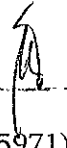
HON. JUAN PONCE ENRILE
Senate President
Senate of the Philippines
Pasay City

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SENATE

S. B. No. 3417

RECEIVED BY



(In substitution of Senate Bill Nos. 252 and 1612, taking into consideration H.B.No. 5971)

Prepared by the Joint Committees on Trade and Commerce; Foreign Relations and Finance
with Senators Roxas, Lapid, Defensor-Santiago and Angara as authors thereof

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.

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

CHAPTER 1
GENERAL PROVISIONS

1 SECTION 1. *Title.* – This Act shall be known as the “*Accountability in International*
2 *Trade Negotiations Law of the Philippines*”.

3 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to pursue
4 an international trade policy that serves the general welfare, promotes and supports domestic
5 agriculture and industry, and pursues national interest. For this purpose, and pursuant to the
6 power of Congress to regulate commerce, the State shall ensure that a single office shall, with
7 competence and accountability, lead, direct and coordinate government agencies towards the
8 formulation of coherent and cohesive policies, positions and measures with respect to
9 international trade engagements, relations and negotiations.

10 Sec. 3. *Definition of Terms.* –

11 a) “*Commerce*” refers to the entire range of activities connected with the
12 production, manufacturing, accumulation, gathering, mining, raising, harvesting, exchange

1 or buying and selling of something of economic value such as agricultural products, minerals,
2 goods, services, information, debt instruments, shares of stock or equity, derivatives, and
3 money. It also includes capital formation, either through debt or equity, savings, and
4 investments. Finally, it likewise includes the obligations, rights, and duties of all economic
5 entities such as natural persons, corporations, partnerships, and governmental entities;

6 b) *“Consultation mechanism”* refers to the means by which stakeholders and
7 sectors could participate effectively and meaningfully in the governmental process of
8 drawing up our international trade policy, and in coming up with all other policies and rules
9 affecting all aspects of international trade;

10 c) *“Fair trade”* refers to a trading partnership, based on dialogue, transparency
11 and respect, that seeks greater equity in international trade between contracting nations;

12 d) *“Investment”* refers to the act of putting money to a business, either by
13 directly buying or leasing assets, hiring personnel, and entering into a whole gamut of
14 contracts needed to run an ongoing concern, or by buying equity in a business – typically in
15 the form of shares of stock;

16 e) *“Legal”* refers to the characterization of an act that is not contrary to
17 Philippine laws, including international commercial agreements to which the Philippines is
18 a party, and the accession of the parties to a trade and/or investment agreement;

19 f) *“Multi-sectoral”* refers to a grouping of different sectors of the economy;

20 g) *“Nongovernment organizations”* refer to non-stock, non-profit corporations
21 organized under the laws of the Republic of the Philippines doing charitable, educational,
22 religious, social, economic, and other not-for-profit endeavors;

23 h) *“Private sector”* refers to the for-profit sector of the economy that is owned
24 by or is composed of private individuals, including natural persons, doing business in their
25 personal capacities;

- 1 i) “*Research*” refers to the study of the potential or actual economic
2 implications of a proposed or existing trade agreement and the validation of its findings
3 among the stakeholders;
- 4 j) “*Sectors*” refer to the different economic or commercial groups composed of
5 members with substantially common commercial interest, including business, labor,
6 peasants, farmers, fisherfolk, consumers, private sector, public sector, service sector, and
7 manufacturing sector;
- 8 k) “*Stakeholders*” refer to persons or groups of persons with legitimate interest in
9 commerce or whose economic well-being will be affected by any government policy or law
10 affecting commerce – either as factors in the production, sale, or distribution of goods and
11 services, or as consumers or beneficiaries thereof;
- 12 l) “*Trade*” refers to the voluntary exchange of goods, services and all things of
13 economic value, whether or not across national borders;
- 14 m) “*Trade and Investment Agreement*” or “*International Trade and Investment*
15 *Agreement*” refers to an accord whereby two (2) or more countries bind themselves to a set
16 of rules that govern the commercial and investment transactions of persons originating from
17 any of the parties to the agreement. When it is just between two (2) countries, it is called a
18 *Bilateral Agreement*. On the other hand, if it involves more than two (2) countries, then it is
19 called a *Multilateral Agreement*. *Regional Agreements* are those among countries within the
20 same geographical area as contemplated by the agreement. *Plurilateral Agreements* are
21 specialized agreements included in a multilateral agreement, and where the parties have the
22 option of acceding;
- 23 n) “*Trade Dispute*” refers to a disagreement between two (2) or more countries
24 to a trade agreement that arises when at least one country adopts a trade policy measure or

1 takes some action that one or more fellow members consider to be a breach of the
2 agreement, or a failure to live up to obligations under the agreement.

3 CHAPTER 2

4 CREATION AND FUNCTIONS OF THE PHILIPPINE TRADE REPRESENTATIVE OFFICE 5 AND PHILIPPINE TRADE REPRESENTATIVE

6 SEC. 4. *Creation.* – There is hereby created within the Office of the President the
7 Philippine Trade Representative Office, hereinafter referred to as the “PTRO.”

8 The PTRO shall be headed by the Philippine Trade Representative who shall be
9 appointed by the President, subject to confirmation by the Commission on Appointments.
10 He shall hold a fixed term of six (6) years, shall be entitled to receive the same allowances as
11 a Chief-of-Mission, and shall have the rank of Cabinet Secretary.

12 Further, the PTRO shall have three (3) Deputy Philippine Trade Representatives who
13 shall be appointed by the President. Each Deputy Philippine Trade Representative shall hold
14 office at the pleasure of the President and shall have the rank of Undersecretary.

15 The Deputies shall have a term of six (6) years each. The first set of Deputies shall
16 have six-, four-, and two-year terms respectively so that, thereafter, a Deputy shall be
17 replaced every two years. They can be re-appointed for no more than a second term.

18 SEC. 5. *Qualifications and Limitations on Appointments.* –

19 a) *Qualifications.* - The Philippine Trade Representative and Deputy Trade
20 Representatives must be natural-born citizens of the Philippines, and must be at least forty
21 (40) and thirty-five (35) years of age, respectively, of good moral character, unquestionable
22 integrity, and known probity and patriotism, and should possess the academic training,
23 experience, and competence in trade policy, trade negotiations, business, economics, or law,
24 preferably related to international trade.

1 The Philippine Trade Representative and Deputy Trade Representatives shall not,
2 during their tenure in office, engage in the practice of any profession, or intervene directly
3 or indirectly in the management or control of any private enterprise which may, in any way,
4 be affected by the functions of their office, nor shall they be financially interested, whether
5 directly or indirectly, in any contract with the government, or in any franchise, or special
6 privilege granted by the government or any subdivision, agency or instrumentality thereof,
7 including government-owned or -controlled corporations or their subsidiaries. They shall
8 strictly avoid conflicts of interest in the conduct of their office.

9 *b) Limitations on Appointments; Disqualifications.* No person shall be appointed
10 Philippine Trade Representative or Deputy Trade Representative if he/she has directly
11 represented, aided, or advised a foreign entity in any trade and/or investment negotiation or
12 trade dispute against the Philippines.

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

21 **SEC. 6. *Functions of the Philippine Trade Representative Office.*** – The Philippine
22 Trade Representative Office shall:

23 a) Formulate the Philippine trade position based on a national development agenda that
24 is a product of regular and meaningful consultation with relevant government
25 agencies and private sector stakeholders;

- 1 b) Serve as the principal advisor to the President on international trade policy and shall
2 advise the President on the impact of other policies of the Philippine Government on
3 international trade;
- 4 c) Negotiate trade and investment agreements on the basis of the Philippine
5 Constitution and other laws, and represent the Philippines in all international trade
6 negotiations, including, but not limited to, any matter considered under the auspices
7 of the World Trade Organization, and other regional and bilateral commodity and
8 direct investment negotiations, in which the Philippines participates;
- 9 d) Monitor and enforce the implementation of Philippine international trade policy,
10 including direct investment matters to the extent that they are related to
11 international trade policy;
- 12 e) Assert and protect the rights and interests of the Philippines under all bilateral,
13 regional and multilateral trade agreements by coordinating quick and decisive inter-
14 agency response to specific cases of unfair trade practices and import surges; and
- 15 f) Perform such other functions inherent to his functions, and as the President may
16 direct.

17 **SEC. 7. *Functions of the Philippine Trade Representative.*** – The Philippine Trade

18 Representative may, for the purpose of carrying out his functions in this Act:

- 19 (1) Create the organizational structure of Philippine Trade Representative Office
20 consistent with its mandate and functions provided in this Act, and according to
21 strategic needs, and review the same regularly;
- 22 (2) Select, appoint, employ, and fix the compensation of the officers and employees of the
23 PTRO as necessary, subject to the civil service and classification laws;
- 24 (3) Employ experts and consultants in accordance with the relevant laws and
25 compensate individuals so employed for each day;

- 1 (4) Promulgate such rules and regulations as may be necessary to carry out the functions,
2 powers and duties vested in him;
- 3 (5) Create sectoral and thematic desks that will receive and facilitate, as may be required
4 in this Act, complaints, information and concerns pertaining to unfair trade practices
5 and import surges;
- 6 (6) Consult with national agencies in connection with the performance of his functions,
7 subject to Section 17 of this Act;
- 8 (7) Call upon and deputize, in times of trade policy formulation and negotiation, the
9 national agencies and its personnel, and correspondingly use the services of the
10 deputized agency, whose functions are related to or affect international trade policy,
11 including direct investment matters to the extent that they are related to
12 international trade policy;
- 13 (8) Enter into and perform such contracts, cooperative agreements, or other transactions
14 as may be necessary in the conduct of the work of the PTRO and on such terms as
15 the Philippine Trade Representative may deem appropriate, with any agency or
16 instrumentality of the Philippine government or with any public or private person,
17 firm, association, corporation, or institution;
- 18 (9) Accept voluntary and uncompensated services, notwithstanding the provisions of the
19 Civil Service Code;
- 20 (10) Adopt an official seal, which shall be judicially noticed;
- 21 (11) Delegate any of his functions, powers and duties to officers and employees of the
22 PTRO as he may designate;
- 23 (12) Authorize such successive re-delegations of functions, powers and duties to officers
24 and employees of the PTRO as he may deem appropriate; and

1 (13) Perform such other functions inherent to his functions, and as the President may
2 direct pursuant to this Act.

3 *Section 8. Ex-Officio Positions and Functions of the Philippine Trade Representative.*

4 – The Philippine Trade Representative shall be entitled to the following ex-officio positions
5 and functions:

6 (1) Senior representative on any body that the President may establish for the purpose of
7 advising the President on overall economic policies in which international trade
8 matters predominate; and

9 (2) Participant in all economic summits and other international meetings at which
10 international trade is a major topic.

11 *SEC. 9. Functions of Deputy Philippine Trade Representatives.* – Each Deputy
12 Philippine Trade Representative shall have as his principal function the conduct of trade
13 negotiations under this Act and shall have such other functions as the Philippine Trade
14 Representative may direct.

15 **CHAPTER 3**

16 **ROLE OF THE PHILIPPINE TRADE REPRESENTATIVE OFFICE IN THE COMMITTEE**
17 **ON TARIFF AND RELATED MATTERS (CTRM)**

18 *SEC. 10. Membership in the Committee on Tariff and Related Matters.* – The PTRO
19 shall be a member of the Committee on Tariff and Related Matters (CTRM) created under
20 Section 6 of Executive Order No. 230 dated 22 July 1987 on Reorganizing the National
21 Economic and Development Authority.

22 *Sec. 11. Amendment to structure and functions of the CTRM* – The existing
23 Committee on Tariff and Related Matters (CTRM), created under Section 6 of Executive
24 Order No. 230 dated 22 July 1987 on Reorganizing the National Economic and Development
25 Authority, shall henceforth function as follows:

- 1 a) Philippine Trade Representative Office (PTRO) shall be the only Chairman of the
2 CTRM with the National Economic Development Authority (NEDA) as the Vice-
3 Chairman of the Committee;
- 4 b) PTRO shall be the chair of all the sectoral subcommittees under the Committee;
- 5 c) PTRO shall assume or delegate where the technical staff/secretariat of the
6 Committee and all its subcommittees shall be based; and
- 7 d) Transfer the CTRM function to advise the President and NEDA Board on Tariff
8 and related matters and on the effects on the country of various international
9 developments, to the PTRO.

10 **Sec. 12. *Membership in the NEDA Board.*** – The Philippine Trade Representative shall
11 be an additional member of the NEDA Board, which is created under Executive Order No.
12 230. The Philippine Trade Representative shall have the same rights and obligations as all the
13 other members.

14 CHAPTER 4

15 ORGANIZATION, MANAGEMENT AND ADMINISTRATION OF THE 16 PHILIPPINE TRADE REPRESENTATIVE OFFICE

17 **SEC. 13. *Organization of the Philippine Trade Representative Office.*** – Pursuant to
18 the provisions of this Act and to function effectively, the Philippine Trade Representative
19 Office shall be internally supported by a Trade Research Division and a Legal Services
20 Division.

21 **SEC. 14. *Trade Research Division.*** The Trade Research Division under the PTRO shall
22 have the following specific functions and responsibilities:

- 23 a) Generate, maintain, and update records/files of comprehensive national and
24 international trade statistic, tariff and non-tariff measures, and investment-
25 related data;

- 1 b) Conduct sectoral and macrolevel impact assessment and/or potential effects of the
2 country's trade negotiating positions or an eventual trade agreement and validate
3 such studies;
- 4 c) Provide the general public access to trade data and information and other relevant
5 documents through online databases, journals, publications, etc.
- 6 d) Collaborate with government and non-government research institutions in
7 research concerning trade and investments policies and programs in relation to
8 the national development program;
- 9 e) Tap the foreign trade service corps to get market intelligence information with
10 regard to commercial, industrial and general economic conditions, as well as non-
11 economic conditions affecting Philippine products both in the export and
12 domestic markets; and
- 13 f) Perform other functions as may be provided by law or assigned by the Trade
14 Representative or Deputy Trade Representative.

15 The PTRO shall also conduct, or facilitate the conduct of, trainings and courses for
16 the benefit of the technical staff of the PTRO in order to build, improve, and enhance their
17 capacity and competence in trade negotiations.

18 **SEC. 15. *Legal Services Division.*** – The PTRO shall have a Legal Services Division
19 with the following functions and responsibilities:

- 20 a) Provide legal advice to the PTRO, including legal advice on trade and investment
21 negotiations;
- 22 b) Interpret laws and rules affecting the operation of the PTRO;
- 23 c) Prepare contracts and instruments to which the office is a party, and interpret
24 provisions of contracts covering work performed for the office by private entities;
- 25 d) Assist in the promulgation of rules governing the activities of the office;

- 1 e) Prepare comments on proposed legislation concerning the office;
- 2 f) Assist the Solicitor General in suits involving the office or its officers or
3 employees, or act as their principal counsel in all actions taken in their official
4 capacity before judicial or administrative bodies;
- 5 g) Assist the office in ensuring that the rights and interests of the Republic of the
6 Philippines are protected in the WTO agreements, other multilateral trade,
7 regional, plurilateral and bilateral trade and investment agreements, and ensure
8 that counterpart countries comply with their obligations in the agreements;
- 9 h) Assist, unless deputized to represent, the Philippine Trade Representative in
10 appearing as counsel of the Republic of the Philippines in any dispute settlement
11 before the WTO, other multilateral trade agreements, bilateral trade agreements,
12 or in any other suit involving international trade; and
- 13 i) Perform such other functions as may be directed by the PTRO.

14 **SEC. 16. *Inter-Agency and Private Sector Coordination on Unfair Trade Practices.*** –

15 In carrying out his functions and responsibilities with respect to unfair trade practices and
16 import surges, the Philippine Trade Representative shall:

- 17 a) Coordinate the use of inter-agency resources to identify, address, and resolve specific
18 cases of unfair trade practice;
- 19 b) Identify and refer to the appropriate department or agency of the national
20 government for action any information identified in the report required under
21 Section 24 (b) hereof, or report other such information that establish or may show an
22 unfair trade practice because it is either:
 - 23 i. considered to be inconsistent with the provisions of any trade agreement, or

1 CHAPTER 6

2 PRIVATE SECTOR PARTICIPATION PRIVILEGES AND OBLIGATIONS

3 SEC. 19. *The Multi-Sectoral Advisory Committee.* – There is hereby created a Multi-
4 Sectoral Advisory Committee, hereinafter referred to as “MSAC”. Pursuant to the provisions
5 of the Act particularly this Chapter, it shall function as follows:

6 a) *Committee Consultation* - The Philippine Trade Representative shall seek
7 information and advice from representatives of the private sector and non-government
8 organizations on trade and investment policy based on a national development agenda aimed
9 at balancing the interests of various stakeholders with respect to:

- 10 1) negotiating objectives and bargaining positions before entering into a trade
11 and investment agreement;
- 12 2) the operation, implementation, and monitoring of any trade and investment
13 agreement once entered into;
- 14 3) trade remedies, dispute settlements, non-compliance and/or violations to any
15 trade and investment agreement; and
- 16 4) other matters arising in connection with the development, implementation
17 and administration of the trade and investment policy.

18 b) *Membership and Organization* - The Committee shall consist of not more than 20
19 members consisting of representatives of industry, agriculture, labor, small business, service
20 industries, retailers, and consumers. The Committee shall be broadly representative of key
21 economic sectors and groups affected by trade. The Philippine Trade Representative shall
22 preside over the Committee, which will meet as needed at the call of the Committee
23 Chairman or the Philippine Trade Representative depending on various factors such as the
24 level of activity of trade negotiations. Members of the Committee and Subcommittees shall
25 be appointed by the Philippine Trade Representative upon the endorsement of various non-

1 government organizations and stakeholders. Members of the committee shall serve without
2 either compensation or reimbursement of expenses.

3 c) *Sub-sectoral Advisory Committees* – Sub-sectoral advisory committees shall be
4 defined by the Philippine Trade Representative for trade and investment policy formulation
5 and negotiations. These Committees shall be broadly representative of the key sectors and
6 groups of the economy, particularly with respect to those sectors and groups which are
7 affected by trade and shall consist of representatives of industry, academe, agriculture,
8 fisheries, labor, small business, service industries, retailers, consumer interest and other
9 stakeholder groups.

10 d) *Committee Meetings* - The PTRO shall call for a regular meeting of MSAC during
11 the First and Third Quarter of the year; *Provided*, that a notice be given to its members at
12 least two (2) weeks prior to the scheduled MSAC meeting, and may call for special meeting
13 as may be necessary.

14 SEC. 20. *Duties and Functions of the Multi-Sectoral Advisory Committee.* – The
15 Committee shall have the primary duty and function to:

- 16 a. Provide the Philippine Trade Representative overall policy advice on trade and
17 trade-related matters;
- 18 b. Provide technical support to the Philippine Trade Representative by drawing
19 upon the knowledge and expertise of its members;
- 20 c. Prior to any trade negotiation, participate in the development of the negotiation
21 objectives and bargaining positions of the country and at the conclusion of
22 negotiations for each trade agreement entered into, provide a report to the
23 Philippine Trade Representative to form part of the latter's report to the
24 President and Congress, pursuant to Section 5(g) hereof. The report of the
25 Committee shall include an assessment and evaluation of whether and to what

1 extent the agreement promotes Philippine economic interest and achieves the
2 applicable overall and principal negotiating objectives set forth; and

- 3 d. Recommend to the Philippine Trade Representative the participation of private
4 sector representative to accompany the Philippine delegation in an observer
5 capacity in trade negotiations. All expenses incurred by the private sector
6 representative shall be for the account of the representative or his/her
7 organization.

8 In order to carry out the foregoing functions, the Philippine Trade Representative
9 shall identify and accredit groups or networks of local industrial and agricultural producers
10 and exporters whose assistance may be availed of. Members of the Multi-sectoral Advisory
11 Committee shall serve without either compensation or reimbursement of expenses.

12 **SEC. 21. *Confidentiality Agreement.*** – Members of the Multi-sectoral Advisory
13 Committee and its Sub-committees shall:

- 14 a) Enter into a confidentiality agreement with the PTRO; and
15 b) Comply with other requirements established by the PTRO to protect from
16 unauthorized disclosure all classified information, and all information relating to
17 trade policy formulation and negotiation.

18 **Sec. 22. *The Philippine Trade Representative Office in relation to the Multi-Sectoral***
19 ***Advisory Committee.*** – The Philippine Trade Representative shall also perform the following
20 functions on the Multi-sectoral Advisory Committee:

- 21 a) Have the responsibility to approve and set the agenda for all Multi-sectoral
22 Advisory Committee meetings;
23 b) Provide clerical and other necessary staff support for the Multi-sectoral Advisory
24 Committee meetings; and

1 c) Call the Multi-sectoral Advisory Committee to meet depending on various factors
2 such as the level of activity of trade negotiations.

3 CHAPTER 7

4 FINAL PROVISIONS

5 SEC. 23. *Joint Congressional Oversight Committee on International Trade*

6 *Agreements.* – There shall be a Joint Congressional Oversight Committee on International
7 Trade Agreement to which the PTRO shall regularly report to ensure concurrence and
8 authority regarding negotiating mandate and parameters, and shall comply immediately to
9 any order of the Joint Congressional Oversight Committee. The Oversight Committee shall
10 be composed of five (5) members from the Senate, which shall include the Senate President,
11 and the Senate Majority and Minority Floor Leaders, and five (5) members from the House of
12 Representative, which shall include the Speaker of the House, and the Majority and
13 Minority Floor Leaders.

14 The Oversight Committee shall conduct a periodic review and evaluation of the
15 performance of the PTRO, including its officials, every three (3) years. An independent
16 panel composed of experts to be appointed by the Oversight Committee shall review the
17 activities and performance of the PTRO and shall make recommendations, based on its
18 findings, to the Oversight Committee. The independent panel of evaluators shall likewise
19 conduct consultations with stakeholders in the conduct of the review.

20 SEC. 24. *Reportorial Requirements.* – The PTRO shall comply with the following:

21 a.) Report to Congress and to the Multi-Sectoral Advisory Committee as herein
22 created any intention to negotiate any economic treaty, be it bilateral, regional or
23 multilateral. At the minimum, the report shall contain the subject matter for negotiations
24 and the general objectives of the government. The PTRO shall update Congress and the
25 Multi-sectoral Advisory Committee, whenever practical, on the negotiations, including the

1 offers and counter-offers of all the parties and shall also notify Congress and the Multi-
2 sectoral Advisory Committee of any tentative or final agreement of the parties.

3 b.) The Philippine Trade Representative shall submit a bi-annual report directly to
4 the President, Congress and the Multi-sectoral Advisory Committee regarding the
5 implementation, operation and effectiveness of any trade and investment agreement entered
6 into including the status of ongoing trade and investment negotiations, in which the
7 Philippines participates.

8 **SEC. 25. *Transfer of Functions.*** – The functions of the Bureau of International Trade
9 Relations and other related positions under the Department of Trade and Industry, Attaches
10 and Permanent Mission to the WTO, Association of South East Asian Nations (ASEAN) and
11 the United Nations International Organization (UNIO) are hereby transferred under the
12 direct control and supervision of the PTRO.

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

15 **SEC. 26. *Appropriations.*** – The sum of One Hundred Forty-Five Million Pesos (Php
16 145,000,000.00) is hereby authorized to be appropriated to the PTRO for the purposes of
17 carrying out its functions for the first fiscal year after the effectivity of this Act.

18 For each fiscal year thereafter, there is authorized to be appropriated to the PTRO
19 such additional sums as may be provided by law for the salaries of its officers and employees
20 to reflect pay rate changes made in accordance with the Salary Standardization Act, and for
21 other purposes as may be appropriated.

22 **SEC. 27. *Implementing Provisions.*** – Within 60 days from the effectivity of this Act,
23 the President shall appoint the Philippine Trade Representative, together with his Deputies.
24 The PTRO shall, in consultation with the Departments of Trade and Industry, Agriculture,
25 and Foreign Affairs and the National Economic Development Authority, issue the

1 implementing rules and regulations necessary to implement the provisions of this Act, 180
2 days from the date of appointment of the Philippine Trade Representative.

3 **SEC. 28. *Provision on Administrative Fines and Penalties.* –**

4 *a.) Penalty for Non-compliance on Issuance of Compulsory Processes* – Any
5 person or entity who shall fails to comply to the subpoena issued by the PTRO
6 within the 30-day deadline shall suffer the penalty of imprisonment for a
7 period of not less than six (6) months nor more than one (1) year or shall be
8 imposed a fine of not less that One hundred thousand pesos (Php100,000.00)
9 nor more than Five hundred thousand pesos (Php500,000.00), at the discretion
10 of the court.

11 *b.) Penalty for Violation of Confidentiality Agreement* – Any person or entity
12 who shall violate the confidentiality agreement under this Act shall suffer the
13 penalty of imprisonment for a period of not less than six (6) months nor more
14 than one (1) year or shall be imposed a fine of not less that Two hundred fifty
15 thousand pesos (Php250,000.00) nor more than Five hundred thousand pesos
16 (Php500,000.00), at the discretion of the court. The PTRO shall have the
17 power to remove the membership in the MSAC of any member in violation of
18 this provision.

19 *c.) Power to Impose Administrative Fines and Penalties* – After due notice and
20 hearing, the Philippine Trade Representative shall have the power to impose
21 administrative fines against any person, organizations, or any other entity, in
22 such amount as it may deem reasonable, which in no case shall be less than
23 Fifty thousand pesos (Php50,000.00) nor more than Five million pesos
24 (Php5,000,000.00) for violations of any provisions under this Act.

1 *SEC. 29. Separability Clause.* -- If any section or provision of this Act shall be declared
2 unconstitutional or invalid, the other sections or provisions not affected thereby shall
3 continue to be in full force and effect.

4 *SEC. 30. Repealing Clause.* -- All laws, decrees and orders or parts thereof inconsistent
5 herewith are deemed repealed or modified accordingly.

6 *SEC. 31. Effectivity.* -- This Act shall take effect fifteen (15) days following its
7 publication in a newspaper of general circulation in the Philippines.

Approved,