

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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SENATE

S. No. 261

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

The promotion and development of small and medium scale industries (SMEs) is one of the priorities of the government. The role of SMEs in promoting economic development is acknowledged in Article II Sec. 20 of the Constitution, which recognizes the indispensable role of the private sector and encourages private enterprise, and in Article XIII Sec. 1 which speaks of creating economic opportunities based on freedom of initiative and self-reliance.

This bill seeks to encourage the formation of chambers of commerce and industry (CCIs) as venues for addressing the collective concerns of small and medium scale enterprises in the business sector.

In countries such as Germany, Canada, Japan, Australia and Thailand, membership of enterprises in the chamber of commerce and industry is mandated by law, and membership fees are collected through the government bureaucracy.

As proposed in this bill, voluntary membership of enterprises in the chambers is encouraged through the incentives given to the chambers, and the value-added services that they provide. A concept of shared responsibility and partnership with the national and local government units govern the division of functions among the CCIs, private enterprises, and the government sector in the delivery of services.

A chamber of commerce and industry works for the entire community of private enterprises, especially for small and medium enterprises. In this era of free trade and global exchange and cooperation, private sector businesses need to be strong organizationally and functionally at the domestic front so that the country can compete in the world economy.

In view of the foregoing, early passage of this bill is earnestly requested.


SERGIO OSMEÑA III
Senator

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AN ACT
PROVIDING FOR A CHAMBER OF COMMERCE AND INDUSTRY SYSTEM,
PROMOTING ORDER, EFFICIENCY AND EFFECTIVE DELIVERY OF SERVICES
BETWEEN AND AMONG CHAMBERS OF COMMERCE AND INDUSTRY, AND
FOR OTHER PURPOSES

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

1 SECTION 1. **Short Title.** – This Act shall be known and cited as the
2 “Chamber of Commerce and Industry Act of 2004.”

3 Article 1

4 General Provisions

5 SEC. 2. **Declaration of Policy.** - It is the policy of the State to recognize
6 the indispensable role of the private sector, encourage private enterprise, and
7 provide incentives to needed investments in nation-building. Towards this end, a
8 chamber of commerce and industry system shall be established in order for the
9 Philippines to achieve accelerated economic growth and development and to
10 compete in the global market.

11 SEC. 3. **Application.** This Act shall apply to all chambers of commerce and
12 industry, hereinafter referred to as CCIs, affiliates and their officials and members.

13 SEC. 4 **Definition of Terms** - For purposes of this Act, the following terms
14 shall mean:

- 1 a) "Philippine Business Registry Databank (PBRD)" is the repository of
2 relevant economic and business information of all business enterprises
3 within a particular territory;
- 4 b) "Business enterprises" refers to entities organized for profit and
5 registered and doing business in the Philippines under existing laws;
- 6 c) "Chamber of Commerce and Industry" of "CCI" means an institution
7 established by several business enterprises under this Act and the
8 Corporation Code of the Philippines.
- 9 d) "National Federation" is the organization of all CCIs in the country; and
- 10 e) "Supervision" refers to the exercise of oversight functions by the
11 National Federation over the local chambers, in the promotion of
12 efficiency, economy and effective delivery of services between and
13 among CCIs and its enterprise members.

14 **SEC. 5. *Establishment of the Chamber of Commerce and Industry***

15 **System** - There is established a system of CCIs in the Philippines, in accordance
16 with the provisions of existing laws and the provisions of this Act.

17 Under this system, there shall be:

- 18 a) one National Federation, which shall be the federation of local chambers;
- 19 b) local chambers in municipalities, cities or provinces; and
- 20 c) such other entities as may be provided in the by-laws of the National
21 Federation.

22 The Federation may provide for regional/provincial groupings of local
23 chambers for the purpose of better coordination.

24 **Article II**

25 **The National Federation**

26 **SEC. 6. *National Federation and the Role of the CCI.*** - The National
27 Federation shall be called the Philippine Chamber of Commerce and Industry, or
28 PCCI, which shall be organized as a non-stock, non-profit corporation, and shall
29 function as follows:

1 a) act as the voice of the Philippine business sector at the national and
2 international levels; and

3 b) supervise and coordinate the activities of local chambers.

4 SEC. 7. **Membership in the PCCI.** - The PCCI shall have such members as
5 may be provided in its article and by-laws.

6 SEC. 8. **Board of Directors of PCCI, Composition and Manner of
7 Election; Executive Officers.** - The articles of incorporation and by-laws of the
8 PCCI as a non-stock, non-profit corporation shall be governed by the Corporation
9 Code of the Philippines.

10 Article III

11 The Local Chambers

12 SEC. 9. **Establishment of Local Chambers; Certification.** - The standard
13 by-laws for local chambers shall provide the criteria for the establishment of local
14 chambers. Local chambers shall be organized as non-stock, non-profit
15 corporations.

16 Only local chambers organized pursuant to the standard for local chambers
17 shall use the name "Philippine Chamber of Commerce and Industry" as part of their
18 corporate names.

19 The Securities and Exchange Commission shall not approve the articles and
20 by-laws of a local chamber, including amendments thereto, unless the National
21 Federation certifies that it has met the requirements of this Act, and that its by-
22 laws are consistent with the standard by-laws for local chambers adopted by the
23 federation under Section 12 of this Act.

24 SEC. 10. **Common Functions of Local Chambers.** - Local chambers shall
25 have the following common duties:

26 a) to establish and maintain a Business Registry for all business
27 enterprises within its territory. The Business Registry shall be periodically
28 updated, and shall contain pertinent data that may be required for trade
29 and investment promotions of Philippine businesses;

- 1 b) to promote trade, industry, agriculture, finance and the economy in
2 general;
- 3 c) to give business advice and to provide services to its members; and
- 4 d) to undertake such other activities as may be beneficial to its members, or
5 as may be entrusted to it by the government.

6 SEC. 11. **Standard Chamber By-Laws.** The National Federation shall
7 provide for standard chamber by-laws for local chambers consistent with and in
8 accordance with Philippine Laws on non-stock, non-profit corporations.

9 SEC. 12. **Fees and Duties.** Membership fees, duties, assessments shall
10 be provided by the local chamber in its by-laws, consistent with the standard by-
11 laws for local chambers.

12 Dues and contributions to be paid by the local chamber to the National
13 Federation shall be fixed by the federation in its by-laws.

14 **Article IV**

15 **Miscellaneous Provisions**

16 SEC. 13. **Incentives; Representation and Consultation.** – To ensure the
17 effective implementation of this Act, the following incentives shall be extended to
18 accredited and registered chambers:

- 19 a) to represent the private sector, or to nominate the private sector
20 representative in government boards, agencies and instrumentalities,
21 and other special bodies created by law, where private sector
22 representation is needed or required; and
- 23 b) to represent the private sector in trade and investment promotion
24 activities of the National Government as well as the local governments.

25 SEC. 14. **Exclusivity of Name .** - After two (2) years from the effectivity of
26 this Act, no institution other than the PCCI or a local chamber established under
27 this Act shall use the phrase "Philippine Chamber of Commerce and Industry" as
28 its corporate name or part thereof. The by-laws of the National Federation shall
29 provide for a uniform format for the corporate name of local chambers.

1 Any violation of this provision shall be a ground for the dissolution of the
2 offending corporation, without prejudice to any civil or criminal liability under the
3 law.

4 **SEC. 15. *Cooperation of Government Agencies and Local Government***
5 ***Units.*** - To achieve the objectives of this Act, including the establishment and
6 maintenance of a Philippine business database, agencies of the National
7 Government and Local Government Units shall cooperate with and render all
8 possible assistance to local chambers, regional groupings thereof and the National
9 Federation.

10 **SEC. 16. *Implementing Rules and Regulations.*** - Within three (3)
11 months after the effectivity of this Act, the Securities and Exchange Commission
12 and the Department of Trade and Industry in consultation with the existing
13 Philippine Chamber of Commerce and Industry shall promulgate rules and
14 regulations necessary to implement the provisions of this Act.

15 **SEC. 17. *Rules of Interpretation.*** The provisions of this Act shall be
16 liberally construed in favor of the CCI.

17 **SEC. 18. *Dissolution of Chambers.*** The dissolution of existing chambers
18 of commerce and industry and CCIs created under this Act shall be pursuant to the
19 Corporation Code of the Philippines.

20 **SEC. 19. *Transitory Provisions.*** - Existing chambers of commerce and
21 industry shall continue as such: Provide, That within two (2) years from the date of
22 the effectivity of this Act, they shall comply with the provisions of this Act as
23 certified by the National Federation, otherwise they shall cease to be a CCI and
24 shall function as an ordinary corporation or association.

25 The existing Philippine Chamber of Commerce and Industry shall be deemed
26 the National Federation for purposes of this provision.

27 **Article V**

28 **Final Provisions**

1 SEC. 20. **Repealing Clause.** – All laws, decrees, orders, rules and
2 regulations or parts thereof if any, inconsistent with this Act are hereby deemed
3 amended, repealed, or modified accordingly.

4 SEC. 21. **Separability Clause.** If for any reason, or reasons, any part or
5 provision of this Act shall be held unconstitutional or invalid, other parts or
6 provisions hereof which are not affected thereby shall continue to be in full force
7 and effect.

8 SEC. 22. **Effectivity.** This Act shall take effect fifteen (15) days after its
9 publication in at least two (2) national newspapers of general circulation.

Approved,