

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



Senate  
Office of the Secretary

13 AUG 29 AIO :29

SENATE

Senate Bill No. 1404

RECEIVED BY: 

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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### EXPLANATORY NOTE

This bill seeks to enhance international trade policy formulation and negotiations through the creation of the Philippine Trade Representative Office (PTRO). The PTRO shall be a separate agency that shall handle international trade policy formulation and negotiations and at the same time ensure effective coordination with other branches of government. It is envisioned that this measure shall synchronize all coordinating bodies involved in policy formulation and negotiations thereby contribute to the substantial trade and investments in our country.

The present set up clearly shows an overlapping of functions and responsibilities wherein several line agencies and *ad hoc* committees are mandated to handle trade negotiations. For instance, the **Trade and Related Matters Committee (TRMC)** is tasked to coordinate agency positions and recommend national positions for international and economic negotiations. It has a Technical Committee composed of different line agencies handling trade and investments agreements such as the **Technical Committee on WTO Matters (TCWM)**. The TCWM has technical subcommittees on agriculture, services, industrial goods and other rules which are headed by the DA, NEDA, DTI-BOI and DTI. The **Philippine Council on ASEAN and APEC Cooperation (PCAAC)** handles matters on ASEAN and APEC. However, the **Bureau of International Trade Relations (BITR)** under the DTI also maintains desks for ASEAN and APEC concerns. The **Philippine Coordinating Committee (PCC)** is also assigned on JPEPA matters. The **Department of Foreign Affairs (DFA)** is also involved in international relations.

This measure is a consolidated/substituted bill drafted by the Committees on Trade and Commerce, Foreign Relations and Finance during the 14<sup>th</sup> Congress.

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

  
JINGGOY EJERCITO ESTRADA  
Senator

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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

**SECTION 1. Title.** - This Act shall be known as the "**Accountability in  
International Trade Negotiations Law of the Philippines**".

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

**SEC. 3. Definition of Terms.** -

- a). "**Commerce**" refers to the entire range of activities connected with the  
production, manufacturing, accumulation, gathering, mining,  
raising, harvesting, exchange or buying and selling of  
something of economic value such as agricultural products,  
minerals, goods, services, information, debt instruments,  
shares of stock or equity, derivatives, and money. It also  
includes capital formation, either through debt or equity,  
savings, and investments. Finally, it likewise includes the  
obligations, rights, and duties of all economic Entities such  
as natural persons, corporations, partnerships, and  
governmental entities;

- b) **"Consultation mechanism"** refers to the means by which stakeholders and sectors could participate effectively and meaningfully in the governmental process of drawing up our international trade policy, and in coming up with all other policies and rules affecting all aspects of international trade;
- c) **"Fair trade"** refers to a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade between contracting nations;
- d) **"Investment"** refers to the act of putting money to a business, either by directly buying or leasing assets, hiring personnel, and entering into a whole gamut of contracts needed to run an ongoing concern, or by buying equity in a business - typically in the form of shares of stock;
- e) **"Legal"** refers to the characterization of an act that is not contrary to Philippine laws, including international commercial agreements to which the Philippines is a party, and the accession of the parties to a trade and/or investment agreement;
- f) **"Multi-sectoral"** refers to a grouping of different sectors of the economy;
- g) **"Non-government organizations"** refer to non-stock, non-profit corporations organized under the laws of the Republic of the Philippines doing charitable, educational, religious, social, economic, and other not-for-profit endeavors;
- h) **"Private sector"** refers to the for-profit sector of the economy that is owned by or is composed of private individuals, including natural persons, doing business in their personal capacities;
- i) **"Research"** refers to the study of the potential or actual economic implications of a proposed or existing trade agreement and the validation of its findings among the stakeholders;
- j) **"Sectors"** refer to the different economic or commercial groups composed of members with substantially common commercial interest, including business, labor, peasants, farmers, fisherfolk, consumers, private sector, public sector, service sector, and manufacturing sector;
- k) **"Stakeholders"** refer to persons or groups of persons with legitimate interest in commerce or whose economic well-being will be affected by any government policy or law affecting commerce - either as factors in the production, sale, or distribution of goods and services, or as consumers or beneficiaries thereof;
- l) **"Trade"** refers to the voluntary exchange of goods, services and all things of economic value, whether or not across national borders;
- m) **"Trade and Investment Agreement"** or **"International Trade and Investment Agreement"** refers to an accord whereby two (2) or more countries bind themselves to a set of rules that govern the commercial and investment transactions of persons originating from any of the parties to the agreement. When it is just between two (2) countries, it is called a

*Bilateral Agreement*. On the other hand, if it involves more than two (2) countries, then it is called a *Multilateral Agreement*, *Regional Agreements* are those among countries within the same geographical area as contemplated by the agreement. *Plurilateral Agreements* are specialized agreements included in a multilateral agreement, and where the parties have the option of acceding;

- n) **"Trade Dispute"** refers to a disagreement between two (2) or more countries to a trade agreement that arises when at least one country adopts a trade policy measure or takes some action that one or more fellow members consider to be a breach of the agreement, or a failure to live up to obligations under the agreement.

## CHAPTER 2

### CREATION AND FUNCTIONS OF THE PHILIPPINE TRADE REPRESENTATIVE OFFICE AND PHILIPPINE TRADE REPRESENTATIVE

**SEC. 4. Creation.** - There is hereby created within the Office of the President the Philippine Trade Representative Office hereinafter referred to as the "PTRO." The PTRO shall be headed by the Philippine Trade Representative who shall be appointed by the President, subject to confirmation by the Commission on Appointments. , He shall hold a fixed term of six (6) years, shall be entitled to receive the same allowances as a Chief-of-Mission, and shall have the rank of Cabinet Secretary. Further, the PTRO shall have three (3) Deputy Philippine Trade Representatives who shall be appointed by the President. Each Deputy Philippine Trade Representative shall hold office at the pleasure of the President and shall have the rank of Undersecretary. The Deputies shall have a term of six (6) years each. The first set of Deputies shall have six-, four-, and two-year terms respectively so that, thereafter, a Deputy shall be replaced every two years. They can be re-appointed for no more than a second term.

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

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

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

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

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

**SEC. 6. Functions of the Philippine Trade Representative Office.** - The Philippine Trade Representative Office shall:

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

b) Serve as the principal advisor to the President on international trade policy and shall advise the President on the impact of other policies of the Philippine Government on international trade;

c) Negotiate trade and investment agreements on the basis of the Philippine Constitution and other laws, and represent the Philippines in all international trade negotiations, including, but not limited to, any matter considered under the auspices of the World Trade Organization, and other regional and bilateral commodity and direct investment negotiations: in which the Philippines participates;

d) Monitor and enforce the implementation of Philippine international trade policy, including direct investment matters to the extent that they are related to international trade policy;

e) Assert and protect the rights and interests of the Philippines under all bilateral, regional and multilateral trade agreements by coordinating quick and decisive inter-agency response to specific cases of unfair trade practices and import surges; and

f) Perform such other functions inherent to his functions, and as the President may direct.

**SEC. 7. Functions of the Philippine Trade Representative.** - The Philippine Trade Representative may, for the purpose of carrying out his functions in this Act:

- (1) Create the organizational structure of Philippine Trade Representative Office consistent with its mandate and functions provided in this Act, and according to strategic needs, and review the same regularly;

- (2) Select, appoint, employ, and fix the compensation of the officers and employees of the PTRO as necessary, subject to the civil service and classification laws;
- (3) Employ experts and consultants in accordance with the relevant laws and compensate individuals so employed for each day;
- (4) Promulgate such rules and regulations as may be necessary to carry out the functions, powers and duties vested in him;
- (5) Create sectoral and thematic desks that will receive and facilitate, as may be required in this Act, complaints, information and concerns pertaining to unfair trade practices and import surges;
- (6) Consult with national agencies in connection with the performance of his functions, subject to Section 17 of this Act;
- (7) Call upon and deputize, in times of trade policy formulation and negotiation, the national agencies and its personnel, and correspondingly use the services of the deputized agency, whose functions are related to or affect international trade policy, including direct investment matters to the extent that they are related to international trade policy;
- (8) Enter into and perform such contracts, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the PTRO and on such terms as the Philippine Trade Representative may deem appropriate, with any agency or instrumentality of the Philippine government or with any public or private person, firm, association, corporation, or institution;
- (9) Accept voluntary and uncompensated services, notwithstanding the provisions of the Civil Service Code;
- (10) Adopt an official seal, which shall be judicially noticed;
- (11) Delegate any of his functions, powers and duties to officers and employees of the PTRO as he may designate;
- (12) Authorize such successive re-delegations of functions, powers and duties to officers and employees of the PTRO as he may deem appropriate; and,
- (13) Perform such other functions inherent to his functions, and as the President may direct pursuant to this Act.

**SEC. 8. *Ex-Officio Positions and Functions of the Philippine Trade Representative.*** - The Philippine Trade Representative shall be entitled to the following ex-officio positions and functions:

- (1) Senior representative on any body that the President may establish for the purpose of advising the President on overall economic policies in which international trade matters predominate; and
- (2) Participant in all economic summits and other international meetings at which international trade is a major topic.

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

### **CHAPTER 3**

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

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

**SEC. 11. *Amendment to Structure and Functions of the CTRM*** - The existing Committee on Tariff and Related Matters (CTRM), created under Section 6 of Executive Order No. 230 dated 22 July 1987 on Reorganizing the National Economic and Development Authority, shall henceforth function as follows:

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

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

### **CHAPTER 4**

#### **ORGANIZATION, MANAGEMENT AND ADMINISTRATION OF THE PHILIPPINE TRADE REPRESENTATIVE OFFICE**

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

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

- a) Generate, maintain, and update records/files of comprehensive national and international trade statistic, tariff and non-tariff measures, and investment- related data;
- b) Conduct sectoral and macro level impact assessment and/or potential effects of the country's trade negotiating positions or an eventual trade agreement and validate such studies;
- c) Provide the general public access to trade data and information and other relevant documents through online databases, journals, publications, etc.
- d) Collaborate with government and non-government research institutions in research concerning trade and investments policies and programs in relation to the national development program;
- e) Tap the foreign trade service corps to get market intelligence information with regard to commercial, industrial and general economic conditions, as well as non- economic conditions affecting Philippine products both in the export and domestic markets; and
- f) Perform other functions as may be provided by law or assigned by the Trade Representative or Deputy Trade Representative. The PTRO shall also conduct, or facilitate the conduct of, trainings and courses for the benefit of the technical staff of the PTRO in order to build, improve, and enhance their capacity and competence in trade negotiations.

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

- a) Provide legal advice to the. PTRO, including legal advice on trade and investment negotiations;
- b) Interpret laws and rules affecting the operation of the PTRO;
- c) Prepare contracts and instruments to which the office is a party, and interpret provisions of contracts covering work performed for the office by private entities;
- d) Assist in the promulgation of rules governing the activities of the office;
- e) Prepare comments on proposed legislation concerning the office;
- f) Assist the Solicitor General in suits involving the office or its officers or employees, or act as their principal counsel in all actions taken in their official capacity before judicial or administrative bodies;
- g) Assist the office in ensuring that the rights and interests of the Republic of the Philippines are protected. In the WTO agreements, other multilateral trade, regional, multilateral and bilateral trade and investment agreements, and ensure that counterpart countries comply with their obligations in the agreements;



- h) Assist, unless deputized to represent, the Philippine Trade Representative appearing as counsel of the Republic of the Philippines in any dispute settlement before the WTO, other multilateral trade agreements, bilateral trade agreements, or in any other suit involving international trade; and
- i) Perform such other functions as may be directed by the PTRO.

**SEC. 16. *Inter-Agency and Private Sector Coordination on Unfair Trade Practices.*** - In carrying out his functions and responsibilities with respect to unfair trade practices and import. Surges, the Philippine Trade Representative shall:

- a) Coordinate the use of inter-agency resources to identify, address, and resolve specific cases of unfair trade practice;
- b) Identify and refer to the appropriate department or agency of the national government for action any information identified in the report required under Section 24 (b) hereof, or report other such information that establish or may show an unfair trade practice because it is either: considered to be inconsistent with the provisions of any trade agreement, or has a significant adverse impact on Philippine commerce, including on domestic firms or industries that are either too small or financially weak to initiate proceedings under the trade laws;
- c) Identify on a biennial basis, Philippine government policies and practices that, if engaged in by a foreign government, might constitute unfair trade practices under Philippine law;
- d) Designate the Legal Services Division of the PTRO to collaborate with relevant agencies and stakeholders to identify, address, and resolve specific unfair trade practices identified by the Committee; and
- e) Perform such other acts inherent to the foregoing.

## CHAPTER 5 SPECIAL POWERS OF THE PHILIPPINE TRADE REPRESENTATIVE OFFICE

**SEC. 17. *Issuance of Compulsory Processes.*** - Pursuant to Section 6 of this Act, the Philippine Trade Representative Office, in aid of trade policy formulation and negotiation, shall have the power and authority to invite or summon by *subpoena ad testificandum* any public official, private citizen or any other person to testify before it, or require any person by *subpoena duces tecum* to produce before it such records, reports, documents or other materials as it may require. There shall be a compliance within 30 days to the subpoena issued otherwise any failure to comply is punishable under Section 28 of this Act.

**SEC. 18. *File Cases Against Violators.*** - The PTRO shall have the authority to file cases and other appropriate legal actions to further its mandate under Section 6 (d) and (e), and collaborate, if necessary, with relevant government agencies and stakeholders in order to protect the rights and interests of the Philippines in relation to trade and trade-related investments.

**CHAPTER 6**  
**PRIVATE SECTOR PARTICIPATION PRIVILEGES AND OBLIGATIONS**

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

- a) *Committee Consultation* - The Philippine Trade Representative shall seek information and advice from representatives of the private sector and non-government organizations on trade and investment policy based on a national development agenda aimed at balancing the interests of various stakeholders with respect to:
- 1) negotiating objectives and bargaining positions before entering into a trade and investment agreement;
  - 2) the operation, implementation, and monitoring of any trade and investment agreement once entered into;
  - 3) trade remedies, dispute settlements, non-compliance and/or violations to any trade and investment agreement; and
  - 4) other matters arising in connection with the development, implementation and administration of the trade and investment policy.
- b) *Membership and Organization* - The Committee shall consist of not more than 20 members consisting of representatives of industry, agriculture, labor, small business, service industries, retailers, and consumers. The Committee shall be broadly representative of key economic sectors and groups affected by trade. The Philippine Trade Representative shall preside over the Committee, which will meet as needed at the call of the Committee Chairman or the Philippine Trade Representative depending on various factors such as the level of activity of trade negotiations. Members of the Committee and Subcommittees shall be appointed by the Philippine Trade Representative upon the endorsement of various non-government organizations and stakeholders. Members of the committee shall serve without either compensation or reimbursement of expenses.
- c) *Sub-sectoral Advisory Committees* - Sub-sectoral advisory committees shall be defined by the Philippine Trade Representative for trade and investment policy formulation and negotiations. These Committees shall be broadly representative of the key sectors and groups of the economy, particularly with respect to those sectors and groups which are affected by trade and shall consist of representatives of industry, academe, agriculture, fisheries, labor, small business, service industries, retailers, consumer interest and other stakeholder groups.
- d) *Committee Meetings* - The PTRO shall call for a regular meeting of MSAC during the First and Third Quarter of the year; *Provided*, that a notice be given to its members at least two (2) weeks prior to the scheduled MSAC meeting, and may call for special meeting as may be necessary.

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

- a. Provide the Philippine Trade Representative overall policy advice on trade and trade-related matters;
- b. Provide technical support to the Philippine Trade Representative by drawing upon the knowledge and expertise of its members;
- c. Prior to any trade negotiation, participate in the development of the negotiation objectives and bargaining positions of the country and at the conclusion of negotiations for each trade agreement entered into, provide a report to the Philippine Trade Representative to form part of the latter's report to the President and Congress, pursuant to Section 5(g) hereof. The report of the Committee shall include an assessment and evaluation of whether and to what extent the agreement promotes Philippine economic interest and achieves the applicable overall and principal negotiating objectives set forth; and,
- d. Recommend to the Philippine Trade Representative the participation of private sector representative to accompany the Philippine delegation in an observer capacity in trade negotiations. All expenses incurred by the private sector representative shall be for the account of the representative or his/her organization. In order to carry out the foregoing functions, the Philippine Trade Representative shall identify and accredit groups or networks of local industrial and agricultural producers and exporters whose assistance may be availed of. Members of the Multi-sectoral Advisory Committee shall serve without either compensation or reimbursement of expenses.

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

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

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

- a) Have the responsibility to approve and set the agenda for all Multisectoral Advisory Committee meetings;
- b) Provide clerical and other necessary staff support for the Multi-sectoral Advisory Committee meetings; and,
- c) Call the Multi-sectoral Advisory Committee to meet depending on various factors such as the level of activity of trade negotiations.

## CHAPTER 7 FINAL PROVISIONS

**SEC. 23. *Joint Congressional Oversight Committee on International Trade Agreements.*** - There shall be a Joint Congressional Oversight Committee on International Trade Agreement to which the PTRO shall regularly report to ensure concurrence and authority regarding negotiating mandate and parameters, and shall comply immediately to any order of the Joint Congressional Oversight Committee. The Oversight Committee shall be composed of five (5) members from the Senate, which shall include the Senate President, and the Senate Majority and Minority Floor Leaders, and five (5) members from the House of Representative, which shall include the Speaker of the House, and the Majority and Minority Floor Leaders. The Oversight Committee shall conduct a periodic review and evaluation of the performance of the PTRO, including its officials, every three (3) years. An independent panel composed of experts to be appointed by the Oversight Committee shall review the activities and performance of the PTRO and shall make recommendations, based on its findings, to the Oversight Committee. The independent panel of evaluators shall likewise conduct consultations with stakeholders in the conduct of the review.

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

- a.) Report to Congress and to the Multi-Sectoral Advisory Committee as herein created any intention to negotiate. Any economic treaty, be it bilateral, regional or multilateral. At the minimum, the report shall contain the subject matter for negotiations and the general objectives of the government. The PTRO shall update Congress and the Multi-sectoral Advisory Committee, whenever practical, on the negotiations, including the offers and counter-offers of all the parties and shall also notify Congress and the Multi2sectoral Advisory Committee of any tentative or final agreement of the parties.
- b.) The Philippine Trade Representative shall submit a bi-annual report directly to the President, Congress and the Multi-sectoral Advisory Committee regarding the implementation, operation and effectiveness of any trade and investment agreement entered into including the status of ongoing trade and investment negotiations, in which the Philippines participates.

**SEC. 25. *Transfer of Functions.*** - The functions of the Bureau of International Trade Relations and other related positions under the Department of Trade and Industry, Attaches and Permanent Mission to the WTO, Association of South East Asian Nations (ASEAN) and the United Nations International Organization (UNIO) are hereby transferred under the direct control and supervision of the PTRO. The foregoing transfer of powers and functions shall include all applicable funds and appropriations, records, equipment, property, and personnel as may be necessary.

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

appropriated to the PTRO such additional sums as may be provided by law for the salaries of its officers and employees to reflect pay rate changes made in accordance with the Salary Standardization Act, and for other purposes as may be appropriated.

**SEC. 27. *Implementing Provisions.*** - Within 60 days from the effectivity of this Act, the President shall appoint the Philippine Trade Representative, together with his Deputies. The PTRO shall, in consultation with the Departments of Trade and Industry, Agriculture, and Foreign Affairs and the National Economic Development Authority, issue the implementing rules and regulations necessary to implement the provisions of this Act, 180 days from the date of appointment of the Philippine Trade Representative.

**SEC. 28. *Provision on Administrative Fines and Penalties.*** -

- a.) *Penalty for Non-compliance on Issuance of Compulsory Processes* – Any person or entity who shall fails to comply to the subpoena issued by the PTRO within the 30-day deadline shall suffer the penalty of imprisonment for a period of not less than six (6) months nor more than one (1) year or shall be imposed a fine of not less that One hundred thousand pesos (Php100,000.00) nor more than Five hundred thousand pesos (Php500,000.00), at the discretion of the court.
- b.) *Penalty for Violation of Confidentiality Agreement* - Any person or entity who shall violate the confidentiality agreement under this Act shall suffer the penalty of imprisonment for a period of not less than six (6) months nor more than one (1) year or shall be imposed a fine of not less that Two hundred fifty thousand pesos (Php250,000.00) nor more than Five hundred thousand pesos(Php500,000.00), at the discretion of the court. The PTRO shall have the power to remove the membership in the MSAC of any member in violation of this provision.
- c.) *Power to Impose Administrative Fines and Penalties* - After due notice and hearing, the Philippine Trade Representative shall have the power to impose administrative fines against any person, organizations, or any other entity, in such amount as it may deem reasonable, which in no case shall be less than Fifty thousand pesos (Php50,000.00) nor more than Five million pesos (Php5,000,000.00) for violations of any provisions under this Act.

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

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

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

*Approved,*