


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

7 JUL 26 11 25

SENATE

RECEIVED BY: 

S.B. No. 1382

Introduced by Senator Loren Legarda

EXPLANATORY NOTE

This bill seeks to establish a chamber system in the Philippines for micro-, small- and medium-scale enterprises (MSMEs). It seeks to advance two major Constitutional provisions, to wit: Article II, Section 20 which provides that the State recognize the indispensable role of the private sector, encourage private enterprise and provide incentives to needed investments; and Article XIII, Section 2 expresses the commitment to create economic opportunities based on freedom of initiative and self-reliance.

MSMEs form the backbone of the local economy. Based on 2003 National Statistics Office (NSO) survey, 99 percent of the more than 800,000 business establishments in the Philippines MSMEs. Around 70 percent of these MSMEs are concentrated in two sectors: wholesale and retail, and manufacturing. According to a study by the Philippine Institute for Development Studies (PIDS), the manufacturing sector had the largest share to total exports and largest contribution in terms of census value added and this is where most of the export-oriented MSMEs can be found. The same study reveals that MSMEs collectively employ around 70 percent of total employment.

Despite the significant contribution and potential of MSMEs to national development, these establishments do not have an effective mechanism for cooperation and mutual assistance. The establishment of a chamber system based on the one local-chamber of commerce and industry (CCI)-per-geographic-area principle will be a viable medium through which support services can be channeled. It will also enable entrepreneurs to have a stronger voice in the development of policies that seek to promote their and further enhance their contribution in economic development.

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



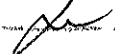
LOREN LEGARDA

Senator

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AN ACT
PROVIDING FOR A CHAMBER OF COMMERCE AND INDUSTRY SYSTEM,
PROMOTING ORDER, EFFICIENCY, AND EFFECTIVE DELIVERY OF SERVICE
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 Philippines in Congress assembled:

SECTION 1. Title. This Act shall be known and cited as the "Chamber of Commerce and Industry Act of 2007."

SECTION 2. Declaration of Policy - It is the policy of the State to recognize the indispensable role of the private sector, encourage private enterprise, and provide incentives to needed investments in nation-building. Towards this end, a chamber of commerce and industry system be established to achieve accelerated economic growth and development and to compete in the global market.

SECTION 3. Application. - For purposes of this Act, the following terms shall mean:

- a) "Philippine Business Registry Databank (PBRD)" is the repository of relevant economic or business information of all business enterprises within a particular territory.
- b) "Business enterprises" refers to entities organized for profit and registered and doing business in the Philippines under existing laws.
- c) "Chamber of Commerce and Industry" or "CCI" means an institution established by several business enterprise under this Act and the Corporation Code of the Philippines;
- d) "National federation" is the organization of all CCIs in the national - level; and
- e) "Supervision" refers to the exercise of oversight functions by the national federation over the local' chamber members or local chambers, in the promotion of efficiency delivery of services between and among CCIs and its enterprises members.

SECTION 4. Establishment of the Chamber of Commerce and Industry System.

- There is hereby established of CCIs in the Philippine and the system under this Act shall have the following organizational set-up:

- a) A National Federation, which shall be the federation of local chamber members;
- b) Local chamber members in municipalities, cities, or provinces; and
- c) Such other entities, as may be provided for the rules and regulations, policies and by-laws adopted by the national federation.

The federation may provide for regional/provincial groupings of local chamber members for purposes of better coordination.

ARTICLE II THE NATIONAL FEDERATION

SECTION 5. National Federation and the Role of the PCCI – The National Federation shall be called the Philippine Chamber of Commerce and Industry or PCCI, which shall be organized as a non-stock, non-profit corporation, and shall have the following functions and responsibilities:

- a) act as the voice of the Philippine business sector at the national and international levels; and
- b) supervise and coordinate the activities of local chamber members.

SECTION 6. Members in the in the PCCI - The PCCI shall have such members as may be provided in its articles and by-laws.

SECTION 7. Board of Directors of PCCI, Compositin, and Manner of Election; Executive Officers. – The articles of incorporation and by-laws of PCCI as a non-stock, non-profit corporation shall be governed by the Corporation Code of the Philippines.

ARTICLE III - THE LOCAL CHAMBER MEMBERS

SECTION 8. Establishment of Local Chamber Members; Certification. - The by-laws for local chamber members shall provide the criteria for the establishment of local chamber members. Local chamber members shall be organized as non-stock and non-profit corporations. Only local chamber members organized pursuant to this Act use the name "Philippine Chamber of Commerce and Industry" as part of their corporate names.

The Securities and Exchange Commission shall not approve the articles and by-laws of at local chamber members, including amendments thereto, unless the National Federation certifies that it has met the requirements of this Act, and that its by-laws are consistent with the standard by-laws for local chambers adopted by the federation under Section 10 [12] of this Act.

SEC. 9. Common Functions of Local Chamber Members – Local chamber members shall have the following common duties:

- a) To establish and maintain a Business Registry for all business enterprises within its territory. The Business Registry shall be periodically updated, and shall common pertinent data that may be required for trade and investment promotions of Philippine businesses;
- b) To promote trade, industry, agriculture, finance and economy in general;

- c) To give business advice and to provide services to members; and
- d) To undertake such other activities as may be beneficial to its members, or as may be entrusted to it by the government.

SEC. 10. Standard Chamber By-Laws - The National Federation shall provide for standard chamber by-laws on non-stock and non-profit corporations.

SECTION 11. Fees and Duties - Membership fees, dues and assessments shall be provided by the local chamber members.

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

ARTICLE IV - MISCELLANEOUS PROVISIONS

SECTION 12. Incentives Representation and Consultation - To ensure the effective implementation of this Act, the following incentives shall be extended to accredited and registered chambers.

- (a) To represent the private sector, or to nominate the private sector representative, in government boards, agencies and instrumentalities, and other special created by law, where private sector representations is needed or required; and
- (b) To represent the private sector in trade and investment promotion activities of the national Government as well as the local governments.

SECTION 13. Exclusivity of Name - After two (2) years from the effectivity of this Act no institution other than the PCCI or a local chamber member established under this Act shall use the phrase "Philippine Chamber of Commerce and Industry" as its corporate name or a part thereof. The by-laws of the National Federation shall provide for a uniform format for the corporate name of local chamber members.

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

SECTION 14. Cooperation of Government Agencies and Local Government Units. - To achieve the objectives of this Act, including the establishment and maintenance of a Philippine business database, agencies of the National government and local government units shall comply with Republic Act No. ____ (S.B. Nos 1827 and 1909 and H.B. 8848 on the Philippine Business Registry databank or BRD) [with the] and render all possible assistance to local chamber members, regional groupings thereof and the National Federation.

SECTION 15. Implementing Rules and Regulations - within three (3) months after the effectivity of this Act, the Securities and Exchange Commission and the Department of Trade and Industry, in consultation with existing Philippine Chamber of Commerce and Industry, shall promulgate rules and regulations necessary to implement the provision of this Act.

SECTION 16. Rules and Interpretations. - The provisions of this Act shall be liberally construed in favor of the CCI.

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

SECTION 18. Transitory provision - Existing chambers of commerce and industry shall continue as such: Provided, that within two (2) years from the date of the effectivity of this Act, they shall comply with the provisions of this Act as certified by the national Federation otherwise, they shall cease to be a CCI and shall function as an ordinary corporation or association.

ARTICLE V - FINAL PROVISIONS

SECTION 19. Repealing clause - All laws, decrees, orders, rules and regulations or part thereof, if any, inconsistent with this Act are hereby deemed amended, repealed or modified accordingly.

SECTION 20. Separability Clause - If, for any reason, a part or a provision of this Act shall be held unconstitutional or invalid, other parts or provision hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 21. Effectivity - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

APPROVED,