

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



Senate
Office of the Secretary

13 JUL 23 P4:48

SENATE

S.B. NO. 1084

RECEIVED BY: *ja*

Introduced by Senator TEOFISTO "TG" GUINGONA III

EXPLANATORY NOTE

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

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

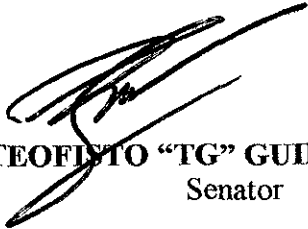
This bill seeks to establish a singular entity called the Philippine Trade Representative Office (PTRO) to be responsible and accountable for positions developed and commitments made in international trade agreements/treaties. The establishment of the Philippine Trade Representative Office seeks to improve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

In establishing the PTRO, the following objectives are sought:

- Enhanced negotiation capacity for Philippine negotiators
- Increased transparency and relevant participation for stakeholders
- Accountability for officials involved in the process of trade, investment, and commodity agreement negotiations
- Coherence and cohesiveness in the Philippine trade, commodity, and investment strategy in relation to agreements with international players
- Participation of Congress in the processes relevant to international trade because of the clear recognition that while trade, investment, and commodity agreements involve foreign partners, the formulation of policies in relation to

national economy, commerce, and development, whether these be purely domestic in application or international, is a shared duty of all different branches of the Philippine government. In other nations, the legislative branch plays an active role in treaty negotiation. In the United States, members of Congress can join the negotiation teams and actually be present during the negotiation process. They can propose provision to be included, modified, and even removed from the US commitments in the treaty. In the European Union, the European Parliament does not only give its assent to proposed free trade agreements, it is also required that they be given a copy of the negotiation proposals [i.e. negotiation mandate] and that they are regularly consulted during the course of the negotiations to ensure that the outcome commands broad support.

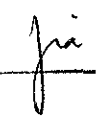
For these reasons, let us enact this measure with dispatch.



TEOFISTO "TG" GUINGONA III
Senator

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SENATE
S.B. NO. 1084

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Introduced by Senator TEOFISTO "TG" GUINGONA III

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

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

- 1 **SECTION 1. TITLE.** This Act shall be known as the "Charter of the Philippine Trade
- 2 Representative Office".
- 3
- 4 **SECTION 2. DECLARATION OF POLICY.** The State shall pursue a trade policy that
- 5 serves the general welfare, creates jobs, ensures food sovereignty, and supports rural and
- 6 industrial development. This envisioned trade policy must utilize all forms and arrangements
- 7 of exchange on the basis of fair trade, equality, and reciprocity. In trade and investment
- 8 negotiations, the State shall pursue greater market access in harmony with its duty to protect
- 9 Filipino citizens and enterprises against unfair foreign and trade practices.
- 10
- 11 It is also the declared policy of the State to ensure the right of the people and/or their
- 12 organizations to be duly informed on matters of public concern and the right to effectively
- 13 and reasonably participate at all levels of social, political, and economic decision-making.
- 14
- 15 Congress has the power to regulate commerce, including commerce with foreign nations, and
- 16 has the power to reorganize the bureaucracy in order to make it more responsive to the needs
- 17 of all the stakeholders in the Philippine economy and the exigencies of international
- 18 economic relations. Any international commodity, investment, economic, commercial and/or
- 19 trade agreement entered into by the government constitutes regulation of commerce and will
- 20 affect the different stakeholders in our economy. Hence, it is essential that any agreement is
- 21 harmonized with our existing domestic commercial laws and our Constitution.
- 22
- 23 Moreover, Congress, as one of the three (3) political branches of the government, has power
- 24 over foreign relations, especially international economic relations.
- 25
- 26 For this purpose, and pursuant to the power of Congress to regulate commerce, the State shall
- 27 ensure that a single office shall, with competence and accountability, lead, direct, formulate

1 and coordinate government agencies towards formulating coherent and cohesive policies,
2 positions and measures, and conduct regular stakeholders' consultations with respect to
3 international trade and investment relations and negotiations.
4

5 **SECTION 3. DEFINITION OF TERMS.**

6

7 (a) "**Ambassador**" refers to a diplomatic official accredited to a foreign sovereign or
8 government, or to an international organization, to serve as the official representative
9 of his or her own country. In everyday usage, it applies to the ranking plenipotentiary
10 minister stationed in a foreign capital. The host country typically allows the
11 ambassador control of specific territory called an embassy, whose territory, staff, and
12 even vehicles are generally afforded diplomatic immunity from most laws of the host
13 country.
14

15 (b) "**Civil society**" refers to the totality of voluntary civic and social organizations and
16 institutions that form the basis of a functioning society as opposed to the formal
17 institutions and structures of a State.
18

19 (c) "**Civil society organizations**" shall include non-government organizations (NGOs),
20 cause-oriented groups, people's organizations, cooperatives, trade unions,
21 professional associations, faith-based organizations, media groups, indigenous
22 peoples movements, foundations, and other citizen groups formed primarily for social
23 and economic development, which monitor government projects, engage in policy
24 discussions, and actively participate in collaborative activities with Government.
25

26 (d) "**Commerce**" refers to the entire range of activities connected with the production,
27 manufacturing, accumulation, gathering, mining, raising, harvesting, exchange or
28 buying and selling of something of economic value such as agricultural products,
29 minerals, goods, services, information, debt instruments, shares of stock or equity,
30 derivatives and money. It also includes capital formation, either through debt or
31 equity, savings, and investments. Finally, it likewise includes the obligations, rights
32 and duties of all economic entities such as natural persons, corporations, partnerships
33 and governmental entities.
34

35 (e) "**Consultation mechanism**" refers to the means by which stakeholders and sectors
36 could participate effectively and meaningfully in the governmental process of drawing
37 up our international trade policy, and in coming up with all other policies and rules
38 affecting all aspects of international trade.
39

40 (f) "**Fair trade**" refers to a trading partnership based on dialogue, transparency and
41 respect, that seeks greater equity in international trade. It contributes to sustainable
42 development by offering better trading conditions to, and securing the marginalized
43 producers and workers.
44

45 (g) "**Investment**" refers to the act of putting money to a business, either by directly
46 buying or leasing assets, hiring personnel, and entering into a whole gamut of
47 contracts needed to run an ongoing concern, or by buying equity in a business –
48 typically in the form of shares of stock.
49

- 1 (h) “**Legal**” refers to the characterization of an act that is not contrary to Philippine laws,
2 including international commercial agreements to which the Philippines is a party,
3 and the accession of the parties to a trade and/or investment agreement.
4
- 5 (i) “**Multi-sectoral**” refers to a grouping of different sectors of the economy.
6
- 7 (j) “**Private sector**” refers to that sector of the economy that is owned by or is composed
8 of private individuals, including natural persons doing business in their personal
9 capacities.
10
- 11 (k) “**Research**” refers to the study of the potential or actual economic implications of a
12 proposed or existing trade agreement and the validation of its findings among the
13 stakeholders.
14
- 15 (l) “**Sectors**” refers to the different economic or commercial groups composed of
16 members with substantially common legitimate commercial interest, including but not
17 limited to business, labor, peasants, farmers, fisherfolk, consumers, private sector,
18 public sector, service sector and manufacturing sector.
19
- 20 (m) “**Stakeholders**” refers to persons or groups of persons with legitimate interest in
21 commerce or whose economic well-being will be affected by any government policy
22 or law affecting commerce – either as factors in the production, sale, or distribution of
23 goods and services, or as consumers or beneficiaries thereof.
24
- 25 (n) “**Trade**” refers to the voluntary exchange of goods, services and all things of
26 economic value, whether or not across national borders.
27
- 28 (o) “**Trade and investment agreement or international trade and investment**
29 **agreement**” refers to an accord whereby two (2) or more countries bind themselves to
30 a set of rules that govern the commercial and investment transactions of persons
31 originating from any of the parties to the agreement. When it is just between two (2)
32 countries, it is called a Bilateral Agreement. On the other hand, if it involves more
33 than two (2) countries, then it is called a Multilateral Agreement. Regional
34 Agreements are those among countries within the same geographical area as
35 contemplated by the agreement. Plurilateral Agreements are specialized agreements
36 included in a multilateral agreement, and where the parties have the option of
37 acceding.
38
- 39 (p) “**Trade dispute**” refers to a disagreement between two (2) or more countries to a
40 trade agreement that arises when at least one country adopts a trade policy measure or
41 takes some action that one or more fellow members consider to be a breach of the
42 agreement, or a failure to live up to obligations under the agreement.
43

44 **SECTION 4. CREATION.** There is hereby created the Philippine Trade Representative
45 Office, hereinafter referred to as the “Trade Office” that shall be attached to the Office of the
46 President.
47

48 The Trade Office shall be headed by the Philippine Trade Representative who shall be
49 appointed by the President and confirmed by the Commission on Appointments. S/he shall

1 hold a fixed term of six (6) years, shall be entitled to receive the same allowances as a Chief-
2 of-Mission, and shall have the rank of Cabinet Secretary.

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

7
8 The deputies shall have a term of six (6) years each and can be re-appointed for no more than
9 a second term. Of those first appointed under this Act, one deputy shall serve for six (6)
10 years, another deputy for four (4) years and another deputy for two (2) years.

11
12 **SECTION 5. *QUALIFICATIONS AND LIMITATION ON APPOINTMENTS.***

13
14 (a) **Qualifications.** – The Philippine Trade Representative and Deputy Trade
15 Representatives must be natural-born citizens of the Philippines, and must be at least
16 forty (40) and thirty-five (35) years of age, respectively, of good moral character,
17 unquestionable integrity, and known probity and patriotism, and should possess the
18 academic training, experience, and competence in business, economics, international
19 trade law and policy or trade negotiations.

20
21 The Philippine Trade Representative and Deputy Trade Representatives shall not,
22 during their tenure in office, engage in the practice of any profession, or intervene
23 directly or indirectly in the management or control of any private enterprise which
24 may, in any way, be affected by the functions of their office, nor shall they be
25 financially interested, whether directly or indirectly, in any contract with the
26 government, or in any franchise, or special privilege granted by the government or
27 any subdivision, agency or instrumentality thereof, including government-owned or -
28 controlled corporations or their subsidiaries. They shall strictly avoid conflicts of
29 interest in the conduct of their office.

30
31 (b) **Limitations on Appointments; Disqualifications.** No person shall be appointed
32 Philippine Trade Representative or Deputy Trade Representative if he/she has directly
33 represented, aided, or advised a foreign entity in any trade and/or investment
34 negotiation or trade dispute against the Philippines.

35
36 Likewise, the Philippine Trade Representative, Deputy Trade Representatives, and all
37 members of the research and legal staff of the Office of the Philippine Trade
38 Representative shall not be allowed to be employed, commissioned, or retained by
39 foreign entities, or to do any kind of consultancy or related work for foreign clients on
40 trade and investment issues within two (2) years after the expiration or termination of
41 their service with the Office of the Philippine Trade Representative. They shall
42 likewise maintain at all times the confidentiality of all matters that they have handled
43 during their service with the Office of the Philippine Trade Representative.

44
45 **SECTION 6. *PRESIDENT'S ANNUAL TRADE POLICY PLAN.*** The President, through
46 and with the Trade Office, shall submit an Annual Trade Policy Plan to the Joint
47 Congressional Oversight Committee on Trade and Investment Matters, on or before the 31st
48 of January every year. The Annual Trade Policy Plan shall include, among others, the
49 following:
50

- 1 (a) A summary of the President's trade agenda for the year, including the policy priorities
2 in relation to international trade, commodity, and or investment matters;
3
- 4 (b) An outline of developments and plans in relation to engagements with the World
5 Trade Organization, including but not limited to, developments in the negotiations in
6 agriculture, services, non-agricultural market access (NAMA), trade facilitation, trade
7 in goods, intellectual property, and other related and relevant issues;
8
- 9 (c) Updates and plans for proposed, on-going, and concluded negotiations of bilateral
10 and/or regional agreements; including an identification of possible, proposed, and
11 existing trade partners with respect to the bilateral and/or regional agreements;
12
- 13 (d) Updates and plans for other multilateral activities and trade enforcement efforts;
14
- 15 (e) Other relevant matters related to international trade, commodity, and investment
16 agreements.
17

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

- 23
- 24 (a) Conduct research and legal studies related to trade and investments that will enhance
25 trade policy formulation;
26
- 27 (b) Obtain, collate and maintain a database that shall include, but not be limited to, trade
28 and investment statistics, trade and investment-related laws, policies, trade and
29 investment agreements, and initiatives which have implications on the development of
30 the Philippine negotiating position in trade and investment agreements, and which
31 shall be accessible to the stakeholders;
32
- 33 (c) Undertake consultations with stakeholders in all aspects of trade policy formulation
34 and negotiation, and execution. Stakeholders must also be directly involved in
35 formulating positions related to trade and investment negotiations in line with the
36 national development agenda;
37
- 38 (d) Through regular and meaningful consultation with relevant government agencies, and
39 various stakeholders, formulate the Philippine trade position aimed to support the
40 achievement of the economic goals defined in the Constitution;
41
- 42 (e) Negotiate trade and investment agreements on the basis of the Philippine Constitution
43 and other laws, and represent the Philippines in all international trade negotiations,
44 including, but not limited to, any matter considered under the auspices of the World
45 Trade Organization, and other regional and bilateral commodity and direct investment
46 negotiations: in which the Philippines participates;
47
- 48 (f) Advise the President and Congress on international trade and investment policies and
49 their implications on the domestic economy and the impact of domestic policies on
50 international trade and investment commitments;

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

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

- 31 (a) Create the organizational structure of Trade Office consistent with its mandate and
32 functions provided in this Act, and according to strategic needs, and review the same
33 regularly;
34
- 35 (b) Head the Philippine Trade Representative Office and exercise control and supervision
36 over all its functions and activities and including its organization;
37
- 38 (c) Serve as the chief trade negotiator of the Philippines in international trade and
39 investment agreements including, but not limited to, the WTO, regional, bilateral and
40 plurilateral negotiations, in which the Philippines participates, and shall be
41 responsible for the conduct of such;
42
- 43 (d) Create sectoral and thematic desks that will receive and facilitate referral to
44 appropriate agencies, as may be required in this Act, complaints, information and
45 concerns pertaining to trade and investment matters;
46
- 47 (e) Chair the Inter-agency Coordinating Committee on international trade and
48 investments;
49

- 1 (f) Monitor and enforce the implementation of Philippine international trade policy,
2 including direct investment matters to the extent that they are related to international
3 trade policy;
4
- 5 (g) Coordinate with national agencies in connection with the performance of his
6 functions, subject to Section 15 of this Act;
7
- 8 (h) 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 international
12 trade policy;
13
- 14 (i) Co-chair the Multi-sectoral Advisory Committee in their regular and special meetings;
15 and
16
- 17 (j) Perform such other functions inherent to his functions, and as the President may direct
18 pursuant to this Act.
19

20 **SECTION 9. EX-OFFICIO POSITIONS AND FUNCTIONS OF THE PHILIPPINE**
21 **TRADE REPRESENTATIVE.** The Philippine Trade Representative shall be entitled to the
22 following ex officio positions and functions:
23

- 24 (a) Senior representative on any office/committee/task force/similar bodies that the
25 President may establish for the purpose of advising the President on overall economic
26 policies in which international trade matters predominate; and
27
- 28 (b) Participant in all economic summits and other international meetings at which
29 international trade is a major topic.
30

31 **SECTION 10. FUNCTIONS AND DUTIES OF THE DEPUTY TRADE**
32 **REPRESENTATIVE.** Each Deputy Philippine Trade Representative shall have as his
33 principal function the conduct of trade negotiations under this Act and shall have such other
34 functions as the Philippine Trade Representative may direct.
35

- 36 (a) Lead the negotiations for their respective sectors and/or areas of concern;
37
- 38 (b) Convene and chair the Sub-sectoral Advisory Committees and the Inter-agency
39 Coordinating Subcommittee for their respective sectors and/or areas of concern;
40
- 41 (c) Ensure proper coordination among the various government agencies involved in their
42 specific sectors of concern, and harmonize conflicting negotiating positions;
43
- 44 (d) Prepare sector-specific proposals and negotiating positions and strategies; and
45
- 46 (e) Perform all other functions as may be delegated by the Philippine Trade
47 Representative, or as may be required by the nature or exigencies of their foregoing
48 functions and responsibilities.
49

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

6
7 The Philippine Trade Representative shall consult with concerned agencies and any other
8 agency on trade and investment policy issues, without prejudice to the exercise by the
9 Bangko Sentral ng Pilipinas of its authority as an independent central monetary authority
10 under the Constitution and Republic Act No. 7653 or the New Central Bank Act. All
11 agencies consulted by the Philippine Trade Representative shall participate actively,
12 cooperate fully, and promptly provide to the Philippine Trade Representative all documents
13 and information requested.

14
15 Further, there is hereby created Inter-agency Subcommittees to provide inputs and support to
16 the Deputy Trade Representatives.

17
18 **SECTION 12. MEMBERSHIP IN THE NEDA BOARD.** The Philippine Trade
19 Representative shall be an additional member of the NEDA Board, which is created under
20 Executive Order No. 230. The Philippine Trade Representative shall have the same rights and
21 obligations as all the other members.

22
23 **SECTION 13. ORGANIZATION OF THE PHILIPPINE TRADE REPRESENTATIVE**
24 **OFFICE.** Pursuant to the provisions of this Act and to function effectively, the Philippine
25 Trade Representative Office shall be internally supported by a Trade Research Service, Data
26 Collection, Analysis and Dissemination Office and a Legal Services and Programme Office.

27
28 **SECTION 14. TRADE RESEARCH SERVICE, DATA COLLECTION, ANALYSIS**
29 **AND DISSEMINATION.** The office shall improve and strengthen its capacity on research,
30 data collection, analysis, and dissemination of trade and investment statistics, laws and
31 policies, agreements and other related information.

32
33 The trade and investment research office under the Office of the Philippine Trade
34 Representative shall have the following specific functions and responsibilities:

- 35
- 36 (a) Generate, maintain, and update records/files of comprehensive national and
37 international trade statistics, tariff and non-tariff measures, and investment-related
38 data;
 - 39
 - 40 (b) Conduct sectoral and macrolevel impact assessment and/or potential effects of the
41 country's trade negotiating positions or an eventual trade agreement and validate such
42 studies;
 - 43
 - 44 (c) Provide the general public access to trade data and information and other relevant
45 documents through online databases, journals, publications, etc.;
 - 46
 - 47 (d) Collaborate with government and nongovernment research institutions in research
48 concerning trade and investment policies and programs in relation to the national
49 development program;
 - 50

- 1 (e) Tap the foreign trade service corps to get market intelligence information with regard
2 to commercial, industrial and general economic conditions, as well as non-economic
3 conditions affecting Philippine products both in the export and domestic markets; and
4
5 (f) Perform other functions as may be provided by law or assigned by the Trade
6 Representative or Deputy Trade Representative;
7
8 (g) Conduct or facilitate the conduct of trainings and courses for the benefit of the
9 technical staff of the office and other government personnel directly or indirectly
10 engaged in trade and investment policy work in order to build, improve and enhance
11 their capacity and competence in trade and investment negotiations;
12

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

- 16 (a) Provide legal advice to the Office of the Philippine Trade Representative, including
17 legal advice on trade and investment negotiations;
18
19 (b) Interpret laws and rules affecting the operation of the office;
20
21 (c) Prepare contracts and instruments to which the office is a party, and interpret
22 provisions of contracts covering work performed for the office by private entities;
23
24 (d) Assist in the promulgation of rules governing the activities of the office;
25
26 (e) Prepare comments on proposed legislation concerning the office;
27
28 (f) Assist the Solicitor General in suits involving the office or its officers or employees,
29 or act as their principal counsel in all actions taken in their official capacity before
30 judicial or administrative bodies;
31
32 (g) Assist the office in ensuring that the rights and interests of the Republic of the
33 Philippines are protected in the WTO agreements, other multilateral trade, regional,
34 plurilateral and bilateral trade and investment agreements, and ensure that counterpart
35 countries comply with their obligations in the agreements;
36
37 (h) Represent the Republic of the Philippines in any dispute settlement before the WTO,
38 other multilateral trade agreements, bilateral trade agreements, or in any other suit
39 involving international trade; and
40
41 (i) Perform such other functions as may be directed by the Philippine Trade
42 Representative Office.
43

44 **SECTION 16. ISSUANCE OF COMPULSORY PROCESSES.** Pursuant to Section 7 of
45 this Act, the Philippine Trade Representative Office, in aid of trade policy formulation and
46 negotiation, shall have the power and authority to invite or summon by subpoena ad
47 testificandum any public official, private citizen or any other person to testify before it, or
48 require any person by subpoena duces tecum to produce before it such records, reports,
49 documents or other materials as it may require. There shall be a compliance within 30 days to

1 the subpoena issued otherwise any failure to comply is punishable under Section 24 of this
2 Act.

3
4 **SECTION 17. FILE CASES AGAINST VIOLATORS.** The PTRO shall have the
5 authority to file cases and other appropriate legal actions to further its mandate under Section
6 7 (f) and (g), and collaborate, if necessary, with relevant government agencies and
7 stakeholders in order to protect the rights and interests of the Philippines in relation to trade
8 and trade-related investments.

9
10 **SECTION 18. MULTI-SECTORAL ADVISORY COMMITTEE, Membership.** A Multi-
11 Sectoral Advisory Committee (MSAC), presided over by the Trade Representative, shall be
12 established and it shall be composed of representatives from civil society and the private
13 sector working on international trade, commodity, and/or investment policies. The
14 Committee shall consist of representatives of, among others but not limited to, industry,
15 agriculture, labor, small business, service industries, retailers, and consumers. Subcommittees
16 may be also organized to provide information and advice on specific matters.

17
18 Members of the Committee and Subcommittees shall be appointed by the Philippine Trade
19 Representative, provided that they are representatives of civil society organizations and
20 private sector groups that are duly accredited in accordance with rules and regulations to be
21 established by the Trade Office. Members of the committee shall serve without either
22 compensation or reimbursement of expenses.

23
24 **SECTION 19. MSAC, Duties and Functions.** The Philippine Trade Representative shall
25 seek information and advice from the MSAC on matters related to:

- 26
27 (a) negotiating objectives and bargaining positions before entering into a trade and
28 investment agreement;
29
30 (b) the operation, implementation, and monitoring of any trade and investment agreement
31 once entered into;
32
33 (c) trade remedies, dispute settlements, noncompliance and/or violations to any trade and
34 investment agreement; and
35
36 (d) other matters arising in connection with the development, implementation, and
37 administration of the trade and investment policy.

38
39 Furthermore, it is the duty of the MSAC to:

- 40
41 (e) Provide the Philippine Trade Representative overall policy advice on trade and trade-
42 related matters;
43
44 (f) Provide technical support to the Philippine Trade Representative;
45
46 (g) Prior to any trade negotiation, participate in the development of the negotiation
47 objectives and bargaining positions of the country and at the conclusion of
48 negotiations for each trade agreement entered into, provide a report to the Philippine
49 Trade Representative to form part of the latter's report to the President and Congress,
50 pursuant to Section 5(g) hereof. The report of the Committee shall include an

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

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

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

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

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

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

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

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

48 **SECTION 23. REPORTORIAL REQUIREMENTS.** The PTRO shall comply with the
49 following:
50

- 1 (a) In relation to intentions to negotiate any international trade, economic, and/or
2 investment treaty or agreement, provide the Congressional Oversight Committee and
3 to the Multi-Sectoral Advisory Committee a report which shall contain, at a
4 minimum, the subject matter for negotiations and the general objectives of the
5 government.
6
- 7 (b) For ongoing negotiations, the PTR shall, on its own and/or upon request, regularly
8 update the Congressional Oversight Committee and the Multi-sectoral Advisory
9 Committee on the negotiations, including the offers, counter-offers and, tentative or
10 final agreements, of all the negotiating parties.
11
- 12 (c) Report at least twice a year and as may be directed by the President or Congressional
13 Oversight Committee and as may be requested by MSAC on the developments of any
14 international trade and investment negotiations and/or agreements.
15
- 16 (d) The Philippine Trade Representative shall submit a bi-annual report directly to the
17 President, Congressional Oversight Committee and the Multi-sectoral Advisory
18 Committee regarding the implementation, operation, and effectiveness of any trade
19 and investment agreement entered into including the status of ongoing trade and
20 investment negotiations, in which the Philippine participates.
21

22 **SECTION 24. PROVISION ON ADMINISTRATIVE FINES AND PENALTIES.**
23

- 24 (a) Penalty for Non-compliance on Issuance of Compulsory Processes - Any person or
25 entity who fails to comply to the subpoena issued by the PTRO within the 30-day
26 deadline shall suffer the penalty of imprisonment for a period of not less than six (6)
27 months nor more than one (1) year or shall be imposed a fine of not less than One
28 hundred thousand pesos (Php 100,000.00) nor more than Five hundred thousand pesos
29 (Php500,000.00), at the discretion of the court.
30
- 31 (b) Penalty for Violation of Confidentiality Agreement - Any person or entity who shall
32 violate the confidentiality agreement under this Act shall suffer the penalty of
33 imprisonment for a period of not less than six (6) months nor more than one (1) year
34 or shall be imposed a fine of not less than Two hundred fifty thousand pesos
35 (Php250,000.00) nor more than Five hundred thousand pesos (Php500,000.00), at the
36 discretion of the court. The PTRO shall have the power to remove the membership in
37 the MSAC of any member in violation of this provision.
38
- 39 (c) Power to Impose Administrative Fines and Penalties - After due notice and hearing,
40 the Philippine Trade Representative shall have the power to impose administrative
41 fines against any person, organizations, or any other entity, in such amount as it may
42 deem reasonable, which in no case shall be less than Fifty thousand pesos
43 (Php50,000.00) nor more than Five million pesos (Php5,000,000.00) for violations of
44 any provisions under this Act.
45

46 **SECTION 25. TRANSFER OF FUNCTIONS.** The functions of the Bureau of
47 International Trade Relations under the Department of Trade and Industry, Attaches and
48 Permanent Mission to the WTO, Association of Southeast Asian Nations (ASEAN) and
49 United Nations International Organization (UNIO), and the trade negotiating and policy-

1 making functions of the Tariff and Related Matters Committee (TRMC) are hereby
2 transferred to the Office of the Philippine Trade Representative.

3
4 The foregoing transfer of powers and functions shall include all applicable funds and
5 appropriations, records, equipment, property and personnel as may be necessary.

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

12
13 **SECTION 27. IMPLEMENTING PROVISIONS.** Within 30 days from the effectivity of
14 this Act, the President shall appoint the Philippine Trade Representative, together with his
15 Deputies.

16
17 The PTRO shall, in consultation with the Departments of Trade and Industry, Agriculture,
18 and Foreign Affairs and the National Economic Development Authority, issue the
19 implementing rules and regulations necessary to implement the provisions of this Act, 60
20 days from the date of appointment of the Philippine Trade Representative.

21
22 **SECTION 28. APPROPRIATIONS.** The amount necessary to implement the provisions
23 of this Act shall be charged against the current year's appropriations of the Bureau of
24 International Trade Relations under the Department of Trade and Industry, Attaches and
25 Permanent Mission to the WTO, ASEAN and UNIO, the TRMC and other concerned
26 agencies. Thereafter, such sums as may be necessary for its continued implementation shall
27 be included in the annual General Appropriations Act.

28
29 **SECTION 29. SEPARABILITY CLAUSE.** If any provision of this Act is declared
30 unconstitutional, the same shall not affect the validity and effectivity of the other provisions
31 hereof.

32
33 **SECTION 30. REPEALING CLAUSE.** All laws, rules and regulations and other
34 issuances inconsistent with the provisions of this Act, including Section 6 of Executive Order
35 No. 230, series of 1987 and relevant provisions of Executive Order No. 133, series of 1987
36 are deemed modified, revoked or repealed accordingly.

37
38 **SECTION 31. EFFECTIVITY.** This Act shall take effect fifteen (15) days following its
39 publication in at least two (2) national newspapers of general circulation.

Approved,