

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



Senate  
Office of the Secretary

13 JUL 29 P5:16

SENATE

RECEIVED BY:

S. NO. 1149

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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#### EXPLANATORY NOTE

In the context of a globalizing world, the Philippines is one of the countries which liberalized identified sectors in its economy in order to reach global market while maintaining its local industries' advantage. The government has participated in different trade and investment agreements with other countries, both as an independent country and as part of trading blocs, in an effort to spur economic development in the country.

As the numbers of our country's trade and investment agreements with other countries continue to grow, the Philippines, however, lacks a dedicated government agency that consolidates and studies the impact of these agreements vis-à-vis our development goals and national interest.

This bill, thus, seeks to create the Office of the Philippine Trade Representative which shall formulate cross-trade strategy that is cohesive with our development goals in order to maximize our country's benefits in agreements that we enter into. This Office will be the central agency responsible for all these trade agreements.

Under this bill, it will be mandated to formulate national and domestic priorities, as well as trade positions in line with country's economic goals; advise the President and the Congress on the impacts of agreements we wish to enter; assert and protect the rights and interests of the Philippines under all bilateral, regional and multilateral trade and investment agreements; and represent the country in all agreements it wish to enter into.

This measure was filed and approved in the House of Representatives during the 15<sup>th</sup> Congress.

In view of the foregoing, the immediate approval of this bill earnestly recommended.

ANTONIO "SONNY" F. TRILLANES IV  
Senator



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S. NO. 1149

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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AN ACT  
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:*

1       **SECTION 1. Title.** – This Act shall be known as the “Charter of the Philippine Trade  
2 Representative Office.”  
3

4       **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to pursue a  
5 trade policy that serves the general welfare, creates jobs, ensures food security and rural and  
6 industrial development, among others, utilizes all forms and arrangements of exchange on the  
7 basis of fair trade. Market access in itself is not the end goal of trade negotiations.  
8

9           It is also the declared policy of the State to ensure the right of the people and their  
10 organizations to be duly informed on matters of public concern and the right to effectively and  
11 reasonably participate in economic decision making.  
12

13           Congress has the power to regulate commerce, including commerce with foreign nations,  
14 and has the power to reorganize the bureaucracy in order to make it more responsive to the needs  
15 of all the stakeholders in the Philippine economy and the exigencies of international economic  
16 relations. Any international economic, commercial or trade agreement entered into by the  
17 government constitutes regulation of commerce and will affect the different stakeholders in our

1 economy. Hence, it is essential that any agreement is harmonized with existing domestic  
2 commercial laws and the 1987 Philippine Constitution.

3

4 Moreover, Congress, as one of the three (3) branches of the government, has the power  
5 over foreign relations, especially international economic relations. Pursuant to the power of  
6 Congress to regulate commerce, the State shall ensure that a single office shall, with competence  
7 and accountability, direct, formulate and coordinate the efforts of government agencies toward  
8 formulating cohesive policies, measures and conduct regular consultations with stakeholders on  
9 matters pertaining to international trade and investment relations and negotiations.

10

11 **SEC. 3. *Definition of Terms.* –**

12

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

19

20 (b) *Civil society* refers to the totality of voluntary civic and social organizations and  
21 institutions that form the basis of a functioning society as opposed to the formal institutions and  
22 structures of a State.

23

24 (c) *Commerce* refers to the entire range of activities connected with the production,  
25 manufacturing, accumulation, gathering, mining, raising, harvesting, exchange or buying and  
26 selling of something of economic value such as agricultural products, minerals, goods, services,  
27 information, debt instruments, shares of stock or equity, derivatives and money. It also includes  
28 capital formation, either through debt or equity, savings and investments. Finally, it likewise

1 includes the obligations, rights and duties of all economic entities such as natural persons,  
2 corporations, partnerships and governmental entities.

3

4 (d) *Consultation mechanism* refers to the means by which stakeholders and sectors could  
5 participate effectively and meaningfully in the governmental process of drawing up our  
6 international trade policy, and in coming up with all other policies and rules affecting all aspects  
7 of international trade.

8

9 (e) *Fair trade* refers to a trading partnership, based on dialogue, transparency and respect,  
10 that seeks greater equity in international trade. It contributes to sustainable development by  
11 securing and offering better trading conditions to marginalized producers and workers.

12

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

16

17 (g) *Legal* refers to the characterization of an act that is not contrary to law and the  
18 accession of the parties to a trade and/or investment agreement.

19

20 (h) *Multisectoral* refers to a grouping of different sectors of the economy.

21

22 (i) *Nongovernment organizations* refer to nonstock, non-profit corporations organized  
23 under the laws of the Republic of the Philippines doing charitable, educational, religious, social,  
24 economic and other not-for-profit endeavors.

25

26 (j) *Private sector* refers to that sector of the economy that is owned by or is composed of  
27 private individuals, including natural persons doing business in their personal capacity.

28

1 (k) *Research* refers to the study of the potential or actual economic implications of a  
2 proposed or existing trade agreement and the validation of its findings among the stakeholders.

3  
4 (l) *Sectors* refer to the different economic or commercial groups composed of members  
5 with substantially common commercial interest, including business, labor, peasants, farmers,  
6 fisherfolk, consumers, private sector, public sector, service sector and the manufacturing sector.

7  
8 (m) *Stakeholders* refer to persons or groups of persons with legitimate interest in  
9 commerce or whose economic well-being will be affected by any government policy or law  
10 affecting commerce, either as factors in the production, sale or distribution of goods and  
11 services, or as consumers or beneficiaries thereof.

12  
13 (n) *Trade* refers to the voluntary exchange of goods, services and all things of economic  
14 value, whether or not across national borders.

15  
16 (o) *Trade and Investment Agreement or International Trade and Investment Agreement*  
17 refers to an accord whereby two (2) or more countries bind themselves to a set of rules that  
18 govern the commercial and investment transactions of persons originating from any of the parties  
19 to the agreement. When it is just between two (2) countries, it is called a Bilateral Agreement.  
20 On the other hand, if it involves more than two (2) countries, then it is called a Multilateral  
21 Agreement. Regional Agreements are those among countries within the same geographical area  
22 as contemplated by the agreement. Plurilateral Agreements are specialized agreements included  
23 in a Multilateral Agreement, and where the parties have the option of acceding.

24  
25 (p) *Trade dispute* refers to a disagreement between two (2) or more countries to a trade  
26 agreement that arises when at least one (1) country adopts a trade policy measure or takes some  
27 action that one (1) or more fellow members consider to be a breach of the agreement, or a failure  
28 to live up to obligations under the agreement.

1           **SEC. 4. *Creation.*** -- There is hereby created the Philippine Trade Representative Office,  
2 hereinafter referred to as the Trade Office, that shall be attached to the Office of the President.  
3 The Trade Office shall be headed by the Philippine Trade Representative who shall hold a  
4 Cabinet rank and who shall have a fixed term of six (6) years. The Trade Office shall have three  
5 (3) Deputy Trade Representatives, each of whom shall hold the rank of an Undersecretary. The  
6 Deputies shall have a term of six (6) years each and can be reappointed for no more than a  
7 second term. Of those first appointed under this Act, one (1) Deputy shall serve for six (6) years,  
8 another Deputy for four (4) years and another Deputy for two (2) years. Within thirty (30) days  
9 from the effectivity of this Act, the President shall appoint the Philippine Trade Representative  
10 with the confirmation of the Commission on Appointments, together with the Deputy Trade  
11 Representatives upon the endorsement of various stakeholders.

12

13           **SEC. 5. *Qualifications and Limitations on Appointments.*** --

14

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

21

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

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(b) Limitations on Appointments; Disqualification. – No person shall be appointed Philippine Trade Representative or Deputy Trade Representative if the person 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, the Deputy Trade Representatives and all the members of the research group and legal team of the Trade Office 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 Trade Office.

**SEC. 6. *Functions and Responsibilities of the Trade Office.*** – The Trade Office shall:

(a) Conduct research and legal studies related to trade and investments that will enhance trade policy formulation;

(b) Obtain, collate and maintain a database that shall include, but not be limited to, trade and investments statistics, trade and investment related laws, policies, trade and investment agreements and initiatives which have implications on the development of the Philippine negotiating position in trade and investment agreements, and which shall be accessible to stakeholders;

(c) Undertake consultations with stakeholders in all aspects of trade policy formulation and negotiation. Stakeholders must also be directly involved in formulating positions related to trade and investment negotiations in line with the national development agenda;

1 (d) Formulate the Philippine trade position aimed to support the achievement of the  
2 economic goals defined in the Constitution that is a product of a regular and meaningful  
3 consultation with relevant government agencies and various civil society stakeholders;

4  
5 (e) Negotiate trade and investment agreements on the basis of the Philippine Constitution  
6 and other laws, and represent the Philippines in all international trade negotiations including, but  
7 not limited to, any matter considered under the auspices of world trade organizations and other  
8 regional and bilateral commodity and direct investment negotiations in which the Philippines  
9 participates;

10  
11 (f) Advise the President and Congress on international trade and investments policies and  
12 their implications on the domestic economy and the impact of domestic policies on international  
13 trade and investments commitments;

14  
15 (g) Assert and protect the rights and interests of the Philippines under all bilateral,  
16 regional and multilateral trade and investment agreements by coordinating quick and decisive  
17 inter-agency response including, but not limited to, cases of unfair trade practices, import surges  
18 and rules on investment;

19  
20 (h) Provide the necessary staff support to the Multi-Sectoral and Sub-Sectoral Advisory  
21 Committees and the Inter-Agency Coordinating Committee;

22  
23 (i) Appoint, employ and fix the compensation in accordance with existing compensation  
24 laws of such officers and employees as are necessary and prescribe their authority and duties,  
25 subject to Civil Service Commission laws, rules and regulations;

26  
27 (j) Employ and compensate experts and consultants in accordance with relevant laws;

28

1 (k) Promulgate such rules and regulations as may be necessary to carry out the functions,  
2 powers and duties vested herein;

3  
4 (l) Enter into and perform such contracts, leases, cooperative agreements or other  
5 transactions as may be necessary in the conduct of the work of the Trade Office and on such  
6 terms as the Philippine Trade Representative may deem appropriate with any agency or  
7 instrumentality of the Philippine government or with any public or private person, firm,  
8 association, corporation or institution; and

9  
10 (m) Adopt an official seal which shall be judicially noticed.

11  
12 **SEC. 7. *Functions of the Philippine Trade Representative.*** – The Philippine Trade  
13 Representative may, for the purpose of carrying out the functions of the Trade Office:

14  
15 (a) Create the organizational structure of the Trade Office consistent with its mandate and  
16 functions provided in this Act and according to strategic needs, and review the structure  
17 regularly;

18  
19 (b) Head the Trade Office and exercise control and supervision over all its functions,  
20 activities and its organization;

21  
22 (c) Serve as the chief trade negotiator of the Philippines in international trade and  
23 investment agreements including, but not limited to, the World Trade Organization (WTO),  
24 regional, bilateral and ~~plunilateral~~ negotiations, in which the Philippines participates, and shall be  
25 responsible for the conduct of such;

26  
27 (d) Create sectoral and thematic desks that will receive and facilitate referral to  
28 appropriate agencies of complaints, information and concerns pertaining to trade and investment  
29 matters;

1  
2 (e) Chair the Inter-Agency Coordinating Committee on international trade and  
3 investments;

4  
5 (f) Monitor and enforce the implementation of Philippine international trade policy,  
6 including direct investment matters to the extent that these are related to international trade  
7 policy;

8  
9 (g) Coordinate with national agencies in the performance of functions, including the right  
10 to issue compulsory processes pursuant to Section 15 of this Act;

11  
12 (h) Call upon and deputize, in times of trade policy formulation and negotiations, the  
13 national agencies and their personnel and correspondingly use the services of the deputized  
14 agency, whose functions are related to or affect international trade policy, including direct  
15 investment matters to the extent that these are related to international trade policy;

16  
17 (i) Co-chair the Multi-Sectoral Advisory Committee in its regular and special meetings;  
18 and

19  
20 (j) Perform such other functions inherent to the functions of the Philippine Trade  
21 Representative and as the President may direct pursuant to this Act.

22  
23 **SEC. 8. *Ex Officio Positions and Functions of the Philippine Trade Representative.*** –

24 The Philippine Trade Representative shall be entitled to the following *ex officio* positions and  
25 functions:

26  
27 (a) Senior representative on any body that the President may establish for the purpose of  
28 advising the President on overall economic policies in which international trade matters  
29 predominate; and

1  
2 (b) Participant in all economic summits and other international meetings in which  
3 international trade is a major topic.  
4

5 **SEC. 9. *Functions and Duties of the Deputy Trade Representatives.*** – The Deputy  
6 Trade Representatives shall have, as principal function, the conduct of trade negotiations under  
7 this Act and shall have such other functions as the Philippine Trade Representative may direct, to  
8 wit:  
9

10 (a) Lead the negotiations for their respective sectors and/or areas of concern;  
11

12 (b) Convene and chair the Sub-Sectoral Advisory Committee and the Inter-Agency  
13 Coordinating Subcommittee for their respective sectors and/or areas of concern;  
14

15 (c) Ensure proper coordination among the various government agencies involved in their  
16 specific sectors of concern and harmonize conflicting negotiating positions;  
17

18 (d) Prepare sector-specific proposals and negotiating positions and strategies; and  
19

20 (e) Perform all other functions as may be delegated by the Philippine Trade  
21 Representative or as may be required by the nature or exigencies of their foregoing functions and  
22 responsibilities.  
23

24 **SEC. 10. *Inter-Agency Coordinating Committee and Subcommittees.*** – In connection  
25 with the performance of the functions, the Philippine Trade Representative shall, to the extent  
26 necessary for the proper administration and execution of the trade and investment agreements of  
27 the Philippines, draw upon the expertise of and consult with national agencies.  
28

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

7 Further, there is hereby created Inter-Agency Subcommittees to provide inputs and support to the  
8 Deputy Trade Representatives.

9

10           **SEC. 11. *Membership in the National Economic and Development Authority (NEDA)***

11   **Board.** – The Philippine Trade Representative shall be a member of the National Economic and  
12 Development Authority (NEDA) Board which was created under Executive Order No. 230. The  
13 Philippine Trade Representative shall have the same rights and obligations as all the other  
14 members of the Board.

15

16           **SEC. 12. *Organization of the Trade Office.*** – Pursuant to the provisions of this Act and  
17 to function effectively, the Philippine Trade Representative shall be internally supported by a  
18 Trade Research, Data Collection, Analysis and Dissemination Service and a Legal Service. Both  
19 Services shall comprise the Trade Office.

20

21           **SEC. 13. *The Trade Research, Data Collection, Analysis and Dissemination Service.*** –

22 The Trade Research, Data Collection, Analysis and Dissemination Service under the Trade  
23 Office shall have the following specific functions and responsibilities:

24

25           (a) Improve and strengthen the capacity of the Trade Office on research, data collection,  
26 analysis and dissemination of trade and investments statistics, laws and policies, agreements and  
27 other related information;

28

1 (b) Generate, maintain and update records/files of comprehensive national and  
2 international trade statistics, tariff and nontariff measures and investment-related data;

3  
4 (c) Conduct sectoral and macrolevel impact assessment and/or potential effects of the  
5 country's trade negotiating positions or an eventual trade agreement and validate such studies;

6  
7 (d) Provide the general public access to trade data and information and other relevant  
8 documents through online databases, journals, publications, etc.;

9  
10 (e) Collaborate with government and nongovernment research institutions in research  
11 concerning trade and investment policies and programs in relation to the national development  
12 program;

13  
14 (f) Tap the foreign trade service corps to get market intelligence information with regard  
15 to commercial, industrial and general economic conditions, as well as noneconomic conditions,  
16 affecting Philippine products both in the export and domestic markets;

17  
18 (g) Perform other functions as may be provided by law or assigned by the Trade  
19 Representative or the Deputy Trade Representatives; and

20  
21 (h) Conduct or facilitate the conduct of trainings and courses for the benefit of the  
22 technical staff of the Trade Office and other government personnel directly or indirectly engaged  
23 in trade and investment policy work in order to build, improve and enhance the capacity and  
24 competence in trade and investment negotiations.

25  
26 **SEC. 14. *The Legal Service.*** – The Legal Service shall have the following functions and  
27 responsibilities:

28

1 (a) Provide legal advice to the Trade Office, including legal advice on trade and  
2 investment negotiations;

3  
4 (b) Interpret laws and rules affecting the operation of the Trade Office;

5  
6 (c) Prepare contracts and instruments to which the Trade Office is a party, and interpret  
7 provisions of contracts covering work performed for the Trade Office by private entities;

8  
9 (d) Assist in the promulgation of rules governing the activities of the Trade Office;

10  
11 (e) Prepare comments on proposed legislation concerning the Trade Office;

12  
13 (f) Assist the Solicitor General in suits involving the Trade Office or its officers or  
14 employees, or act as their principal counsel in all actions taken in their official capacity before  
15 judicial or administrative bodies;

16  
17 (g) Assist the Trade Office in ensuring that the rights and interests of the Republic of the  
18 Philippines are protected in the WTO agreement, other multilateral trade, regional, plurilateral  
19 and bilateral trade and investment agreements; and ensure that the counterpart countries comply  
20 with their obligations in the agreements;

21  
22 (h) Represent the Republic of the Philippines in any dispute settlement before the WTO,  
23 other multilateral trade agreements, bilateral trade agreements or in any other suit involving  
24 international trade; and

25  
26 (i) Perform such other functions as may be directed by the Philippine Trade  
27 Representative.

28

1           **SEC. 15. Issuance of Compulsory Processes.** – Pursuant to Section 7 of this Act, the  
2 Trade Office, in aid of trade policy formulation and negotiations, shall have the power and  
3 authority to invite or summon by *subpoena ad testificandum* any public official, private citizen  
4 or any other person to testify before it, or require any person by *subpoena duces tecum* to  
5 produce before it such records, reports, documents or other materials as it may require. There  
6 shall be a compliance within thirty (30) days to the *subpoena* issued; otherwise any failure to  
7 comply is punishable under Section 24 of this Act.

8  
9           **SEC. 16. Filing of Cases Against Violators.** – The Trade Office shall have the authority  
10 to file cases and other appropriate legal actions to further its mandate under Section 7(f) and (g)  
11 and collaborate, if necessary, with relevant government agencies and stakeholders in order to  
12 protect the rights and interests of the Philippines in relation to trade and trade-related  
13 investments.

14  
15           **SEC. 17. The Multi-Sectoral Advisory Committee.** – There is hereby created a Multi-  
16 Sectoral Advisory Committee, hereinafter referred to as the MSAC. MThe MSAC shall be  
17 composed of representatives of industries, agriculture, labor, small business, service industries,  
18 retailers and consumers and shall be broadly representative of key economic sectors and groups  
19 affected by trade.

20  
21           Members of the MSAC and Subcommittees shall be appointed by the Philippine Trade  
22 Representative upon the endorsement of various nongovernment organizations and stakeholders.  
23 Members of the MSAC shall serve without either compensation or reimbursement of expenses.

24  
25           The MSAC will meet as needed at the call of the MSAC Chairman or the Philippine  
26 Trade Representative depending on various factors such as the level of activity of trade  
27 negotiations.

28

1           **SEC. 18. *Duties and Functions of the MSAC.*** – The MSAC shall provide information  
2 and advice to the Philippine Trade Representative on trade and trade-related matters towards the  
3 achievement of the economic goals defined in the 1987 Constitution that are aimed at balancing  
4 the interest of these various stakeholders with respect to:

5  
6           (a) Negotiating objectives and bargaining positions before entering into a trade and  
7 investment agreement;

8  
9           (b) The operation, implementation and monitoring of any trade and investment agreement  
10 once entered into;

11  
12           (c) Trade remedies, dispute settlements, noncompliance and/or violations to any trade and  
13 investment agreement; and

14  
15           (d) Other matters arising in connection with the development, implementation and  
16 administration of the trade and investment policy.

17 In addition, the MSAC shall:

18  
19           (1) Provide technical support to the Philippine Trade Representative by drawing upon the  
20 knowledge and expertise of the members;

21  
22           (2) Prior to any trade negotiations, participate in the development of the negotiation  
23 objectives and bargaining positions of the country and at the conclusion of negotiation for its  
24 trade agreement entered into, provide a report to the Philippine Trade Representative to form part  
25 of the latter's report to the President and Congress, pursuant to Section 6(f) hereof. The report of  
26 the MSAC shall include an assessment and evaluation of whether and to what extent the  
27 agreement promotes Philippine economic interests and achieves the applicable overall and  
28 principal negotiating objectives set forth;

29

1 (3) Be allowed to accompany and advise the Philippine delegation in trade and  
2 investment negotiation missions; and

3

4 (4) Recommend to the Philippine Trade Representative the participation of private sector  
5 representative to accompany the Philippine delegation in an observer capacity in trade  
6 negotiations.

7

8 **SEC. 19. *Meetings, Agenda and Staff Support.*** – The Philippine Trade Representative  
9 shall:

10

11 (a) Preside over the MSAC, which will meet as needed at the call of the MSAC Chairman  
12 or the Philippine Trade Representative depending on various factors such as the level of activity  
13 of trade negotiations;

14

15 (b) Call for a regular meeting of the MSAC during the first and third quarter of the year  
16 and may call for a special meeting as may be necessary depending on various factors such as the  
17 level of activity of trade negotiations;

18

19 (b) Approve and set the agenda for all MSAC meetings; and

20

21 (c) Provide the Secretariat and other necessary staff support for MSAC meetings.

22

23

24 **SEC. 20. *Sub-Sectoral Advisory Committee.*** – There is hereby created a Sub-Sectoral  
25 Advisory Committee, hereinafter referred to as the “SSAC”, to be defined by the Philippine  
26 Trade Representative for trade and investment policy formulation and negotiations.

27

28 The SSAC shall be broadly representative of the key sectors and groups of the economy,  
29 particularly with respect to those sectors and groups which are affected by trade and shall consist

1 of representatives of industry, the academe, agriculture, fisheries, labor, small business, service  
2 industries, retailers, consumer interest and other stakeholder groups.

3

4 Members of the MSAC and the SSAC shall be appointed by the Philippine Trade  
5 Representative upon the endorsement of various nongovernment organizations and stakeholders.  
6 Members of the said Committees shall serve without either compensation or reimbursement of  
7 expenses. The Chairperson of the MSAC and the SSAC shall be elected by its members.

8

9 **SEC. 21. Confidentiality Agreement.** – The members of the MSAC and its  
10 Subcommittees shall:

11

12 (a) Enter into a confidentiality agreement with the Trade Office; and

13

14 (b) Comply with other requirements established by the Trade Office to protect from  
15 unauthorized disclosure all classified information and all information relating to trade policy  
16 formulation and negotiations.

17

18 **SEC. 22. Joint Congressional Oversight Committee on Trade and Investment Matters.**

19 – There shall be a Joint Congressional Oversight Committee on Trade and Investment Matters,  
20 hereinafter referred to as the “Congressional Oversight Committee”, to which the Trade Office  
21 shall regularly report to ensure concurrence and authority regarding negotiating mandate and  
22 parameters, and shall comply immediately to any order of the Congressional Oversight  
23 Committee. The Congressional Oversight Committee shall be composed of five (5) Members  
24 from the Senate which shall include the Senate President, the Senate Majority and Minority  
25 Leaders, and five (5) Members from the House of Representatives which shall include the  
26 Speaker of the House and the Majority and Minority Leaders.

27

28 The Congressional Oversight Committee shall conduct a periodic review and evaluation  
29 of the performance of the Trade Office, including its officials, every three (3) years. An

1 independent panel composed of experts to be appointed by the Congressional Oversight  
2 Committee shall review the activities and performance of the Trade Office and shall make  
3 recommendations, based on its findings, to the Congressional Oversight Committee. The  
4 independent panel of evaluators shall likewise conduct consultations with stakeholders in the  
5 conduct of the review.

6

7 **SEC. 23. Reportorial Requirements.** – The Trade Office shall comply with the  
8 following:

9 (a) Report to the Congressional Oversight Committee and to the MSAC, as herein  
10 created, any intention to negotiate any economic treaty, be it bilateral, regional or multilateral. At  
11 the minimum, the report shall contain the subject matter for negotiations and the general  
12 objectives of the government. The Trade Office shall update the Congressional Oversight  
13 Committee and the MSAC on the negotiations, including the offers and counteroffers of all the  
14 parties, and shall also notify the Congressional Oversight Committee and the MSAC of any  
15 tentative or final agreement of the parties;

16

17 (b) Report at least twice a year and as may be directed by the President or the  
18 Congressional Oversight Committee and as may be requested by the MSAC on the developments  
19 of any international trade and investment negotiation and/or agreement; and

20

21 (c) Submit a biannual report directly to the President, the Congressional Oversight  
22 Committee and the MSAC regarding the implementation, operation and effectiveness of any  
23 trade and investment agreement entered into, including the status of ongoing trade and  
24 investment negotiations in which the Philippines participates.

25

26 **SEC. 24. Administrative Fines and Penalties.** –

27

28 (a) Noncompliance on the Issuance of Compulsory Processes. – Any person or entity who  
29 fails to comply to the *subpoena* issued by the Trade Office within the thirty (30)-day deadline

1 shall suffer the penalty of imprisonment for a period of not less than six (6) months but not more  
2 than one (1) year or shall be imposed a fine of not less than One hundred thousand pesos  
3 (PHP100,000.00) but not more than Five hundred thousand pesos (PHP500,000.00), at the  
4 discretion of the court.

5  
6 (b) Violation of Confidentiality of Agreement. – Any person or entity who shall violate  
7 the confidentiality of agreement under this Act shall suffer the penalty of imprisonment for a  
8 period of not less than six (6) months but not more than one (1) year or shall be imposed a fine of  
9 not less than Two hundred fifty thousand pesos (PHP250,000.00) but not more than Five  
10 hundred thousand pesos (PHP500,000.00), at the discretion of the court. The Trade Office shall  
11 have the power to remove any member who violates this provision from membership in the  
12 MSAC.

13  
14 (c) Other Violations. – After due notice and hearing, the Philippine Trade Representative  
15 shall have the power to impose administrative fines against any person, organization or any other  
16 entity in such amount as it may be reasonable which in no case shall be less than Fifty thousand  
17 pesos (PHP50,000.00) but not more than Five million pesos (PHP5,000,000.00) for any violation  
18 of any provision under this Act.

19  
20 **SEC. 25. *Transfer of Functions.*** – The functions of the Bureau of International Trade  
21 Relations under the Department of Trade and Industry (DTI), Attaches and Permanent Mission to  
22 the WTO, the Association of Southeast Asian Nations (ASEAN) and United Nations  
23 International Organization (UNIO), and the trade negotiating and policy-making functions of the  
24 Tariff and Related Matters Committee (TRMC) are hereby transferred to the Trade Office.

25  
26 The foregoing transfer of powers and functions shall include all applicable funds and  
27 appropriations, records, equipment, property and personnel as may be necessary.

28

1           **SEC. 26. *Transitory Provision.*** – The TRMC created under Section 6 of Executive Order  
2 No. 230, Series of 1987, together with the Technical Committee on WTO Matters, shall continue  
3 to function for six (6) months or until the Trade Office is set up, whichever comes earlier, after  
4 which they shall cease to function.

5  
6           **SEC. 27. *Implementing Rules and Regulations.*** – The Trade Office shall, in  
7 consultation with the DTI, the Department of Agriculture, the Department of Foreign Affairs and  
8 the NEDA, issue the rules and regulation necessary to implement the provisions of this Act sixty  
9 (60) days from the date of appointment of the Philippine Trade Representative.

10  
11           **SEC. 28. *Appropriations.*** – The amount necessary to implement the provisions of this  
12 Act shall be charged against the current year's appropriations of the Bureau of International  
13 Trade Relations under the DTI, Attaches and Permanent Mission to the WTO, the ASEAN, the  
14 UNIO, the TRMC and other concerned agencies. Thereafter, such sums as may be necessary for  
15 its continued implementation shall be included in the annual General Appropriations Act.

16  
17           **SEC. 29. *Separability Clause.*** – If any section or provision of this Act shall be declared  
18 unconstitutional or invalid, the other sections or provisions not affected thereby shall continue to  
19 be in full force and effect.

20  
21           **SEC. 30. *Repealing Clause.*** – All laws, rules and regulations and other issuances  
22 inconsistent with the provisions of this Act, including Section 6 of Executive Order No. 230,  
23 Series of 1987 and relevant provisions of Executive Order No. 133, Series of 1987 are deemed  
24 modified, revoked or repealed accordingly.

25  
26           **SEC. 31. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days following its  
27 complete publication in two (2) newspapers of general circulation or in the *Official Gazette*.

Approved,