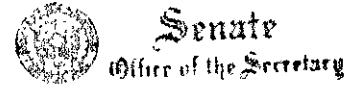


SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )



'15 SEP -1 P4:25

SENATE

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COMMITTEE REPORT NO. 214

Submitted by the Committee on Trade, Commerce and Entrepreneurship joint with the Committees on Foreign Relations & Finance on SEP 01 2015.

Re: Senate Bill No. 2922, prepared by the Committees

Recommending its approval in substitution of Senate Bill Nos. 1084, 1149 and 1404, and taking into consideration House Bill. No. 5076

Sponsor: Senator Aquino IV

**Mr. President:**

The Committee on Trade, Commerce and Entrepreneurship joint with the Committees on Foreign Relations & Finance, to which were referred Senate Bill No. **1084**, introduced by Guingona III, *entitled:*

“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”

Senate Bill No. **1149**, introduced by Senator Trillanes IV, *entitled:*

“AN ACT  
CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE,  
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

and Senate Bill No. **1404**, introduced by Senator Ejercito-Estrada, *entitled:*

“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”

and taking into consideration House Bill No. **5076**, introduced by Representative Teves, *et al*, entitled:

“AN ACT  
CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE AND  
APPROPRIATING FUNDS THEREFORE”


have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, S.B. No. 2922, prepared by the Committees, entitled:


“AN ACT  
CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE AND  
APPROPRIATING FUNDS THEREFORE”


be approved in substitution of Senate Bill Nos. **1084, 1149 and 1404**, and taking into consideration **House Bill No. 5076** with Senators Guingona III, Trillanes IV, Ejercito-Estrada and Aquino IV as authors thereof.

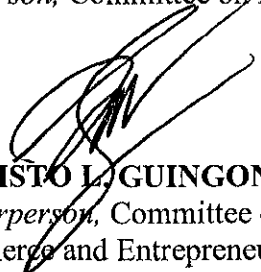
Respectfully submitted:

**MIRIAM DEFENSOR SANTIAGO**  
*Chairperson, Committee on Foreign Relations*


  
**PAOLO BENIGNO "BAM" AQUINO IV**  
*Chairperson, Committee on Trade, Commerce and Entrepreneurship*  
*Chairperson, Committee on Finance "G"*

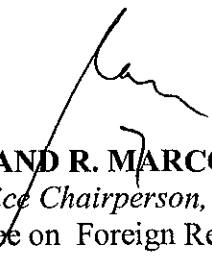
  
**LOREN B. LEGARDA**  
*Chairperson, Committee on Finance*

  
**SERGIO R. OSMEÑA III**  
*Chairperson, Committee on Finance "B"*

  
**TEOFISTO L. GUINGONA III**  
*Vice Chairperson, Committee on Trade, Commerce and Entrepreneurship*  
*Chairperson, Committee on Finance "D"*

**CYNTHIA A. VILLAR**  
*Chairperson, Committee on Finance "E"*

  
**JUAN EDGARDO "SONNY" ANGARA**  
*Chairperson, Committee on Finance "F"*  
*Vice Chairperson, Committee on Foreign Relations*

  
**FERDINAND R. MARCOS, JR.**  
*Vice Chairperson, Committee on Foreign Relations*

**AQUILINO "KOKO" PIMENTEL III**

  
**FRANCIS "CHIZ" G. ESCUDERO**


**PIA S. CAYETANO**

**GRACE POE**

  
**MANUEL "LITO" M. LAPID**

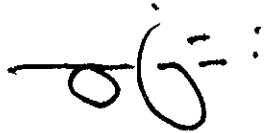
  
**MARIA LOURDES NANCY S. BINAY**

**RAMON BONG REVILLA, JR.**

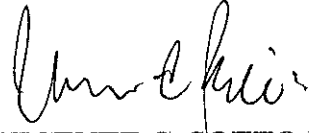
  
**ANTONIO "SONNY" F. TRILLANES IV**

  
**GREGORIO B. HONASAN II**

**JINGGOY EJERCITO ESTRADA**



**JOSEPH VICTOR G. EJERCITO**



**VICENTE C. SOTTO III**  
*Acting Minority Leader*

*Ex-Officio Members:*



**RALPH G. RECTO**  
*President Pro-Tempore*  
*Chairperson, Committee on Finance "C"*

**ALAN PETER "Compañero" S.**

**CAYETANO**  
*Majority Floor Leader*

**JUAN PONCE ENRILE**

*Minority Floor Leader*

**FRANKLIN M. DRILON**

*Senate President*

Senate of the Philippines


Pasay City

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



'15 SEP -1 P 4 :25

SENATE

RECEIVED BY: 

S.B. No. 2922

(In substitution of SB Nos. 1084, 1149 & 1404  
and taking into consideration HB No. 5076)

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PREPARED BY THE COMMITTEE ON TRADE, COMMERCE & ENTREPRENEURSHIP JOINT WITH  
THE COMMITTEES ON FOREIGN RELATIONS, & FINANCE WITH SENATORS  
GUINGONA III, TRILLANES IV, EJERCITO-ESTRADA & AQUINO IV AS AUTHORS  
THEREOF

---

**“AN ACT  
CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE AND  
APPROPRIATING FUNDS THEREFORE”**

*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  
2 Trade Representative Office.”

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

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

11           Congress has the power to regulate commerce, including commerce with foreign  
12 nations, and the power to reorganize the bureaucracy in order to make it more responsive

1 to the needs of all the stakeholders in the Philippine economy and the exigencies of  
2 international economic relations. As any international economic, commercial or trade  
3 agreement entered into by the Government constitutes regulation of commerce and will  
4 affect the different stakeholders in our economy, it is essential that any agreement is  
5 harmonized with the Philippine Constitution and existing domestic commercial laws.  
6 Congress is cognizant of current efforts being undertaken by government in pursuing a  
7 unified framework towards an integrated industry and trade strategy. Such efforts need to  
8 be supported and institutionalized to ensure continued and consistent execution. Thus, the  
9 State shall ensure that a single office shall, with competence and accountability,  
10 spearhead all efforts of government agencies in formulating trade policies and measures  
11 by institutionalizing stakeholder engagement, strengthening the trade policy research  
12 network and enhancing inter-agency coordination and cooperation.

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

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

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

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

1 economic entities such as natural persons, corporations, partnerships and governmental  
2 entities;

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

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

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

15 (g) **“Multisectoral”** - a grouping of different sectors of the economy;

16 (h) **“Nongovernment organizations (NGOs)”** - non-stock, non-profit  
17 corporations organized under the laws of the Republic of the Philippines doing charitable,  
18 educational, religious, social, economic, and other not-for-profit endeavors;

19 (i) **“Private sector”** - sector of the economy that is owned by or is composed of  
20 private individuals, including natural persons doing business in their personal capacity;

21 (j) **“Research”** - the study of the potential or actual economic implications of a  
22 proposed or existing trade agreement and the validation of its findings among the  
23 stakeholders;

24 (k) **“Sectors”** - the different economic or commercial groups composed of  
25 members with substantially common commercial interest, including business, labor,  
26 peasants, farmers, fisherfolk, consumers, private sector, public sector, service sector, and  
27 manufacturing sector;

1           (l) **“Stakeholders”** - persons or groups of persons with legitimate interest in  
2 commerce or whose economic well-being will be affected by any government policy or  
3 law affecting commerce, either as factors in the production, sale, or distribution of goods  
4 and services, or as consumers or beneficiaries thereof;

5           (m) **“Trade”** - the voluntary exchange of goods, services and all things of  
6 economic value, whether or not across national borders.

7           (n) **“Trade and Investment Agreement”** or **“International Trade and Investment**  
8 **Agreement”** - an accord whereby two (2) or more countries bind themselves to a set of  
9 rules that govern the commercial and investment transactions of persons originating from  
10 any of the parties to the agreement. When it is just between two (2) countries, it is called  
11 a *Bilateral Agreement*. On the other hand, if it involves more than two (2) countries, then  
12 it is called a *Multilateral Agreement*. *Regional Agreements* are those among countries  
13 within the same geographical area as contemplated by the agreement. *Plurilateral*  
14 *Agreements* are specialized agreements included in a Multilateral Agreement, and where  
15 the parties have the option of acceding.

16           (o) **“Trade dispute”** - a disagreement between two (2) or more countries to a  
17 trade agreement that arises when at least one (1) country adopts a trade policy measure or  
18 takes some action that one or more fellow members considers to be a breach of  
19 agreement, or a failure to live up to the obligations under the agreement.

20           **SEC. 4. Establishment.** – The Philippine Trade Representative Office, hereinafter  
21 referred to as the Trade Office, shall be under the Department of Trade and Industry  
22 (DTI), thereby strengthening its present trade negotiation process.

23           The Trade Office shall be headed by the Philippine Trade Representative who  
24 shall hold the rank of Undersecretary.

25           The Trade Office shall have three (3) Deputy Trade Representatives, each of  
26 whom shall hold the rank of Assistant Secretary.

27           Within thirty (30) days from the effectivity of this Act, the President shall appoint



1 the Philippine Trade Representative and the Deputy Trade Representatives upon the  
2 recommendation of the Secretary with the endorsement of various stakeholders.

3 ***SEC. 5. Qualifications and Limitation on Appointments. –***

4 (a) **Qualifications.** - The Philippine Trade Representative and Deputy Trade  
5 Representatives must be natural-born citizens of the Philippines; of good moral character;  
6 of unquestionable integrity and known probity and patriotism; and must have academic  
7 training, experience and competence in business, economics, international trade law and  
8 policy or trade negotiations.

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

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

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

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

2 shall:

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

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

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

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

18          (e) Negotiate trade and investment agreements on the basis of the Philippine  
19 Constitution and other laws, and represent the Philippines in all international trade  
20 negotiations including any matter considered under the purview of world trade  
21 organizations, other regional and bilateral commodity and those pertaining to direct  
22 investment negotiations in which the Philippines participates;

23          (f) Advise the President and Congress through the DTI Secretary on international  
24 trade and investments policies, its implications on the domestic economy and the impact  
25 of domestic policies on international trade and investments commitments;

26          (g) Assert and protect the rights and interests of the Philippines under all  
27 bilateral, regional and multilateral trade and investment agreements by coordinating  
28 quick and decisive inter-agency response including, but not limited to, cases of unfair

1 trade practices, import surges and rules on investment;

2 (h) Appoint, employ and fix the compensation, in accordance with existing  
3 compensation laws, of such officers and employees as are necessary, and prescribe their  
4 authority and duties, subject to Civil Service Commission laws, rules and regulations;

5 (i) Employ and compensate experts and consultants in accordance with the  
6 relevant laws;

7 (j) Promulgate such rules and regulations as may be necessary to carry out the  
8 functions, powers and duties vested herein;

9 (k) Enter into and perform such contracts, leases, cooperative agreements or other  
10 transactions as may be necessary in the conduct of the work of the Trade Office and on  
11 such terms as the Philippine Trade Representative may deem appropriate with any agency  
12 or instrumentality of the Philippine government or with any public or private person,  
13 firm, association, corporation or institution; and

14 (l) Adopt an official seal.

15 **SEC. 7. *Functions of the Philippine Trade Representative.***- For the purpose of  
16 carrying out the functions of the Trade Office , The Philippine Trade Representative  
17 shall:

18 (a) Create the organizational structure of the Trade Office consistent with its  
19 mandate and functions provided for in this Act and according to strategic needs, which  
20 structure shall be reviewed regularly;

21 (b) Head the Trade Office and exercise control and supervision over all its  
22 functions, activities and its organization;

23 (c) Serve as the chief trade negotiator of the Philippines in international trade  
24 and investment agreements including, but not limited to, the World Trade Organization  
25 (WTO), regional, bilateral and plurilateral negotiations, in which the Philippines  
26 participates;

1 (d) Create sectoral and thematic desks that will receive and facilitate referral  
2 to appropriate agencies of complaints, information and concerns pertaining to trade and  
3 investment matters;

4 (e) Chair the Inter-Agency Coordinating Committee on international trade and  
5 investments;

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

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

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

16 (i) Act as co-chairperson of the Multi-Sectoral Advisory Committee in its  
17 regular and special meetings; and

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

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

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

26 (b) Participant in all economic summits and other international meetings in which  
27 international trade is a major topic.

28 **SEC. 9. *Functions and Duties of the Deputy Trade Representatives.*** – The

1 Deputy Trade Representatives shall, as their principal function, conduct trade  
2 negotiations under this Act, and shall have such other functions as the Philippine Trade  
3 Representative may direct, to wit:

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

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

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

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

10 (e) Perform all other functions as may be delegated by the Philippine Trade  
11 Representative or as may be required by the nature or exigencies of the functions and  
12 responsibilities of the Trade Office.

13 **SEC. 10. *Inter-Agency Coordinating Committee and Subcommittees.*** - In  
14 connection with the performance of the functions, the Philippine Trade Representative  
15 shall, to the extent necessary for the proper administration and execution of the trade and  
16 investment agreements of the Philippines, draw upon the expertise of and consult with  
17 national agencies.

18 The Philippine Trade Representative shall consult with concerned agencies and  
19 any other agency on trade and investment policy issues without prejudice to the exercise  
20 by the Bangko Sentral ng Pilipinas (BSP) of its authority as an independent central  
21 monetary authority under the Constitution and Republic Act No. 7653, otherwise known  
22 as the New Central Bank Act. All agencies consulted by the Philippine Trade  
23 Representative shall participate actively, cooperate fully and promptly provide to the  
24 Philippine Trade Representative all documents and information requested.

25 Further, the Inter-Agency Subcommittees shall provide inputs and support to the  
26 Deputy Trade Representatives.

1           **SEC. 11. *Membership in the National Economic and Development Authority***  
2 ***(NEDA) Board.*** - The Philippine Trade Representative shall be a member of the National  
3 Economic and Development Authority (NEDA) Board which was reorganized under  
4 Executive Order No. 230. The Philippine Trade Representative shall have the same rights  
5 and obligations as all the other members of the Board.

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

10           **SEC. 13. *The Trade Research, Data Collection, Analysis and Dissemination***  
11 ***Service.*** - The Trade Research, Data Collection, Analysis and Dissemination Service  
12 under the Trade Office shall have the following specific functions and responsibilities:

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

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

18           (c) Conduct sectoral and macro level impact assessment and/or potential effects  
19 of the country's trade negotiating positions or an eventual trade agreement and validate  
20 such studies;

21           (d) Provide the general public access to trade data and information and other  
22 relevant documents through online databases, journals, publications, and other media;

23           (e) Collaborate with government and nongovernment research institutions on  
24 trade and investment policies and programs in relation to the national development  
25 program;

26           (f) Tap the foreign trade service corps to acquire market intelligence information  
27 with regard to commercial, industrial and general economic conditions as well as

1 noneconomic conditions affecting Philippine products both in the export and domestic  
2 markets;

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

5 (h) Conduct or facilitate the conduct of trainings and courses for the benefit of the  
6 technical staff of the Trade Office and other government personnel directly or indirectly  
7 engaged in trade and investment policy work in order to build, improve and enhance their  
8 capacity and competence in trade and investment negotiations.

9 **SEC. 14. *The Legal Service.*** - The Legal Service shall have the following  
10 functions and responsibilities:

11 (a) Provide legal advice to the Trade Office including legal advice on trade and  
12 investment negotiations;

13 (b) Interpret laws and rules affecting the operations of the Trade Office;

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

17 (d) Assist in the promulgation of rules governing the activities of the Trade  
18 Office;

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

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

23 (g) Assist the Trade Office in ensuring that the rights and interests of the Republic  
24 of the Philippines are protected in the WTO agreements, other multilateral trade,  
25 regional, plurilateral and bilateral trade and investment agreements; and ensure that the  
26 counterpart countries comply with their obligations in the agreements;

27 (h) Represent the Republic of the Philippines in any dispute settlement before the

1 WTO, other multilateral trade agreements, bilateral trade agreements or in any other suit  
2 involving international trade; and

3 (i) Perform such other functions as may be directed by the Philippine Trade  
4 Representative.

5 **SEC. 15. *Issuance of Compulsory Processes.*** - Pursuant to Section 7 of this Act,  
6 the Trade Office, in aid of trade policy formulation and negotiations, shall have the power  
7 and authority to invite or summon by *subpoena ad testificandum* any public official,  
8 private citizen or any other person to testify before it, or require any person by *subpoena*  
9 *duces tecum* to produce before it such records, reports, documents or other materials as it  
10 may require. There shall be complied within thirty (30) days from receipt of the *subpoena*  
11 issued; otherwise any failure to comply is punishable under Section 22 of this Act.

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

17 **SEC. 17. *The Multi-Sectoral Advisory Committee (MSAC).*** - There is hereby  
18 created a Multi-Sectoral Advisory Committee hereinafter referred to as the MSAC.

19 The MSAC shall be composed of representatives of industries, agriculture, labor,  
20 small business, service industries, retailers and consumers and shall be broadly  
21 representative of key economic sectors and groups affected by trade.

22 Members of the MSAC and the Subcommittees shall be appointed by the  
23 Philippine Trade Representative upon the endorsement of various NGOs and  
24 stakeholders. Members of the MSAC shall serve without either compensation or  
25 reimbursement of expenses.

26 The MSAC will meet as needed at the call of the MSAC Chairperson or the  
27 Philippine Trade Representative depending on various factors such as the level of activity



1 of trade negotiations.

2 **SEC. 18. Duties and Functions of the MSAC. –**

3 (a) The MSAC shall provide information and advice to the Philippine Trade  
4 Representative on trade and trade-related matters towards the achievement of the  
5 economic goals defined in the Constitution that are aimed at balancing the interest of  
6 these various stakeholders with respect to:

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

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

11 (3) Dispute settlements, noncompliance and/or violations to any trade and  
12 investment agreement; and

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

15 (b) The MSAC shall provide technical support to the Philippine Trade  
16 Representative by drawing upon the knowledge and expertise of its members;

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

25 (d) The MSAC shall accompany and advise the Philippine delegation in trade and  
26 investment negotiation missions; and

1 (e) The MSAC shall likewise recommend to the Philippine Trade Representative  
2 the participation of a private sector representative to accompany the Philippine delegation  
3 in an observer capacity in trade negotiations.

4 **SEC. 19. *Meetings and Staff Support of the MSAC.*** – The Philippine Trade  
5 Representative shall:

6 (a) Preside over the MSAC which shall meet as needed depending on various  
7 factors such as the level of activity of trade negotiations;

8 (b) Call for a regular meeting of the MSAC during the first and third quarters of  
9 the year, and may call for special meetings as may be necessary depending on various  
10 factors such as the level of activity of trade negotiations;

11 (c) Approve and set the agenda for all MSAC meetings; and

12 (d) Provide the secretariat and other necessary staff support for the MSAC  
13 meetings.

14 **SEC. 20. *Sub-Sectoral Advisory Committee (SSAC).*** - There is hereby created a  
15 Sub-Sectoral Advisory Committee, hereinafter referred to as the "SSAC", to be organized  
16 by the Philippine Trade Representative for trade and investment policy formulation and  
17 negotiations.

18 The SSAC shall be broadly representative of the key sectors and groups of the  
19 economy, particularly with respect to those sectors and groups which are affected by  
20 trade, and shall consist of representatives of industry, the academe, agriculture, fisheries,  
21 labor, small business, service industries, retailers, consumer interest and other stakeholder  
22 groups.

23 Members of the MSAC and the SSAC shall be appointed by the Philippine Trade  
24 Representative upon the endorsement of various NGOs and stakeholders. Members of the  
25 committees shall serve without either compensation or reimbursement of expenses.

26 The Chairpersons of the MSAC and the SSAC shall be elected by their respective  
27 members.

1           **SEC. 21. Confidentiality Agreement.** – To protect the Trade Office from the  
2 unauthorized disclosure of classified information and information relating to trade policy,  
3 the members of the MSAC and its Subcommittees shall enter into a confidentiality  
4 agreement with the Trade Office and comply with other requirements established with the  
5 Trade Office.

6           **SECT. 22. Penalties.** –

7           (a) Noncompliance on the Issuance of Compulsory Processes. – Any person or  
8 entity who fails to comply to the *subpoena* issued by the Trade Office within the thirty  
9 (30)-day deadline shall suffer the penalty of imprisonment for a period of not less than  
10 six (6) months but not more than one (1) year or shall be imposed a fine of not less than  
11 One hundred thousand pesos (PHPI00,000.00) but not more than Five hundred thousand  
12 pesos (PHP500,000.00), at the discretion of the court.

13           (b) Violation of Confidentiality of Agreement. - Any person or entity who shall  
14 violate the confidentiality of agreement under this Act shall suffer the penalty of  
15 imprisonment for a period of not less than six (6) months but not more than one (1) year  
16 or shall be imposed a fine of not less than Two hundred fifty thousand pesos  
17 (PHP250,000.00) but not more than Five hundred thousand pesos (PHP500,000.00), at  
18 the discretion of the court.

19           (c) Other Violations. - After due notice and hearing, the Philippine Trade  
20 Representative shall, upon finding of culpability, impose administrative fines against any  
21 person, organization or any other entity in such amount as it may deem reasonable which  
22 in no case shall be less than Fifty thousand pesos (PHP50,000.00) but not more than Five  
23 million pesos (PHP5,000,000.00) for any violation of any provision under this Act.

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

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

3           **SEC. 24. *Implementing Rules and Regulations.*** - The Trade Office under DTI in  
4 consultation with the Department of Agriculture, the Department of Foreign Affairs and  
5 the NEDA, shall issue the rules and regulations necessary to implement the provisions of  
6 this Act sixty (60) days from the date of appointment of the Philippine Trade  
7 Representative.

8           **SEC. 25. *Appropriations.*** - The amount necessary to implement the provisions of  
9 this Act shall be charged against the current year's appropriations of the Bureau of  
10 International Trade Relations under the DTI, Attaches and Permanent Mission to the  
11 WTO, the ASEAN, the UNIO, the TRMC and other concerned agencies. Thereafter, such  
12 sums as may be necessary for its continued implementation shall be included in the  
13 annual General Appropriations Act.

14           **SEC. 26. *Separability Clause.*** - If any section or provision of this Act shall be  
15 declared unconstitutional or invalid, the other sections or provisions not affected thereby  
16 shall continue to be in full force and effect.

17           **SEC. 27. *Repealing Clause.*** - All laws, rules and regulations and other issuances  
18 inconsistent with the provisions of this Act, including Section 6 of Executive Order No.  
19 230, Series of 1987 and relevant provisions of Executive Order No. 133, Series of 1987,  
20 are deemed modified, revoked or repealed accordingly.

21           **SEC. 28. *Effectivity.*** - This Act shall take effect fifteen (15) days following its  
22 complete publication in the *Official Gazette*, or in a newspaper of general circulation.

23           Approved,