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

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SENATE

S. No. 552

Introduced by Senator Antonio "Sonny" Trillanes IV

**AN ACT
DEFINING AND REGULATING THE TRAVEL AGENTS PROFESSION**

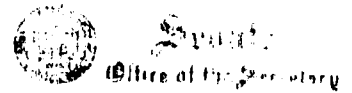
EXPLANATORY NOTE

The tourism industry has significantly contributed to our country's economic growth and development. The influx of millions of foreign travelers who wish to enjoy the natural beauty of our country contributed to the increase in tourist expenditure revenue which translates to profits for our tourism establishments such as hotels and resorts, and employment to thousands of Filipinos in the tourism industry. In 2007, the Department of Tourism revealed that visitor revenue grew to an average of 20.1 percent over the last three years.

However, in order for us to sustain this growth and for us to encourage others who would want to explore the natural splendor of our country, we need to enhance the country's reputation as a tourist-friendly country. We must establish a thriving and responsible travel industry which provides quality services, not only to foreign travelers but domestic travelers as well.

This bill seeks to ensure that travel agents only provide the highest quality service, one which is fair, effective, responsive and courteous by regulating their profession. The bill also seeks to protect the interests of both foreign and local travelers. In view of the foregoing, immediate approval of this measure is earnestly sought


ANTONIO "SONNY" F. TRILLANES IV
Senator



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**AN ACT
DEFINING AND REGULATING THE TRAVEL AGENTS PROFESSION**

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

1 **SECTION 1. Short Title.** This Act shall be known as the *"Travel Agents Act of*
2 *2016"*.

3
4 **SEC. 2. Declaration of Policy.**- It is the policy of the State to promote Philippine
5 tourism as an indispensable element of the national economy. Thus, the State shall enhance
6 the reputation of the country as a tourist-friendly country in Asia by protecting the interests of
7 the local and foreign travelers in the Philippines.
8

9 **SEC. 3. Definition of Terms.**- As used in this section, the term-

- 10
- 11 (1) "Philippine Tourism Authority or PTA" pertains to the existing
- 12 implementation arm of the Department of Tourism.
- 13
- 14 (2) "License" means a license granted under this Act.
- 15
- 16 (3) "Licensee" means any person who holds a license granted to him or any other
- 17 person in its behalf.
- 18
- 19 (4) "Secretary" pertains to the secretary of the Department of Tourism (DOT).
- 20

21 **SEC. 4. Application of This Act.** -

- 22
- 23 (1) Nothing in this Act shall be construed as requiring any executor,
- 24 administrator, trustee, liquidator, official receiver, trustee in bankruptcy of a
- 25 bankrupt estate, trustee under a composition or scheme of arrangement or
- 26 under a deed of arrangement or under a deed of assignment, committee of the
- 27 estate or person of a mentally ill person, or manager of the property of an
- 28 incapable person, for the purpose of performing his functions, exercising his
- 29 powers or carrying out his duties as such, to hold a license;
- 30
- 31 (2) Notwithstanding anything in subsection (1), it shall not be lawful for any of
- 32 the persons referred to in that subsection in whom is vested the management
- 33 of the business of any travel agent to carry on that business at any time after

1 the expiration of three (3) months from the date on which the management of
2 that business was so vested, unless that person holds a license;
3

4 (3) Nothing in this Act shall be construed as relieving any person from the
5 obligation to take out a license under any written law for the performance of
6 any function, the exercise of any power, or the carrying out of any duty for
7 which a license shall not have been required if this Act had not been passed or
8 to pay the fee payable in respect of any such license.
9

10 (4) Nothing in this Act shall be construed as requiring the Official Assignee
11 performing his duties as the trustee in bankruptcy of the property of a bankrupt
12 to hold a license.
13

14 **SEC. 5. Definition of the Functions of a Travel Agent. –**
15

16 (1) Subject to this section, a person carries on the business of a travel agent if
17 he/she –
18

19 (a) sells tickets entitling an individual to travel, or otherwise arranges for a
20 person a right of passage on any conveyance (not being a prescribed
21 conveyance);
22

23 (b) sells to, or arranges or makes available for, a person rights of passage to,
24 and hotel or other accommodation at, one or more places (being places
25 within or outside the Philippines, or some of which are within and others
26 of which are outside the Philippines);
27

28 (c) purchases for resale the right of passage on any conveyance (not being
29 prescribed conveyance);
30

31 (d) carries out such activity as may be prescribed; or
32

33 (e) holds himself out as, or advertises that he is, willing to carry on any
34 activity referred to in paragraph (a), (b), (c) or (d).
35

36 (2) An individual does not carry on the business of a travel agent by reason only
37 of carrying on in the course of his employment any activity referred to in
38 subsection (1).
39

40 (3) A person does not carry on the business of a travel agent in respect of any
41 activity referred to in-
42

43 (a) subsection (1)(a) if he carries on the activity in respect of a conveyance of
44 which he is the owner; or
45

46 (b) subsection (1)(b) if he carries on the activity in respect of a conveyance and
47 place of accommodation of which he is the owner.
48

- 1 (4) A person does not carry on the business of a travel agent by reason only of
2 holding himself out as, or advertising that he is, willing to carry on any
3 activity to which subsection (3)(a) or (b) applies.
4

5 **SEC. 6. *The Role of the Philippine Tourism Authority.*** - The Department of Tourism
6 thru the Philippine Tourism Authority or PTA shall be responsible for the administration of
7 this Act and may authorize any of its officers to exercise any of the powers conferred upon
8 and perform any of the functions imposed upon PTA by this Act on its behalf.
9

10 **SEC. 7. *Persons Carrying on Business of Travel Agent to be Licensed.*** -
11

- 12 (1) No person shall carry the business of a travel agent unless he is the holder of a
13 license granted to him or any other person on his behalf.
14
15 (2) Any person who contravenes or fails to comply with subsection (1) shall be
16 guilty of an offense and shall be liable on conviction to a fine not exceeding
17 P20,000.00 or to imprisonment for a term not exceeding two (2) years or to
18 both.
19

20 **SEC. 8. *Application for License.*** -
21

- 22 (1) Any person who desires to obtain a license shall make an application to the
23 PTA in such form as the PTA may require.
24
25 (2) Upon receiving an application under subsection (1), PTA shall consider the
26 application and may grant a license, with or without conditions, or refuse to
27 grant a license.
28
29 (3) PTA shall refuse to grant a license if-
30
31 (a) satisfactory evidence has not been produced of the good fame and
32 character of the applicant or, if the applicant is a company, of its
33 officers holding a managerial or an executive position or, if the
34 applicant is a firm, or the members of the firm;
35
36 (b) satisfactory evidence has not been produced to show that the applicant
37 is a fit and proper person to hold a license;
38
39 (c) the applicant or, if the applicant is a firm, any member of the firm, has
40 been convicted of any offense involving fraud or moral turpitude or, if
41 the applicant is a company, any of its officers holding a managerial or
42 an executive position has been convicted of any offense involving
43 fraud or moral turpitude; or
44
45 (d) PTA considers it in the public interest to do so.
46
47 (4) PTA may at any time vary or cancel any of the existing conditions of a license
48 or impose conditions or additional conditions thereto.
49

1 (5) PTA shall, prior to taking any action under subsection (4), notify its intention
2 to take such action to the licensee concerned and shall give the licensee an
3 opportunity to submit reasons why the conditions of his license should not be
4 so varied or cancelled.
5

6 (6) Where a license is subject to conditions, the licensee shall comply with those
7 conditions.
8

9 (7) Any person who is aggrieved by a decision of the PTA under this section may,
10 within one month of being notified of the decision of the PTA, appeal against
11 such decision to the Secretary of the Department of Tourism whose decision
12 shall be final.
13

14 **SEC. 9. *Limit as to Number of Licenses Granted.*** - PTA may, with the approval of
15 the Secretary of the Department of Tourism, limit the number of licenses to be granted under
16 this Act.
17

18 **SEC. 10. *Annual License Fee.*** - Every licensee shall pay such license fee as may be
19 prescribed by PTA.
20

21 **SEC. 11. *Displaying of License.*** -
22

23 (1) Every licensee shall exhibit his license or a certified copy thereof in a
24 conspicuous place at his principal place of business and at every branch where
25 the licensee carries on the business of a travel agent.
26

27 (2) Any person -
28

29 (a) who contravenes or fails to comply with subsection (1); or
30

31 (b) who, not being the holder of a license, keeps up or exhibits on or near
32 his office, house or place of business or exhibits anywhere or allows to
33 remain unobliterated any sign, writing, painting or other mark
34 implying that such office, house or place of business is that of a person
35 licensed to carry on the business of a travel agent, shall be guilty of an
36 offense and shall be liable on conviction to a fine not exceeding
37 P20,000.00 or to imprisonment for a term not exceeding two (2) years
38 or to both.
39

40 **SEC. 12. *Revocation and Suspension of License.*** -
41

42 (1) PTA may by order revoke or suspend a license-
43

44 (a) if PTA is satisfied that the licensee-
45

46 (i) has ceased to carry on the business for which he has been
47 licensed or, if the licensee being a company, goes into
48 liquidation or is wound up or otherwise dissolved;
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- (ii) improperly obtained his license contrary to the provisions of this Act;
- (iii) is no longer a fit and proper person to continue to hold the license;
- (iv) has been convicted of any offense involving dishonesty or moral turpitude or, if the licensee is a company, any of its officers holding a managerial or an executive position or, if the licensee is a firm, any member of the firm has been convicted of any offense involving fraud or moral turpitude;
- (v) is carrying on or has carried on the business of a travel agent in such a manner as renders him unfit to continue to hold a license;
- (vi) is contravening or has contravened any of the provisions of this Act or any regulations made thereunder; or
- (vii) has been convicted of any offense under this Act or any regulations made thereunder or, if the licensee is a company, any of its officers holding a managerial or an executive position has been convicted of any offense under this Act or any regulations made thereunder; or

(b) if PTA considers it in the public interest to do so.

- (2) PTA shall, before revoking or suspending any license under subsection (1), give the licensee concerned notice in writing of its intention to do so, specifying a date, not less than 21 days after the date of the notice, upon which such revocation or suspension shall take effect and calling upon the licensee concerned to show cause to the PTA why his license should not be revoked or suspended.
- (3) When PTA has revoked or suspended a license under subsection (1), PTA shall forthwith inform the licensee concerned by notice in writing of the revocation or suspension.
- (4) The person whose license has been revoked or suspended may, within 14 days after the receipt of the notice referred to in subsection (3), or such extended period of time as the Secretary of the Department of Tourism may allow, appeal in writing against the revocation or suspension to the Secretary whose decision shall be final.
- (5) An order of revocation or suspension shall not take effect until the expiration of a period of 14 days after PTA has informed the licensee concerned of the order.
- (6) If within that period the licensee concerned gives due notice of appeal to the Secretary, the order shall not take effect unless the order is confirmed by the

1 Secretary or the appeal is for any reason dismissed by the Secretary or is
2 withdrawn.
3

4 **SEC. 13. *Effect of revocation and suspension of license.* -**
5

6 (1).Where an order of revocation or suspension becomes effective under section
7 12, the licensee concerned shall forthwith cease to carry on the business of a
8 travel agent.
9

10 (2) Subsection (1) shall not prejudice the enforcement by any person of any right
11 or claim against the licensee concerned or by the licensee concerned of any
12 right or claim against any person arising out of or concerning any matter or
13 thing done prior to the revocation or suspension of the license.
14

15 **SEC. 14. *Furnishing incorrect particulars in application.* -** Any person who in any
16 application for a license makes any statement which is not correct in any material particular
17 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding
18 P10,000.00.
19

20 **SEC. 15. *Wrongful conversion and false accounts.* -**
21

22 (1) Any licensee who –
23

24 (a) fraudulently converts to his own use or to the use of any other person –
25

26 (i) any money or part thereof received by him on behalf of any
27 person in respect of any transaction in his capacity as a travel
28 agent; or
29

30 (ii) any money or part thereof so received which are held by him in
31 trust pending the completion of any transaction;
32

33 (b) fraudulently omits to account for, deliver or pay-
34

35 (i) any such money or part thereof so received by him on behalf of
36 any person to such person; or
37

38 (ii) any such money or part thereof so received by him which are or
39 were held by him in trust as aforesaid pending the completion
40 of the transaction to the person or persons entitled to such
41 money; or
42

43 (c) fraudulently renders an account knowing such account to be false in
44 any material particular of –
45

46 (i) any such money or part thereof so received by him on behalf of
47 any person;
48

- 1 (ii) any money so received by him which is or was held by him in
2 trust pending the completion of any transaction or any part of
3 such money; or
4
5 (iii) expenses, commission or other charges incidental to any
6 transaction or proposed or contemplated transaction as a travel
7 agent, shall be guilty of an offence and shall be liable on
8 conviction to imprisonment for a term not exceeding 3-years.
9

10 (2) Nothing in this section shall be construed to limit or in any way affect the
11 provisions of any other written law.
12

13 **SEC. 16. Power to search premises.** - Any officer of PTA or any police officer, on
14 being satisfied upon any information and after any further inquiry which he thinks necessary
15 that there is good reason to believe that any place is used for the carrying on of the business
16 of a travel agent by a person who is not the holder of a license, may with such assistance and
17 by such force as is necessary, by day or by night -
18

- 19 (a) enter or go to the place and search the place and all persons found therein;
20
21 (b) seize all documents and things reasonably supposed to have been used or
22 intended to be used in connection with the business of a travel agent which are
23 found in the place or on such persons; and
24
25 (c) detain all such persons until they and the place have been searched.

26 **SEC. 17. Power to arrest.** -
27

- 28 (1) Any police officer or any officer of PTA duly authorized in writing in that behalf
29 by the Board may without warrant arrest any person whom he reasonably suspects
30 to have committed an offence under this Act.
31
32 (2) Any police officer or any officer of PTA duly authorized in writing in that behalf
33 by PTA arresting a person under subsection (1) may search that person and take
34 possession of all articles found on him which, there is reason to believe, were used
35 in connection with the offense.
36
37 (3) Every person so arrested shall be taken to the PTA office or a police station.
38
39 (4) No woman shall be searched except by a woman.
40

41 **SEC. 18. Power to Investigate.** - In any case relating to the commission of an offense
42 under this Act, any police officer and any officer of PTA duly authorized in writing in that
43 behalf by the PTA may seize items or evidence connected with the commission of the
44 offense.
45

46 **SEC. 19. Powers of the PTA.** - Any police officer and any officer of the PTA duly
47 authorized in writing in that behalf by the PTA shall, for the purposes of the execution of this
48 Act, have power to do all or any of the following:
49

- 1 (1) to enter, inspect and examine, by day or by night, the place of business of any
2 licensee;
3
4 (2) to require the production of records, accounts and documents kept by a
5 licensee and to inspect, examine and copy any of them; and
6
7 (3) to make such inquiry as may be necessary to ascertain whether the provisions
8 of this Act are complied with so far as regards any person employed by a
9 licensee to assist in the work of the travel agent.
10

11 **SEC. 20. *Obstruction of search, etc.* - Any person who -**
12

- 13 (1) refuses any police officer or any officer of the Board authorized to enter or
14 search access to any place;
15
16 (2) assaults, obstructs, hinders or delays him in effecting any entrance which he is
17 entitled to effect under this Act, or in the execution of any duty imposed or
18 power conferred by this Act;
19
20 (3) fails to comply with any lawful demand of a police officer or an officer of the
21 Board in the execution of his duty under this Act; or
22
23 (4) refuses or neglects to give any information which may reasonably be required
24 of him and which he has it in his power to give, shall be guilty of an offence
25 and shall be liable on conviction to a fine not exceeding P10,000.00 or to
26 imprisonment for a term not exceeding 12 months or to both.
27

28 **SEC. 21. *Liability of directors, partners, etc.* -**
29

- 30 (1) Where an offense under this Act has been committed by a company, any
31 person, who at the time of the commission of the offence was a director,
32 secretary, manager or other officer of the company or who was purporting to
33 act in any such capacity, shall be deemed to be guilty of that offense and shall
34 be liable to be proceeded against and punished accordingly unless he proves
35 that the offense was committed without his consent or connivance and that he
36 exercised such diligence to prevent the commission of the offense as he ought
37 to have exercised having regard to the nature of his function in that capacity
38 and to all the circumstances.
39
40 (2) Any person who would have been guilty of an offense if anything had been
41 done or omitted to be done by him personally shall be guilty of the offense and
42 shall be liable to the same penalty if such thing had been done or omitted to be
43 done by his partner, agent or servant in the course of partnership business or in
44 the course of his employment, as the case may be, unless he proves that the
45 offense was committed without his knowledge or consent and that he took all
46 reasonable precautions to prevent the doing or omission to do such thing.
47
48 (3) Nothing in subsection (2) shall relieve any partner, agent or servant from any
49 liability for an offense.
50

1 **SEC. 22. Disclosure of information. –**
2

3 (1) A person shall not disclose any information obtained by him in connection
4 with the administration or execution of this Act, unless the disclosure is made
5 –

6
7 (a) with the consent of the person from whom the information was
8 obtained;

9
10 (b) in connection with the administration or execution of this Act;

11
12 (c) for the purposes of any legal proceedings arising out of this Act or of
13 any report of such proceedings; or

14
15 (d) for the purpose of objecting to an application for a license or of any
16 investigation conducted under this Act.
17

18 (2) Any person who contravenes subsection (1) shall be guilty of an offense and
19 shall be liable on conviction to a fine not exceeding P5,000.00 or to
20 imprisonment for a term not exceeding 6 months or both.
21

22 **SEC. 23. Service of notices, orders and subpoenas. -** Any notice, order,
23 determination, certificate or subpoena that may be given, made or issued under this Act may
24 be served –

25
26 (1) by delivering it personally to the person to whom it is addressed; or
27

28 (2) where it is addressed to the licensee –

29
30 (a) by delivering it to any place shown on the application for the license as
31 the licensee's place of residence or business and by leaving it there
32 with some person for that licensee; or
33

34 (b) by posting it by registered post in an envelope duly stamped and
35 addressed to the person to whom it is addressed at any place shown on
36 the application for the license as the licensee's place of residence or
37 business, and shall be deemed to have been served upon is being so
38 delivered or, in the case of a notice, order, certificate or subpoena
39 served as referred to in paragraph (b)(ii), shall be deemed to have been
40 served when it would be delivered in the ordinary course of post.
41

42 **SEC. 24. Service of notice, summons, writ or other proceedings on PTA. -** Any
43 notice, summons, writ or other proceedings required to be served on PTA may be served by
44 being left with some person apparently employed in the administration of this Act at the PTA
45 office or, in the case of a notice, by posting it by registered post in an envelope duly stamped
46 and addressed to PTA at its office, and shall be deemed to have been served upon its being
47 left or, in the case of a notice served by so posting it, shall be *prima facie* deemed to have
48 been served when it would be delivered in the ordinary course of post.

1 **SEC. 25. Authentication of documents.** - Every summons, process, demand, order,
2 notice, statement, direction or document requiring authentication by PTA may be sufficiently
3 authenticated without the seal of the PTA if signed by the General Manager of PTA.
4

5 **SEC. 26. Sanction for prosecution.** - No court shall take cognizance of any offense
6 under this Act or any regulations made hereinafter except with the sanction in writing of the
7 Public Prosecutor.
8

9 **SEC. 27. Conduct of proceedings.** - Proceedings in respect of any offense under this
10 Act or any regulations made hereinafter may be conducted by any officer authorized in
11 writing in that behalf by the General Manager of PTA.
12

13 **SEC. 28. Composition of offense.** -
14

15 (1) The PTA may, in its discretion, compound any offense under this Act or any
16 regulations made hereinafter which is prescribed as a compoundable offense
17 by collecting from a person reasonably suspected of having committed the
18 offense a sum not exceeding P5,000.00.
19

20 (2) The PTA may, with the approval of the Secretary, make regulations to
21 prescribe the offenses which may be compounded.
22

23 **SEC. 29. Regulations.** -
24

25 (1) PTA may, with the approval of the Secretary, make regulations generally for
26 the carrying out of the provisions of this Act and, in particular, may make
27 regulations for all or any of the following purposes:
28

29 (a) prescribing the information and documents to be furnished by an
30 applicant for a license;
31

32 (b) prescribing the forms to be used under this Act;
33

34 (c) prescribing the procedure to be followed on applications and other
35 proceedings under this Act;
36

37 (d) prescribing the books, accounts (including trust accounts) and records
38 to be kept by a licensee and the form and mode of keeping such books,
39 accounts and records;
40

41 (e) prescribing the fees payable in respect of licenses granted under this
42 Act;
43

44 (f) prescribing the conditions for a license granted under this Act;
45

46 (g) regulating the conduct of travel agents in their business and prescribing
47 a code of conduct for travel agents; and
48

49 (h) exempting any persons or classes of persons from the provisions of this
50 Act.

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(2) Such regulations may provide that a contravention thereof shall be punishable with a fine not exceeding P20,000.00 or with imprisonment for a term not exceeding 12 months or with both and, in the case of a continuing offense, with a further fine not exceeding P1,000.00 for every day during which the offense continues after conviction.

SEC. 30. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, the remainder thereof not affected thereby shall continue to be in full force and effect.

SEC. 31. Repealing Clause. - All laws, decrees, orders, rules and regulations or other issuance or parts thereof inconsistent with the provision of this Act are hereby repealed, amended or modified accordingly.

SEC. 32. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,