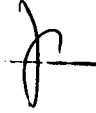


SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



'16 JUL 20 P3:59

SENATE
S.B. No. 685

REC'D BY: 

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**AN ACT CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE
AND APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

The Center for Global Development in Washington D.C. ranked the Philippines as the most resilient economy among 21 countries studied. Our island nation ranked number one above South Korea and China, second and third respectively.¹

The country is also considered among the most entrepreneurial countries in the world in a report produced by Approved Index.²

The Philippines is now considered a highly competitive player in the market of foreign direct investments thanks to our robust economy and the great potential of our workforce.

In 2014, our country's net foreign direct investments reached a record-breaking 6.2 billion U.S. dollars – a stark improvement from our 2010 net FDI of 1.07 billion U.S. dollars.³

To maintain this competitiveness, we need to improve trade negotiation and facilitation and ensure that we have a cohesive and coherent trade policy that upholds the country's national interest.

The Charter of the Philippine Trade Representative Office kick-starts this initiative by creating the Philippine Trade Representative Office or PTRO. The PTRO is tasked to consolidate and harmonize all existing functions from various government agencies such as

¹ Paolo Taruc. CNN Philippines. 7 April 2015. "Philippines has most resilient economy – study". <<http://cnnphilippines.com/news/2015/04/06/philippines-most-resilient-economy.html>>

² Peter Economy. INC. 25 June 2015. "The 10 Most Entrepreneurial Countries in the World". <<http://www.inc.com/peter-economy/the-10-most-entrepreneurial-countries-in-the-world.html>>

³ State of the Nation Address 2015. <<http://www.gov.ph/2015/07/27/english-president-aquino-sixth-sona/>>

the Bureau of International Trade Relations under the Department of Trade and Industry (DTI), Attaches and Permanent Missions to the World Trade Organization (WTO), Association of Southeast Asian Nations (ASEAN) and United Nations International Organization (UNIO), and the trade negotiating and policy making functions of the Tariff and Related Matters Committee (TRMC). This is in order to enhance the formulation of domestic and national priorities that should drive our trade positions and negotiations.

The PTRO shall also form the Multi-Sectoral Advisory Committee (MSAC) that will compose members from both government and civil society, including representatives from the agriculture industry, labor sector, small business, service sectors, retailers and consumer groups, to advise the office on trade matters in relation to the country's achievement of its economic goals.

Our country is now open for business. Let's pass the Charter of the Philippine Trade Representative Office to bolster our position and voice in the international trade community.

In view of the foregoing, the approval of this bill is earnestly sought.


Senator Paolo Benigno "Bam" A. Aquino IV

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

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 **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
5 security and rural and industrial development, among others, and utilizes all forms
6 and arrangements of exchange on the basis of fair trade. The State recognizes that
7 market 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
9 their 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
13 responsive to the needs of all the stakeholders in the Philippine economy and the
14 exigencies of international economic relations. As any international economic,
15 commercial, or trade agreement entered into by the Government constitutes
16 regulation of commerce and will affect the different stakeholders in our economy, it
17 is essential that any agreement is harmonized with the Philippine Constitution and
18 existing domestic commercial laws. Thus, the State shall ensure that a single office
19 shall, with competence and accountability, direct, formulate, and coordinate the
20 efforts of government agencies towards formulating cohesive policies and measures,
21 and conduct regular consultations with stakeholders on matters pertaining to
22 international trade and investment relations and negotiations.

23 **SEC. 3. Definition of Terms.** – For purposes of this Act, the following terms
24 shall mean:

1 a) *Ambassador* - a diplomatic official accredited to a foreign sovereign or
2 government, or to an international organization, to serve as the official
3 representative of the country. In everyday usage, it applies to the ranking
4 plenipotentiary minister stationed in a foreign capital. The host country typically
5 allows the ambassador control of specific territory called an embassy, whose
6 territory, staff, and even vehicles are generally afforded diplomatic immunity from
7 most laws of the host country;

8 b) *Civil Society* - the totality of voluntary civic and social organizations and
9 institutions that form the basis of a functioning society as opposed to the formal
10 institutions and structures of a state;

11 c) *Commerce* - the entire range of activities connected with the production,
12 manufacturing, accumulation, gathering, mining, raising, harvesting, exchange or
13 buying and selling of something of economic value such as agricultural products,
14 minerals, goods, services, information, debt instruments, shares of stock or equity,
15 derivatives, and money. It also includes capital formation, either through debt or
16 equity; savings; and investments. Finally, it likewise includes the obligations, rights,
17 and duties of all economic entities such as natural persons, corporations,
18 partnerships, and governmental entities;

19 d) *Consultation Mechanism* - the means by which stakeholders and sectors
20 could participate effectively and meaningfully in the governmental process of
21 drawing up our international trade policy, and in coming up with all other policies
22 and rules affecting all aspects of international trade;

23 e) *Fair Trade* - a trading partnership, based on dialogue, transparency and
24 respect, that seek greater equity in international trade. It contributes to sustainable
25 development by securing and offering better trading conditions to marginalized
26 producers and workers;

27 f) *Investment* - the act of putting money to a business, either by directly buying
28 or leasing assets, hiring personnel, and entering into a whole gamut of contracts
29 needed to run an ongoing concern, or by buying equity in a business – typically in the
30 form of shares of stock;

31
32 g) *Multisectoral* - a grouping of different sectors of the economy;

33 h) *Non-Government Organizations* - non-stock, non-profit corporations
34 organized under the laws of the Republic of the Philippines doing charitable,
35 educational, religious, social, economic, and other not-for-profit endeavors;

36 i) *Private Sector* – the sector of the economy that is owned by or is composed
37 of private individuals, including natural persons doing business in their personal
38 capacity;

1 j) *Research* - 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
3 stakeholders;

4 k) *Sectors* - the different economic or commercial groups composed of
5 members with substantially common commercial interest, including business, labor,
6 peasants, farmers, fisherfolk, consumers, private sector, public sector, service sector,
7 and manufacturing sector;

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

12 m) *Trade* - the voluntary exchange of goods, services and all things of economic
13 value, whether or not across national borders;

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

23 o) *Trade Dispute* - a disagreement between two or more countries to a trade
24 agreement that arises when at least one country adopts a trade policy measure or
25 takes some action that one or more fellow members considers to be a breach of the
26 agreement, or a failure to live up to obligations under the agreement.

27 **SEC. 4. Creation.** - There is hereby created the Philippine Trade Representative
28 Office, hereinafter referred to as the Trade Office that shall be attached to the Office
29 of the President.

30 The Philippine Trade Representative who shall hold a Cabinet rank shall head the
31 Trade Office.

32 The Trade Office shall have three (3) Deputy Trade Representatives, each of
33 whom shall hold the rank of Undersecretary.

34 Within thirty (30) days from the effectivity of this Act, the President shall appoint
35 the Philippine Trade Representative and the Deputy Trade Representatives upon the
36 endorsement of various stakeholders.

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

1 a) *Qualification.* – The Philippine Trade Representative and Deputy Trade
2 Representatives must be natural-born citizens of the Philippines, and must be at
3 least forty (40) and thirty-five (35) years of age, respectively, of good moral
4 character, unquestionable integrity and known probity and patriotism, and must
5 have academic training, experience and competence in business, economics,
6 international trade law and policy or trade negotiations.

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

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

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

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

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

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

37 c) Undertake consultations with stakeholders in all aspects of trade policy
38 formulation and negotiation. Stakeholders must also be directly involved in

- 1 formulating positions related to trade and investment negotiations in line with the
2 national development agenda;
- 3 d) Formulate the Philippine Trade position aimed to support the achievement of
4 the economic goals defined in the Constitution that is a product of a regular and
5 meaningful consultation with relevant government agencies and various civil society
6 stakeholders;
- 7 e) Negotiate trade and investment agreements on the basis of the Philippine
8 Constitution and other laws, and represent the Philippines in all international trade
9 negotiations including, any matter considered under the purview of world trade
10 organizations, other regional and bilateral commodity and those pertaining to direct
11 investment negotiations in which the Philippines participates;
- 12 f) Advise the President and Congress on international trade and investments
13 policies and their implications on the domestic economy and the impact of domestic
14 policies on international trade and investments commitments;
- 15 g) Assert and protect the rights and interests of the Philippines under all
16 bilateral, regional and multilateral trade and investment agreements by coordinating
17 quick and decisive inter-agency response including, but not limited to, cases of unfair
18 trade practices, import surges and rules on investment;
- 19 h) Provide the necessary staff support to the Multi-Sectoral and Sub-Sectoral
20 Advisory Committee and the Inter-Agency Coordinating Committee;
- 21 i) Appoint, employ and fix the compensation in accordance with existing
22 compensation laws of such officers and employees as are necessary and prescribe
23 their authority and duties, subject to Civil Service Commission laws, rules and
24 regulations;
- 25 j) Employ and compensate experts and consultants in accordance with the
26 relevant laws;
- 27 k) Promulgate such rules and regulations as may be necessary to carry out the
28 functions, powers and duties vested herein;
- 29 l) Enter into and perform such contracts, leases, cooperative agreements or
30 other transactions as may be necessary in the conduct of the work of the Office and
31 on such terms as the Philippine Trade Representative may deem appropriate with
32 any agency or instrumentality of the Philippine government or with any public or
33 private person, firm, association, corporation or institution; and
- 34 m) Adopt an official seal.

1 **SEC. 7. Functions of the Philippine Trade Representative.** - For the purpose of
2 carrying out the functions of the Trade Office , The Philippine Trade Representative
3 shall:

4 a) Create the organizational structure of the Trade Office consistent with its
5 mandate and functions provided in this Act and according to strategic needs, which
6 structure shall be reviewed regularly;

7 b) Head the Trade Office and exercise control and supervision over all its
8 functions, activities and its organization;

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

13 d) Create sectoral and thematic desks that will receive and facilitate referral to
14 appropriate agencies of complaints, information and concerns pertaining to trade
15 and investment matters;

16
17 e) Chair the Inter-agency Coordinating Committee on international trade and
18 investments;

19 f) Monitor and enforce the implementation of Philippine international trade
20 policy, including direct investment matters to the extent that they are related to
21 international trade policy;

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

24 h) Call upon and deputize, in times of trade policy formulation and negotiations,
25 the national agencies and their personnel, and correspondingly use the services of
26 the deputized agency whose functions are related to or affect international trade
27 policy, including direct investment matters to the extent that these are related to
28 international trade policy;

29 i) Act as co-chair of the Multi-Sectoral Advisory Committee in its regular and
30 special meetings; and

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

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

36 a) Senior representative on any body that the President may establish for the

1 purpose of advising the President on overall economic policies in which international
2 trade matters predominate; and

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

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

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

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

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

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

19 e) Perform all other functions as may be delegated by the Philippine Trade
20 Representative or as may be required by the nature or exigencies of the functions
21 and responsibilities of the Trade Office.

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

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

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

37 **SEC. 11. *Membership in the National Economic and Development Authority***
38 ***(NEDA) Board.*** - The Philippine Trade Representative shall be a member of the

1 National Economic and Development Authority (NEDA) Board, which was
2 reorganized under Executive Order No. 230. The Philippine Trade Representative
3 shall have the same rights and obligations as all the other members of the Board.

4 **SEC. 12. Organization of the Trade Office.** – The Trade Research, Data Collection,
5 Analysis and Dissemination Service under the Trade Office shall have the following
6 specific functions and responsibilities:

7 a) Improve and strengthen the capacity of the Trade Office on research, data
8 collection, analysis and dissemination of trade and investments statistics, laws and
9 policies, agreements and other related information;

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

13 c) Conduct sectoral and macrolevel impact assessment and/or potential effects
14 of the country's trade negotiating positions or an eventual trade agreement and
15 validate such studies;

16 d) Provide the general public access to trade data and information and other
17 relevant documents through online databases, journals, publications, and other
18 media;

19 e) Collaborate with government and nongovernment research institutions on
20 trade and investments policies and programs in relation to the national development
21 program;

22 f) Tap the foreign trade service corps to acquire market intelligence information
23 with regard to commercial, industrial and general economic conditions, as well as
24 noneconomic conditions, affecting Philippine products both in the export and
25 domestic markets;

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

28 h) Conduct or facilitate the conduct of trainings and courses for the benefit of
29 the technical staff of the Trade Office and other government personnel directly or
30 indirectly engaged in trade and investment policy work in order to build, improve
31 and enhance the capacity and competence in trade and investment negotiations.
32

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

35 a) Provide legal advice to the Trade Office, including legal advice on trade and
36 investment negotiations;

- 1 b) Interpret laws and rules affecting the operations of the Trade Office;
- 2 c) Prepare contracts and instruments to which the Trade Office is a party, and
3 interpret provisions of contracts covering work performed for the Trade Office by
4 private entities;
- 5 d) Assist in the promulgation of rules governing the activities of the Trade
6 Office;
- 7 e) Prepare comments on proposed legislation concerning the Trade Office;
- 8 f) Assist the Solicitor General in suits or cases involving the Trade Office or its
9 officers, or employees or act as their principal counsel in all actions taken in their
10 official capacity before judicial or administrative bodies;
- 11 g) Assist the Trade Office in ensuring that the rights and interests of the
12 Republic of the Philippines are protected in the WTO agreements, other multilateral
13 trade, regional, plurilateral and bilateral trade and investment agreements; and
14 ensure that the counterpart countries comply with their obligations in the
15 agreements;
- 16 h) Represent the Republic of the Philippines in any dispute settlement before
17 the WTO, other multilateral trade agreements, bilateral trade agreements or in any
18 other suit involving international trade; and
- 19 i) Perform such other functions as may be directed by the Philippine Trade
20 Representative.

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

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

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

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

4 Members of the MSAC and Subcommittees shall be appointed by the Philippine
5 Trade Representative upon the endorsement of various nongovernment
6 organizations and stakeholders. Members of the MSAC shall serve without either
7 compensation or reimbursement of expenses.

8 The MSAC will meet as needed at the call of the MSAC Chairman or the
9 Philippine Trade Representative depending on various factors such as the level of
10 activity of trade negotiations.

11
12 **SEC. 18. Duties and Functions of the MSAC. –**

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

- 17 1. Negotiating objectives and bargaining positions before entering into a
18 trade and investment agreement;
- 19 2. The operation, implementation and monitoring of any trade and
20 investment agreement once entered into;
- 21 3. Trade remedies, dispute settlements, non-compliance and/or
22 violations to any trade and investment agreement; and
- 23 4. Other matters arising in connection with the development,
24 implementation and administration of the trade and investment policy.

25 b) The MSAC shall provide technical support to the Philippine Trade
26 Representative by drawing upon the knowledge and expertise of the members;

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

35 d) The MSAC shall accompany and advise the Philippine delegation in trade and
36 investment negotiation missions; and

37 e) The MSAC shall likewise recommend to the Philippine Trade Representative
38 the participation of a private sector representative to accompany the Philippine
39 delegation in an observer capacity in trade negotiations.

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

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

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

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

9 d) Provide the secretariat and other necessary staff support for the MSAC
10 meetings.

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

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

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

24 The Chairperson of the MSAC and the SSAC shall be elected by their respective
25 members.

26 **SEC. 21. Confidentiality Agreement.** – To protect the Trade Office from the
27 unauthorized disclosure of classified information and information relating to trade
28 policy, the members of the MSAC and its Subcommittees shall enter into a
29 confidentiality agreement with the Trade Office and comply with other requirements
30 established with the Trade Office.

31 **SEC. 22. Joint Congressional Oversight Committee on Trade and Investment**
32 **Matters.** - There shall be a Joint Congressional Oversight Committee on Trade and
33 Investment Matters, hereinafter referred to as the "Congressional Oversight
34 Committee". The Congressional Oversight Committee shall be composed of five (5)
35 Members from the Senate, which shall include the Senate President, the Senate
36 Majority and Minority Leaders, and five (5) Members from the House of
37 Representatives, which shall include the Speaker of the House and the Majority and
38 Minority Leaders.

1 The Congressional Oversight Committee shall conduct a periodic review and
2 evaluation of the performance of the Trade Office, including its officials, every three
3 (3) years. An independent panel composed of experts to be appointed by the
4 Congressional Oversight Committee shall review the activities and performance of
5 the Trade Office and shall make recommendations, based on its findings, to the
6 Congressional Oversight Committee. The independent panel of evaluators shall
7 likewise conduct consultations with stakeholders in the conduct of the review.

8 The Congressional Oversight Committee shall set the guidelines and overall
9 framework for the monitoring of the implementation of this Act and shall adopt its
10 internal rules of procedure: *Provided, further,* That the Secretariat of the
11 Congressional Oversight Committee shall be drawn from the existing personnel of
12 the concerned Senate and House of Representatives offices comprising the
13 Congressional Oversight Committee.

14 **SEC. 23. Reportorial Requirements.** - The Trade Office shall:

15 a) Submit to the Congressional Oversight Committee and to the MSAC, as
16 herein created, reports on the accomplishment of its goals and strategies and on any
17 intention to negotiate any economic treaty, whether bilateral, regional, or
18 multilateral. At the minimum, the report shall contain the subject matter for
19 negotiations and the general objectives of the government. The Trade Office shall
20 regularly update the Congressional Oversight Committee and the MSAC on the
21 negotiations, including the offers and counter-offers of all the parties, and shall also
22 notify the Congressional Oversight Committee and the MSAC of any tentative or final
23 agreement of the parties;

24 b) Submit a report at least twice a year and as may be directed by the President
25 or the Congressional Oversight Committee and as may be requested by MSAC on the
26 developments of any international trade and investment negotiations and/or
27 agreements; and

28 c) Submit a biannual report directly to the President, the Congressional
29 Oversight Committee and the MSAC regarding the implementation, operation and
30 effectiveness of any trade and investment agreement entered into, including the
31 status of ongoing trade and investment negotiations in which the Philippines
32 participates.

33 **SEC. 24. Penalties.** -

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

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

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

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

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

23 **SEC. 26. *Transitory Provisions.*** - The TRMC created under Section 6 of Executive
24 Order No. 230, Series of 1987, together with the Technical Committee on WTO
25 Matters, shall continue to function for six (6) months or until the Trade Office is set
26 up, whichever comes earlier, after which it shall cease to function.

27 **SEC. 27. *Implementing Rules and Regulations.*** - Within sixty (60) days from the
28 effectivity of this Act, the Trade Office shall, in consultation with the DTI, the
29 Department of Agriculture, the Department of Foreign Affairs and NEDA, issue the
30 rules and regulations necessary to implement the provisions of this Act.

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

37 **SEC. 26. *Separability Clause.*** - Should any provision herein be declared
38 unconstitutional, the same shall not affect the validity of the other provisions of this
39 Act. Should any provision herein be declared unconstitutional, the same shall not
40 affect the validity of the other provisions of this Act.

1 **SEC. 27. *Repealing Clause.*** - All laws, rules and regulations and other issuances
2 inconsistent with the provisions of this Act, including Section 6 of Executive Order
3 No. 230, Series of 1987 and relevant provisions of Executive Order No. 133, Series of
4 1987, are deemed modified, revoked or repealed accordingly.

5 **SEC. 28. *Effectivity.*** - This Act shall take effect fifteen (15) days following its
6 publication in the *Official Gazette* or in two (2) newspapers of general circulation.

7 Approved,