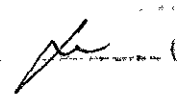


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 OCT -8 2009

SENATE

S. NO. 2667

RECEIVED BY: 

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

The tourism industry has significantly contributed in 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 Secretary of Tourism, Sec. Durano, revealed that visitor revenue grew to an average of 20.1 percent over the last three years¹.

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 to 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 interest 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

¹ Data retrieved from <http://www.dotpcvc.gov.ph/Visitor%20Information/updates.html#anchor609465> on July 1, 2008.

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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 2008"

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
6 enhance the reputation of the country as a tourist-friendly country in Asia by protecting
7 the interests of the local and foreign travelers in the Philippines.

8
9 **Sec. 3. Definition of Terms.** - As used in this section, the term -
10 (1) "Philippine Tourism Authority or PTA" pertains to the existing
11 implementation arm of the Department of Tourism.
12 (2) "License" means a license granted under this Act.
13 (3) "Licensee" means any person who holds a license granted to him or any
14 other person in its behalf.
15 (4) "Secretary" pertains to the secretary of the Department of Tourism (DOT).

16
17 **Sec. 4. Application of This Act.**
18 (1) Nothing in this Act shall be construed as requiring any executor,
19 administrator, trustee, liquidator, official receiver, trustee in bankruptcy of a bankrupt
20 estate, trustee under a composition or scheme of arrangement or under a deed of

1 arrangement or under a deed of assignment, committee of the estate or person of a
2 mentally ill person, or manager of the property of an incapable person, for the purpose of
3 performing his functions, exercising his powers or carrying out his duties as such, to hold
4 a license;

5 (2) Notwithstanding anything in subsection (1), it shall not be lawful for any
6 of the persons referred to in that subsection in whom is vested the management of the
7 business of any travel agent to carry on that business at any time after the expiration of
8 three (3) months from the date on which the management of that business was so vested,
9 unless that person holds a license;

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

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

18
19 **Sec. 5. Definition of the Functions of a Travel Agent. –**

20 (1) Subject to this section, a person carries on the business of a travel agent if
21 he -

- 22 (a) sells tickets entitling an individual to travel, or otherwise arranges for a
23 person a right of passage on any conveyance (not being a prescribed
24 conveyance);
- 25 (b) sells to, or arranges or makes available for, a person rights of passage
26 to, and hotel or other accommodation at, one or more places (being
27 places within or outside the Philippines, or some of which are within
28 and others of which are outside the Philippines);
- 29 (c) purchases for resale the right of passage on any conveyance (not being
30 prescribed conveyance);
- 31 (d) carries out such activity as may be prescribed; or
- 32 (e) holds himself out as, or advertises that he is, willing to carry on any
33 activity referred to in paragraph (a), (b), (c) or (d).

1 (2) An individual does not carry on the business of a travel agent by reason
2 only of carrying on in the course of his employment any activity referred to in subsection
3 (1).

4 (3) A person does not carry on the business of a travel agent in respect of any
5 activity referred to in –

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

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

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

13
14 **Sec. 6. *The Role of the Philippine Tourism Authority.*** – The Department of
15 Tourism thru the Philippine Tourism Authority or PTA shall be responsible for the
16 administration of this Act and may authorize any of its officers to exercise any of the
17 powers conferred upon and perform any of the functions imposed upon PTA by this Act
18 on its behalf.

19
20 **Sec. 7. *Persons Carrying on Business of Travel Agent to be Licensed.*** –

21 (1) No person shall carry on the business of a travel agent unless he is the
22 holder of a license granted to him or any other person on his behalf.

23 (2) Any person who contravenes or fails to comply with subsection (1) shall
24 be guilty of an offense and shall be liable on conviction to a fine not exceeding P20,000
25 or to imprisonment for a term not exceeding two (2) years or to both.

26
27 **Sec. 8. *Application for License.***

28 (1) Any person who desires to obtain a license shall make an application to
29 the PTA in such form as the PTA may require.

30 (2) Upon receiving an application under subsection (1), PTA shall consider
31 the application and may grant a license, with or without conditions, or refuse to grant a
32 license.

33 (3) PTA shall refuse to grant a license if –

34 (a) satisfactory evidence has not been produced of the good fame and
35 character of the applicant or, if the applicant is a company, of its

1 officers holding a managerial or an executive position or, if the
2 applicant is a firm, of the members of the firm;

3 (b) satisfactory evidence has not been produced to show that the applicant
4 is a fit and proper person to hold a license;

5 (c) the applicant or, if the applicant is a firm, any member of the firm, has
6 been convicted of any offense involving fraud or moral turpitude or, if
7 the applicant is a company, any of its officers holding a managerial or
8 an executive position has been convicted of any offense involving
9 fraud or moral turpitude; or,

10 (d) PTA considers it in the public interest to do so.

11 (4) PTA may at any time vary or cancel any of the existing conditions of a
12 license or impose conditions or additional conditions thereto.

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

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

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

22
23 **Sec. 9. Limit as to Number of Licenses Granted.** – PTA may, with the approval
24 of the Secretary of the Department of Tourism, limit the number of licenses to be granted
25 under this Act.

26
27 **Sec. 10. Annual License Fee.** Every licensee shall pay such license fee as may be
28 prescribed by PTA.

29
30 **Sec. 11. Displaying of License.**

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

34 (2) Any person –

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

1 (b) who, not being the holder of a license, keeps up or exhibits on or near
2 his office, house or place of business or exhibits anywhere or allows to
3 remain unobliterated any sign, writing, painting or other mark
4 implying that such office, house or place of business is that of a person
5 licensed to carry on the business of a travel agent,
6 shall be guilty of an offense and shall be liable on conviction to a fine not exceeding
7 P20,000 or to imprisonment for a term not exceeding two (2) years or to both.

8
9 **Sec. 12. Revocation and Suspension of License.**

10 (1) PTA may by order revoke or suspend a license –

11 (a) if PTA is satisfied that the licensee –

- 12 (i) has ceased to carry on the business for which he has been
13 licensed or, if the licensee being a company, goes into liquidation
14 or is wound up or otherwise dissolved;
- 15 (ii) improperly obtained his license contrary to the provisions of this
16 Act;
- 17 (iii) is no longer a fit and proper person to continue to hold the
18 license;
- 19 (iv) has been convicted of any offense involving dishonesty or moral
20 turpitude or, if the licensee is a company, any of its officers
21 holding a managerial or an executive position or, if the licensee
22 is a firm, any member of the firm has been convicted of any
23 offense involving fraud or moral turpitude;
- 24 (v) is carrying on or has carried on the business of a travel agent in
25 such a manner as renders him unfit to continue to hold a license;
- 26 (vi) is contravening or has contravened any of the provisions of this
27 Act or any regulations made thereunder; or
- 28 (vii) has been convicted of any offense under this Act or any
29 regulations made thereunder or, if the licensee is a company, any
30 of its officers holding a managerial or an executive position has
31 been convicted of any offense under this Act or any regulations
32 made thereunder; or

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

34 (2) PTA shall, before revoking or suspending any license under subsection (1),
35 give the licensee concerned notice in writing of its intention to do so,

1 specifying a date, not less than 21 days after the date of the notice, upon
2 which such revocation or suspension shall take effect and calling upon the
3 licensee concerned to show cause to the PTA why his license should not be
4 revoked or suspended.

5 (3) When PTA has revoked or suspended a license under subsection (1), PTA
6 shall forthwith inform the licensee concerned by notice in writing of the
7 revocation or suspension.

8 (4) The person whose license has been revoked or suspended may, within 14 days
9 after the receipt of the notice referred to in subsection (3), or such extended
10 period of time as the Secretary of the Department of Tourism may allow,
11 appeal in writing against the revocation or suspension to the Secretary whose
12 decision shall be final.

13 (5) An order of revocation or suspension shall not take effect until the expiration
14 of a period of 14 days after PTA has informed the licensee concerned of the
15 order.

16 (6) If within that period the licensee concerned gives due notice of appeal to the
17 Secretary, the order shall not take effect unless the order is confirmed by the
18 Secretary or the appeal is for any reason dismissed by the Secretary or is
19 withdrawn.

20
21 **Sec. 13. *Effect of revocation and suspension of license.***

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

25 (2) Subsection (1) shall not prejudice the enforcement by any person of any
26 right or claim against the licensee concerned or by the licensee concerned of any right or
27 claim against any person arising out of or concerning any matter or thing done prior to
28 the revocation or suspension of the license.

29
30 **Sec 14. *Furnishing incorrect particulars in application.*** - Any person who in
31 any application for a license makes any statement which is not correct in any material
32 particular shall be guilty of an offence and shall be liable on conviction to a fine not
33 exceeding P10,000.

1 **Sec. 15. Wrongful conversion and false accounts.**

2 (1) Any licensee who –

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

4 (i) any money or part thereof received by him on behalf of any
5 person in respect of any transaction in his capacity as a travel
6 agent; or

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

9 (b) fraudulently omits to account for, deliver or pay –

10 (i) any such money or part thereof so received by him on behalf of
11 any person to such person; or

12 (ii) any such money or part thereof so received by him which are or
13 were held by him in trust as aforesaid pending the completion of
14 the transaction to the person or persons entitled to such money;
15 or

16 (c) fraudulently renders an account knowing such account to be false in
17 any material particular of –

18 (i) any such money or part thereof so received by him on behalf of
19 any person;

20 (ii) any money so received by him which is or was held by him in
21 trust pending the completion of any transaction or any part of
22 such money; or

23 (iii) expenses, commission or other charges incidental to any
24 transaction or proposed or contemplated transaction as a travel
25 agent,

26 shall be guilty of an offence and shall be liable on conviction to imprisonment for a term
27 not exceeding 3 years.

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

30
31 **Sec. 16. Power to search premises.** – Any officer of PTA or any police officer, on
32 being satisfied upon any information and after any further inquiry which he thinks
33 necessary that there is good reason to believe that any place is used for the carrying on of
34 the business of a travel agent by a person who is not the holder of a license, may with
35 such assistance and by such force as is necessary, by day or by night -

- 1 (a) enter or go to the place and search the place and all persons found therein;
2 (b) seize all documents and things reasonably supposed to have been used or
3 intended to be used in connection with the business of a travel agent which
4 are found in the place or on such persons; and
5 (c) detain all such persons until they and the place have been searched.

6
7 **Sec. 17. Power to arrest. -**

8 (1) Any police officer or any officer of PTA duly authorized in writing in that
9 behalf by the Board may without warrant arrest any person whom he reasonably suspects
10 to have committed an offence under this Act.

11 (2) Any police officer or any officer of PTA duly authorized in writing in that
12 behalf by PTA arresting a person under subsection (1) may search that person and take
13 possession of all articles found on him which, there is reason to believe, were used in
14 connection with the offense.

15 (3) Every person so arrested shall be taken to the PTA office or a police
16 station.

17 (4) No woman shall be searched except by a woman.
18

19 **Sec. 18. Power to Investigate. -** In any case relating to the commission of an
20 offense under this Act, any police officer and any officer of PTA duly authorized in
21 writing in that behalf by the PTA may seize items or evidence connected with the
22 commission of the offense.
23

24 **Sec. 19. Powers of the PTA. -**

25 Any police officer and any officer of the PTA duly authorized in writing in that
26 behalf by the PTA shall, for the purposes of the execution of this Act, have power to do
27 all or any of the following:

- 28 (a) to enter, inspect and examine, by day or by night, the place of business of
29 any licensee;
30 (b) to require the production of records, accounts and documents kept by a
31 licensee and to inspect, examine and copy any of them; and
32 (c) to make such inquiry as may be necessary to ascertain whether the
33 provisions of this Act are complied with so far as regards any person
34 employed by a licensee to assist in the work of a travel agent.

1 **Sec. 20. Obstruction of search, etc. –**

2 Any person who –

- 3 (a) refuses any police officer or any officer of the Board authorized to enter
4 or search access to any place;
- 5 (b) assaults, obstructs, hinders or delays him in effecting any entrance which
6 he is entitled to effect under this Act, or in the execution of any duty
7 imposed or power conferred by this Act;
- 8 (c) fails to comply with any lawful demand of a police officer or an officer
9 of the Board in the execution of his duty under this Act; or
- 10 (d) refuses or neglects to give any information which may reasonably be
11 required of him and which he has it in his power to give,

12 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding
13 P10,000 or to imprisonment for a term not exceeding 12 months or to both.

14

15 **Sec. 21. Liability of directors, partners, etc. –**

16 (1) Where an offense under this Act has been committed by a company, any
17 person, who at the time of the commission of the offence was a director, secretary,
18 manager or other officer of the company or who was purporting to act in any such
19 capacity, shall be deemed to be guilty of that offense and shall be liable to be proceeded
20 against and punished accordingly unless he proves that the offense was committed
21 without his consent or connivance and that he exercised such diligence to prevent the
22 commission of the offense as he ought to have exercised having regard to the nature of
23 his function in that capacity and to all the circumstances.

24 (2) Any person who would have been guilty of an offense if anything had
25 been done or omitted to be done by him personally shall be guilty of the offense and shall
26 be liable to the same penalty if such thing had been done or omitted to be done by his
27 partner, agent or servant in the course of partnership business or in the course of his
28 employment, as the case may be, unless he proves that the offense was committed
29 without his knowledge or consent and that he took all reasonable precautions to prevent
30 the doing or omission to do such thing.

31 (3) Nothing in subsection (2) shall relieve any partner, agent or servant from
32 any liability for an offense.

1 **Sec. 22. Disclosure of information –**

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

4 (a) with the consent of the person from whom the information was
5 obtained

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

7 (c) for the purposes of any legal proceedings arising out of this Act or of
8 any report of such proceedings; or

9 (d) for the purpose of objecting to an application for a license or of any
10 investigation conducted under this Act.

11 (2) Any person who contravenes subsection (1) shall be guilty of an offense
12 and shall be liable on conviction to a fine not exceeding P5,000 or to imprisonment for a
13 term not exceeding 6 months or to both.

14
15 **Sec. 23. Service of notices, orders and subpoenas. -** Any notice, order,
16 determination, certificate or subpoena that may be given, made or issued under this Act
17 may be served -

18 (a) by delivering it personally to the person to whom it is addressed; or

19 (b) where it is addressed to the licensee -

20 (i) by delivering it to any place shown on the application for the license as
21 the licensee's place of residence or business and by leaving it there
22 with some person for that licensee; or

23 (ii) by posting it by registered post in an envelope duly stamped and
24 addressed to the person to whom it is addressed at any place shown on
25 the application for the license as the licensee's place of residence or
26 business,

27 and shall be deemed to have been served upon its being so delivered or, in the case of a
28 notice, order, certificate or subpoena served as referred to in paragraph (b)(ii), shall be
29 deemed to have been served when it would be delivered in the ordinary course of post.

30
31 **Sec. 24. Service of notice, summons, writ or other proceedings on PTA. -** Any
32 notice, summons, writ or other proceedings required to be served on PTA may be served
33 by being left with some person apparently employed in the administration of this Act at
34 the PTA office or, in the case of a notice, by posting it by registered post in an envelope
35 duly stamped and addressed to PTA at its office, and shall be deemed to have been served

1 upon its being left or, in the case of a notice served by so posting it, shall be prima facie
2 deemed to have been served when it would be delivered in the ordinary course of post.

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

8
9 **Sec. 26. Sanction for prosecution.** - No court shall take cognizance of any
10 offense under this Act or any regulations made hereinafter except with the sanction in
11 writing of the Public Prosecutor.

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

16
17 **Sec. 28. Composition of offenses.** -

18 (1) The PTA may, in its discretion, compound any offense under this Act or
19 any regulations made hereinafter which is prescribed as a compoundable offense by
20 collecting from a person reasonably suspected of having committed the offense a sum not
21 exceeding P5,000.

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

24
25 **Sec. 29. Regulations.** -

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

- 29 (a) prescribing the information and documents to be furnished by an
30 applicant for a license;
31 (b) prescribing the forms to be used under this Act;
32 (c) prescribing the procedure to be followed on applications and other
33 proceedings under this Act;

- 1 (d) prescribing the books, accounts (including trust accounts) and records
2 to be kept by a licensee and the form and mode of keeping such books,
3 accounts and records;
- 4 (e) prescribing the fees payable in respect of licenses granted under this
5 Act;
- 6 (f) prescribing the conditions for a license granted under this Act;
- 7 (g) regulating the conduct of travel agents in their business and
8 prescribing a code of conduct for travel agents; and
- 9 (h) to exempt any persons or classes of persons from the provisions of this
10 Act.

11 (2) Such regulations may provide that a contravention thereof shall be
12 punishable with a fine not exceeding P20,000 or with imprisonment for a term not
13 exceeding 12 months or with both and, in the case of a continuing offense, with a further
14 fine not exceeding P1,000 for every day during which the offense continues after
15 conviction.

16
17 **Sec. 30. *Separability Clause.*** - If any provision of this Act is declared
18 unconstitutional or invalid, the remainder thereof not affected thereby shall continue to be
19 in full force and effect.

20
21 **Sec. 31. *Repealing Clause.*** - All laws, decrees, orders, rules and regulations or
22 other issuance or parts thereof inconsistent with the provision of this Act are hereby
23 repealed, amended or modified accordingly.

24
25 **Sec. 32. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
26 publication in at least two (2) newspapers of general circulation.

Approved,