



**HOUSE OF REPRESENTATIVES**

**H. No. 5977**

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BY REPRESENTATIVES TAÑADA, TEVES, NOGRALES, JALOSJOS (C.), GARCIA (A.), ABAYA, DEFENSOR, ALMONTE, CALIMBAS-VILLAROSA, CAJAYON, ESCUDERO, GONZALES (A.), ONG, AUMENTADO, FLORES, DE JESUS, SACDALAN, CASIÑO, PANCHO, RAMOS, GUANLAO, ROMARATE, ARAGO, TY, RODRIGUEZ (R.), LANETE, JALOSJOS (R.), ALCOVER, ANTONINO, BATOCABE, GARBIN, FERNANDEZ, VALENCIA, BONOAN-DAVID, GOLEZ (A.), SARMIENTO (C.), LIMKAICHONG, GONZALEZ, ABAD, PAEZ, DUAVIT, TREÑAS, ACHARON, ALCALA, HARESCO, PANOTES, PALMONES, SAHIDULLA, EVARDONE, YU, JAVIER, MENDOZA (R.), AMATONG, HATAMAN-SALLIMAN, YAMBAO, CRISOLOGO, ANDAYA, AMANTE-MATBA, ALVAREZ (A.), GARAY, KHO (D.), JOSON, ENVERGA, BRIONES, UNABIA, UMALI (C.), TING, QUIBRANZA-DIMAPORO, OSMEÑA, MELLANA, EJERCITO, FERRER (J.), RELAMPAGOS, BAGUILAT, BAUTISTA, COJUANGCO (K.), COSALAN, NAVA, QUISUMBING, ROMAN, ORTEGA (V.), PONCE-ENRILE, SYJUCO AND ROMUALDO, PER COMMITTEE REPORT NO. 1990

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

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

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

3           SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of  
4   the State to pursue a trade policy that serves the general welfare, creates jobs,  
5   ensures food security and rural and industrial development, among others, and

1 utilizes all forms and arrangements of exchange on the basis of fair trade.  
2 Market access in itself is not the end goal of trade negotiations.

3 It is also the declared policy of the State to ensure the right of the  
4 people and their organizations to be duly informed on matters of public  
5 concern and the right to effectively and reasonably participate in economic  
6 decision making.

7 Congress has the power to regulate commerce, including commerce  
8 with foreign nations, and has the power to reorganize the bureaucracy in order  
9 to make it more responsive to the needs of all the stakeholders in the Philippine  
10 economy and the exigencies of international economic relations. Any  
11 international economic, commercial or trade agreement entered into by the  
12 government constitutes regulation of commerce and will affect the different  
13 stakeholders in our economy. Hence, it is essential that any agreement is  
14 harmonized with existing domestic commercial laws and the 1987 Philippine  
15 Constitution.

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

24 SEC. 3. *Definition of Terms.* –

25 (a) *Ambassador* refers to a diplomatic official accredited to a foreign  
26 sovereign or government, or to an international organization, to serve as the  
27 official representative of the country. In everyday usage, it applies to  
28 the ranking plenipotentiary minister stationed in a foreign capital. The host

1 country typically allows the ambassador control of specific territory called an  
2 embassy, whose territory, staff and even vehicles are generally afforded  
3 diplomatic immunity from most laws of the host country.

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

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

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

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

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

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

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

5 (i) *Nongovernment organizations* refer to nonstock, nonprofit  
6 corporations organized under the laws of the Republic of the Philippines doing  
7 charitable, educational, religious, social, economic and other not-for-profit  
8 endeavors.

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

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

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

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

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

26 (o) *Trade and Investment Agreement or International Trade and*  
27 *Investment Agreement* refers to an accord whereby two (2) or more countries  
28 bind themselves to a set of rules that govern the commercial and investment

1 transactions of persons originating from any of the parties to the agreement.  
2 When it is just between two (2) countries, it is called a Bilateral Agreement.  
3 On the other hand, if it involves more than two (2) countries, then it is called a  
4 Multilateral Agreement. Regional Agreements are those among countries  
5 within the same geographical area as contemplated by the agreement.  
6 Plurilateral Agreements are specialized agreements included in a Multilateral  
7 Agreement, and where the parties have the option of acceding.

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

13 SEC. 4. *Creation.* – There is hereby created the Philippine Trade  
14 Representative Office, hereinafter referred to as the Trade Office, that shall be  
15 attached to the Office of the President.

16 The Trade Office shall be headed by the Philippine Trade  
17 Representative who shall hold a Cabinet rank and who shall have a fixed term  
18 of six (6) years.

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

21 The Deputies shall have a term of six (6) years each and can be  
22 reappointed for no more than a second term. Of those first appointed under this  
23 Act, one (1) Deputy shall serve for six (6) years, another Deputy for four (4)  
24 years and another Deputy for two (2) years.

25 Within thirty (30) days from the effectivity of this Act, the President  
26 shall appoint the Philippine Trade Representative with the confirmation of the  
27 Commission on Appointments, together with the Deputy Trade Representatives  
28 upon the endorsement of various stakeholders.

1           SEC. 5. *Qualifications and Limitations on Appointments.* –

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

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

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

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

1 confidentiality of all matters that they have handled during their service with  
2 the Trade Office.

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

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

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

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

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

20 (e) Negotiate trade and investment agreements on the basis of the  
21 Philippine Constitution and other laws, and represent the Philippines in all  
22 international trade negotiations including, but not limited to, any matter  
23 considered under the auspices of world trade organizations and other regional  
24 and bilateral commodity and direct investment negotiations in which the  
25 Philippines participates;

26 (f) Advise the President and Congress on international trade and  
27 investments policies and their implications on the domestic economy and the

1 impact of domestic policies on international trade and investments  
2 commitments;

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

8 (h) Provide the necessary staff support to the Multi-Sectoral and  
9 Sub-Sectoral Advisory Committees and the Inter-Agency Coordinating  
10 Committee;

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

15 (j) Employ and compensate experts and consultants in accordance with  
16 relevant laws;

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

19 (l) Enter into and perform such contracts, leases, cooperative  
20 agreements or other transactions as may be necessary in the conduct of the  
21 work of the Trade Office and on such terms as the Philippine Trade  
22 Representative may deem appropriate with any agency or instrumentality of the  
23 Philippine government or with any public or private person, firm, association,  
24 corporation or institution; and

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

26 SEC. 7. *Functions of the Philippine Trade Representative.* — The  
27 Philippine Trade Representative may, for the purpose of carrying out the  
28 functions of the Trade Office:



- 1           (a) Create the organizational structure of the Trade Office consistent  
2 with its mandate and functions provided in this Act and according to strategic  
3 needs, and review the structure regularly;
- 4           (b) Head the Trade Office and exercise control and supervision over all  
5 its functions, activities and its organization;
- 6           (c) Serve as the chief trade negotiator of the Philippines in international  
7 trade and investment agreements including, but not limited to, the World Trade  
8 Organization (WTO), regional, bilateral and plurilateral negotiations, in which  
9 the Philippines participates, and shall be responsible for the conduct of such;
- 10          (d) Create sectoral and thematic desks that will receive and facilitate  
11 referral to appropriate agencies of complaints, information and concerns  
12 pertaining to trade and investment matters;
- 13          (e) Chair the Inter-Agency Coordinating Committee on international  
14 trade and investments;
- 15          (f) Monitor and enforce the implementation of Philippine international  
16 trade policy, including direct investment matters to the extent that these are  
17 related to international trade policy;
- 18          (g) Coordinate with national agencies in the performance of functions,  
19 including the right to issue compulsory processes pursuant to Section 15 of  
20 this Act;
- 21          (h) Call upon and deputize, in times of trade policy formulation and  
22 negotiations, the national agencies and their personnel and correspondingly use  
23 the services of the deputized agency, whose functions are related to or affect  
24 international trade policy, including direct investment matters to the extent that  
25 these are related to international trade policy;
- 26          (i) Co-chair the Multi-Sectoral Advisory Committee in its regular and  
27 special meetings; and

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

4 SEC. 8. *Ex Officio Positions and Functions of the Philippine Trade*  
5 *Representative.* – The Philippine Trade Representative shall be entitled to the  
6 following *ex officio* positions and functions:

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

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

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

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

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

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

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

26 (e) Perform all other functions as may be delegated by the Philippine  
27 Trade Representative or as may be required by the nature or exigencies of their  
28 foregoing functions and responsibilities.

1           SEC. 10. *Inter-Agency Coordinating Committee and Subcommittees.*

2   -- In connection with the performance of the functions, the Philippine Trade  
3   Representative shall, to the extent necessary for the proper administration and  
4   execution of the trade and investment agreements of the Philippines, draw  
5   upon the expertise of and consult with national agencies.

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

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

16           SEC. 11. *Membership in the National Economic and Development*  
17   *Authority (NEDA) Board.* – The Philippine Trade Representative shall be a  
18   member of the National Economic and Development Authority (NEDA) Board  
19   which was created under Executive Order No. 230. The Philippine Trade  
20   Representative shall have the same rights and obligations as all the other  
21   members of the Board.

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

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

1 Dissemination Service under the Trade Office shall have the following specific  
2 functions and responsibilities:

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

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

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

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

14 (e) Collaborate with government and nongovernment research  
15 institutions in research concerning trade and investment policies and programs  
16 in relation to the national development program;

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

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

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

1           SEC. 14. *The Legal Service.* – The Legal Service shall have the  
2 following functions and responsibilities:

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

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

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

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

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

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

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

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

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

26           SEC. 15. *Issuance of Compulsory Processes.* – Pursuant to Section 7  
27 of this Act, the Trade Office, in aid of trade policy formulation and  
28 negotiations, shall have the power and authority to invite or summon by

1 *subpoena ad testificandum* any public official, private citizen or any other  
2 person to testify before it, or require any person by *subpoena duces tecum* to  
3 produce before it such records, reports, documents or other materials as it may  
4 require. There shall be a compliance within thirty (30) days to the *subpoena*  
5 issued; otherwise any failure to comply is punishable under Section 24 of this  
6 Act.

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

12 SEC. 17. *The Multi-Sectoral Advisory Committee.* – There is hereby  
13 created a Multi-Sectoral Advisory Committee, hereinafter referred to as the  
14 MSAC.

15 The MSAC shall be composed of representatives of industries,  
16 agriculture, labor, small business, service industries, retailers and consumers  
17 and shall be broadly representative of key economic sectors and groups  
18 affected by trade.

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

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

26 SEC. 18. *Duties and Functions of the MSAC.* – The MSAC shall  
27 provide information and advice to the Philippine Trade Representative on trade  
28 and trade-related matters towards the achievement of the economic goals

1 defined in the 1987 Constitution that are aimed at balancing the interest of  
2 these various stakeholders with respect to:

3 (a) Negotiating objectives and bargaining positions before entering into  
4 a trade and investment agreement;

5 (b) The operation, implementation and monitoring of any trade and  
6 investment agreement once entered into;

7 (c) Trade remedies, dispute settlements, noncompliance and/or  
8 violations to any trade and investment agreement; and

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

11 In addition, the MSAC shall:

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

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

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

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

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

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

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

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

10          (d) Provide the Secretariat and other necessary staff support for MSAC  
11 meetings.

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

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

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

26          The Chairperson of the MSAC and the SSAC shall be elected by its  
27 members.



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

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

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

7           SEC. 22. *Joint Congressional Oversight Committee on Trade and*  
8 *Investment Matters.* – There shall be a Joint Congressional Oversight  
9 Committee on Trade and Investment Matters, hereinafter referred to as the  
10 “Congressional Oversight Committee”, to which the Trade Office shall  
11 regularly report to ensure concurrence and authority regarding negotiating  
12 mandate and parameters, and shall comply immediately to any order of the  
13 Congressional Oversight Committee. The Congressional Oversight Committee  
14 shall be composed of five (5) Members from the Senate which shall include the  
15 Senate President, the Senate Majority and Minority Leaders, and five (5)  
16 Members from the House of Representatives which shall include the Speaker  
17 of the House and the Majority and Minority Leaders.

18           The Congressional Oversight Committee shall conduct a periodic  
19 review and evaluation of the performance of the Trade Office, including its  
20 officials, every three (3) years. An independent panel composed of experts to  
21 be appointed by the Congressional Oversight Committee shall review the  
22 activities and performance of the Trade Office and shall make  
23 recommendations, based on its findings, to the Congressional Oversight  
24 Committee. The independent panel of evaluators shall likewise conduct  
25 consultations with stakeholders in the conduct of the review.

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

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

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

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

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

21           (a) Noncompliance on the Issuance of Compulsory Processes. – Any  
22 person or entity who fails to comply to the *subpoena* issued by the Trade  
23 Office within the thirty (30)-day deadline shall suffer the penalty of  
24 imprisonment for a period of not less than six (6) months but not more than  
25 one (1) year or shall be imposed a fine of not less than One hundred thousand  
26 pesos (PHP100,000.00) but not more than Five hundred thousand pesos  
27 (PHP500,000.00), at the discretion of the court.

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

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

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

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

25 SEC. 26. *Transitory Provision.* – The TRMC created under Section 6  
26 of Executive Order No. 230, Series of 1987, together with the Technical  
27 Committee on WTO Matters, shall continue to function for six (6) months or

1 until the Trade Office is set up, whichever comes earlier, after which they shall  
2 cease to function.

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

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

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

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

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

Approved,