

HOUSE OF REPRESENTATIVES

House Bill No. 56



Introduced by Representative Lorenzo R. Tañada III

This measure is most urgent. With the impasse in the WTO talks, government is entering into so many bilateral and regional trading and investment agreements with no clear negotiating framework. The JPEPA experience is a sordid example of why this bill is most needed. The agreements that ASEAN likewise enters into with so many other countries might put in danger the very livelihood of our farmers, industries, jobs and food security.

With all these agreements that our country enters into, Congress is left in the dark on the kind of commitments with regard to tariff liberalization and relaxation of investment rules that are being made by the Executive.

This bill hopes to put up a singular entity called the Philippine Trade Representative Office to principally handle the country's trade and investment agreements with the following objectives:

- greater accountability of our trade negotiators with regard to trade and investment agreements
- beef up our negotiating capacity by building up databases, trade intelligence work, having solid research analysts and a legal team
- more coherence and cohesiveness in our trade and investments negotiating strategy
- involve Congress in formulating a negotiating mandate before any negotiations take place
- put in place mandatory consultative mechanisms for greater participation of the private sector as well as civil society organizations in trade negotiations
- provide closer coordination between the Philippine Trade Representative, the various departments involved and Congress

Let not the global financial crisis lure us to more and more bilateral and regional trade and investment agreements which do not have the benefit of Congress' and people's participation in the crafting of our marching orders to our negotiators. Our people will bear the brunt of the impact of these agreements should they result, not in greater job security but insecurity. At the very minimum, they should know who is directly accountable should all these supposed projections do not materialize.

For all these very important reasons, let us enact this measure with dispatch.


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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

15th CONGRESS

First Regular Session

HOUSE BILL NO. 56



INTRODUCED BY REPRESENTATIVE LORENZO R. TAÑADA III

AN ACT
ESTABLISHING A FRAMEWORK FOR RESPONSIBLE AND ACCOUNTABLE
TRADE NEGOTIATIONS 'BY CREATING THE PHILIPPINE TRADE
REPRESENTATIVE OFFICE, APPROPRIATING FUNDS THEREFOR, AND FOR
OTHER PURPOSES.

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

SECTION. 1. TITLE. Act shall be known as the "Charter of the Philippine Trade Representative Office".

SEC. 2. DECLARATION OF POLICY. It is hereby declared the policy of the State to pursue a trade policy that serves the general welfare, creates jobs, ensures food security and rural and industrial development, among others, and utilizes all forms and arrangements of exchange on the basis of fair trade. Market access in itself is not the end goal of trade negotiations.

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

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

Moreover, Congress, as one of the three (3) political branches of the government, has power over foreign relations, especially international economic relations.

For this purpose, and pursuant to the power of Congress to regulate commerce, the State shall ensure that a single office shall, with competence and accountability, lead, direct, formulate and

coordinate government agencies towards formulating coherent and cohesive policies, positions and measures, and conduct regular stakeholders consultations with respect to international trade and investment relations and negotiations.

SEC. 3. DEFINITION OF TERMS.

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

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

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

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

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

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

(g) "Legal" refers to the characterization of an act that is not contrary to Philippine laws, including international commercial agreements to which the Philippines is a party, and the accession of the parties to a trade and/or investment agreement.

(h) "Multi-sectoral" refers to a grouping of different sectors of the economy.

(i) "Nongovernment organizations" refers to non-stock, non-profit corporations organized under the laws of the Republic of the Philippines doing charitable, educational, religious, social, economic, and other not-for-profit endeavors.

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

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

(l) "Sectors" refers to the different economic or commercial groups composed of members with substantially common legitimate commercial interest, including but not limited to business, labor, peasants, farmers, fisherfolk, consumers, private sector, public sector, service sector and manufacturing sector.

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

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

(o) "Trade and investment agreement or international trade and investment agreement" refers to an accord whereby two (2) or more countries bind themselves to a set of rules that govern the commercial and investment transactions of persons originating from any of the parties to the agreement. When it is just between two (2) countries, it is called a Bilateral Agreement. On the other hand, if it involves more than two (2) countries, then it is called a Multilateral Agreement. Regional Agreements are those among countries within the same geographical area as contemplated by the agreement. Plurilateral Agreements are specialized agreements included in a multilateral agreement, and where the parties have the option of acceding.

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

SEC. 4. CREATION. There is hereby created the Philippine Trade Representative Office, hereinafter referred to as the "Trade Office" that shall be attached to the Office of the President.

The Trade Office shall be headed by the Philippine Trade Representative who shall be appointed by the President and confirmed by the Commission on Appointments. S/he shall hold a fixed term of six (6) years, shall be entitled to receive the same allowances as a Chief-of-Mission, and shall have the rank of Cabinet Secretary.

Further, the Trade Office shall have three (3) Deputy Philippine Trade Representatives who shall be appointed by the President upon the endorsement of various stakeholders and shall have the rank of senior undersecretary.

The deputies shall have a term of six (6) years each and can be re-appointed for no more than a second term. Of those first appointed under this Act, one deputy shall serve for six (6) years, another deputy for four (4) years and another deputy for two (2) years.

SEC. 5. QUALIFICATIONS AND LIMITATION ON APPOINTMENTS.

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

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

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

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

SEC. 6. FUNCTIONS AND RESPONSIBILITIES OF THE PHILIPPINE TRADE REPRESENTATIVE OFFICE. The Philippine Trade Representative Office shall:

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

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

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

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

(e) Negotiate trade and investment agreements on the basis of the Philippine Constitution and other laws, and represent the Philippines in all international trade negotiations, including, but not limited to, any matter considered under the auspices of the World Trade Organization, and other regional and bilateral commodity and direct investment negotiations: in which the Philippines participates;

(f) Advise the President and Congress on international trade and investment policies and their implications on the domestic economy and the impact of domestic policies on international trade and investment commitments;

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

(h) Provide the necessary staff support for the Multi-sectoral and Sub-sectoral Advisory Committee and the Inter-agency Coordinating Committee; and

(i) Subject to Civil Service Commission rules, elect, appoint, employ and fix the compensation in accordance with the existing compensation laws of such officers and employees as are necessary and prescribe their authority and duties;

(j) Employ experts and consultants in accordance with the relevant laws and compensate individuals so employed for each day;

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

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

(m) Adopt an official seal, which shall be judicially noticed;

SEC. 7. FUNCTIONS OF THE PHILIPPINE TRADE REPRESENTATIVE. The Philippine Trade Representative may, for the purpose of carrying out his functions in this Act:

(a) Create the organizational structure of Philippine Trade Representative Office consistent with its mandate and functions provided in this Act, and according to strategic needs, and review the same regularly;

(b) Head the Philippine Trade Representative Office and exercise control and supervision over all its functions and activities and including its organization;

(c) Serve as the chief trade negotiator of the Philippines in international trade and investment agreements including, but not limited to, the WTO, regional, bilateral and plurilateral negotiations, in which the Philippines participates, and shall be responsible for the conduct of such;

(d) Create sectoral and thematic desks that will receive and facilitate referral to appropriate agencies, as may be required in this Act, complaints, information and concerns pertaining to trade and investment matters;

(e) Chair the Inter-agency Coordinating Committee on international trade and investments;

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

(g) Coordinate with national agencies in connection with the performance of his functions, subject to Section 15 of this Act;

(h) Call upon and deputize, in times of trade policy formulation and negotiation, the national agencies and its personnel, and correspondingly use the services of the deputized agency, whose functions are related to or affect international trade policy, including direct investment matters to the extent that they are related to international trade policy;

(i) Co-chair the Multi-sectoral Advisory Committee in their regular and special meetings; and

(j) Perform such other functions inherent to his functions, and as the President may direct pursuant to this Act.

SEC. 8. EX-OFFICIO POSITIONS AND FUNCTIONS OF THE PHILIPPINE TRADE REPRESENTATIVE. The Philippine Trade Representative shall be entitled to the following ex officio positions and functions:

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

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

SEC. 9. FUNCTIONS AND DUTIES OF THE DEPUTY TRADE REPRESENTATIVES. The Deputy Trade Representatives shall:

Each Deputy Philippine Trade Representative shall have as his principal function the conduct of trade negotiations under this Act and shall have such other functions as the Philippine Trade Representative may direct.

- (a) Lead the negotiations for their respective sectors and/or areas of concern;
- (b) Convene and chair the Sub-sectoral Advisory Committees and the Inter-agency Coordinating Subcommittee for their respective sectors and/or areas of concern;
- (c) Ensure proper coordination among the various government agencies involved in their specific sectors of concern, and harmonize conflicting negotiating positions;
- (d) Prepare sector-specific proposals and negotiating positions and strategies; and
- (e) Perform all other functions as may be delegated by the Philippine Trade Representative, or as may be required by the nature or exigencies of their foregoing functions and responsibilities.

SEC. 10. INTER-AGENCY COORDINATING COMMITTEES AND SUBCOMMITTEES. In connection with the performance of his/her functions, the Philippine Trade Representative shall, to the extent necessary for the proper administration and execution of the trade and investment agreements of the Philippines, draw upon the expertise of, and consult with national agencies.

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

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

SEC. 11. MEMBERSHIP IN THE NEDA BOARD. The Philippine Trade Representative shall be an additional member of the NEDA Board, which is created under Executive Order No. 230. The Philippine Trade Representative shall have the same rights and obligations as all the other members.

SEC. 12. ORGANIZATION OF THE PHILIPPINE TRADE REPRESENTATIVE OFFICE. Pursuant to the provisions of this Act and to function effectively, the Philippine Trade Representative Office shall be internally supported by a Trade Research Service, Data Collection, Analysis and Dissemination Office and a Legal Services and Programme Office.

SEC. 13. TRADE RESEARCH SERVICE, DATA COLLECTION, ANALYSIS AND DISSEMINATION. The office shall improve and strengthen its capacity on research, data collection, analysis, and dissemination of trade and investment statistics, laws and policies, agreements and other related information.

The trade and investment research under the Office of the Philippine Trade Representative shall have the following specific functions and responsibilities:

- (a) Generate, maintain, and update records/files of comprehensive national and international trade statistics, tariff and non-tariff measures, and investment-related data;
- (b) Conduct sectoral and macrolevel impact assessment and/or potential effects of the country's trade negotiating positions or an eventual trade agreement and validate such studies;
- (c) Provide the general public access to trade data and information and other relevant documents through online databases, journals, publications, etc.
- (d) Collaborate with government and nongovernment research institutions in research concerning trade and investment policies and programs in relation to the national development program;
- (e) Tap the foreign trade service corps to get market intelligence information with regard to commercial, industrial and general economic conditions, as well as non-economic conditions affecting Philippine products both in the export and domestic markets; and
- (f) Perform other functions as may be provided by law or assigned by the Trade Representative or Deputy Trade Representative.
- (g) Conduct or facilitate the conduct of trainings and courses for the benefit of the technical staff of the office and other government personnel directly or indirectly engaged in trade and investment policy work in order to build, improve and enhance their capacity and competence in trade and investment negotiations;

SEC. 14. LEGAL SERVICES AND PROGRAMME. The Office shall have a Legal Services arm with the following functions and responsibilities:

- (a) Provide legal advice to the Office of the Philippine Trade Representative, including legal advice on trade and investment negotiations;
- (b) Interpret laws and rules affecting the operation of the office;
- (c) Prepare contracts and instruments to which the office is a party, and interpret provisions of contracts covering work performed for the office by private entities;
- (d) Assist in the promulgation of rules governing the activities of the office;
- (e) Prepare comments on proposed legislation concerning the office;
- (f) Assist the Solicitor General in suits involving the office or its officers or employees, or act as their principal counsel in all actions taken in their official capacity before judicial or administrative bodies;
- (g) Assist the office in ensuring that the rights and interests of the Republic of the Philippines are protected in the WTO agreements, other multilateral trade, regional, plurilateral and bilateral trade and investment agreements, and ensure that counterpart countries comply with their obligations in the agreements;

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

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

SEC. 15. ISSUANCE OF COMPULSORY PROCESSES. Pursuant to Section 7 of this Act, the Philippine Trade Representative Office, in aid of trade policy formulation and negotiation, shall have the power and authority to invite or summon by subpoena ad testificandum any public official, private citizen or any other person to testify before it, or require any person by subpoena duces tecum to produce before it such records, reports, documents or other materials as it may require. There shall be a compliance within 30 days to the subpoena issued otherwise any failure to comply is punishable under Section 24 of this Act.

SEC. 16. FILE CASES AGAINST VIOLATORS. The PTRO shall have the authority to file cases and other appropriate legal actions to further its mandate under Section 7 (f) and (g), and collaborate, if necessary, with relevant government agencies and stakeholders in order to protect the rights and interests of the Philippines in relation to trade and trade-related investments.

SEC. 17. MULTI-SECTORAL ADVISORY COMMITTEE. There is hereby created a Multi-Sectoral Advisory Committee, hereinafter referred to as "MSAC". Pursuant to the provisions of the Act particularly this Chapter, it shall function as follows:

(a) Committee Consultation - The Philippine Trade Representative shall seek information and advice from representatives of various civil society stakeholders working on trade and investment policy towards the achievement of the economic goals defined in the Constitution aimed at balancing the interests of these various stakeholders with respect to:

(1) negotiating objectives and bargaining positions before entering into a trade and investment agreement;

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

(3) trade remedies, dispute settlements, noncompliance and/or violations to any trade and investment agreement; and

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

SEC. 18. DUTIES AND FUNCTIONS OF THE MULTI-SECTORAL ADVISORY COMMITTEE. The Committee shall have the primary duty and function to:

(a) Provide the Philippine Trade Representative overall policy advice on trade and trade-related matters;

(b) Provide technical support to the Philippine Trade Representative by drawing upon the knowledge and expertise of its members;

(c) Prior to any trade negotiation, participate in the development of the negotiation objectives and bargaining positions of the country and at the conclusion of negotiations for each trade agreement entered into, provide a report to the Philippine Trade Representative to form part of the latter's report to the President and Congress, pursuant to Section 5(g) hereof. The report of the Committee shall include an assessment and evaluation of whether and to what extent the agreement promotes Philippine economic interest and achieves the applicable overall and principal negotiating objectives set forth; and

(d) Be allowed to accompany and advise the Philippine delegation in trade and investment negotiation missions.

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

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

Membership and Organization - The Committee shall consist of representatives of industry, agriculture, labor, small business, service industries, retailers, and consumers. The Committee shall be broadly representative of key economic sectors and groups affected by trade.

The Philippine Trade Representative shall preside over the Committee, which will meet as needed at the call of the Committee Chairman or the Philippine Trade Representative depending on various factors such as the level of activity of trade negotiations.

Members of the Committee and Subcommittees shall be appointed by the Philippine Trade Representative upon the endorsement of various non-government organizations and stakeholders. Members of the committee shall serve without either compensation or reimbursement of expenses.

Sec. 19. THE PHILIPPINE TRADE REPRESENTATIVE OFFICE IN RELATION TO THE MULTI-SECTORAL ADVISORY COMMITTEE. The Philippine Trade Representative shall also perform the following functions on the Multi-sectoral Advisory Committee:

(a) Have the responsibility to approve and set the agenda for all Multi-sectoral Advisory Committee meetings;

(b) Provide secretariat and other necessary staff support for the Multi-sectoral Advisory Committee meetings; and

(c) Call for a regular meeting of MSAC during the First and Third Quarter of the year and may call for special meeting as may be necessary depending on various factors such as the level of activity of trade negotiations.

SEC. 20. SUB-SECTORAL ADVISORY COMMITTEE. There is hereby created a Sub-Sectoral Advisory Committee, hereinafter referred to as "SSAC" to be defined by the Philippine Trade Representative for trade and investment policy formulation and negotiations.

Membership and organization - These committees shall be broadly representative of the key sectors and groups of the economy, particularly with respect to those sectors and groups which are affected by trade and shall consist of representatives of industry, academe, agriculture, fisheries, labor, small business, service industries, retailers, consumer interest and other stakeholder groups.

Members of the committee and subcommittees shall be appointed by the Philippine Trade Representative upon the endorsement of various nongovernment organizations and stakeholders. Members of the committee shall serve without either compensation or reimbursement of expenses.

The Chairman of the committee and subcommittees shall be elected by its members.

SEC. 21. CONFIDENTIALITY AGREEMENT. Members of the Multi-Sectoral Advisory Committee and its Sub-committees shall:

- (a) Enter into a confidentiality agreement with the PTRO; and
- (b) Comply with other requirements established by the PTRO to protect from unauthorized disclosure all classified information, and all information relating to trade policy formulation and negotiation.

SEC. 22. JOINT CONGRESSIONAL OVERSIGHT COMMITTEE ON TRADE AND INVESTMENT MATTERS. There shall be a Joint Congressional Oversight Committee on Trade and Investment Matters, hereinafter referred to as the "Congressional Oversight Committee", to which the Philippine Trade Representative Office shall regularly report to ensure concurrence and authority regarding negotiating mandate and parameters, and shall comply immediately to any order of the Joint Congressional Oversight Committee. The Oversight Committee shall be composed of five (5) members from the Senate, which shall include the Senate President, II and the Senate Majority and Minority Floor Leaders, and five (5) members from the House of Representatives, which shall include the Speaker of the House, and the Majority and Minority Floor Leaders.

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

SEC. 23. REPORTORIAL REQUIREMENTS. The PTRO shall comply with the following;

(a) Report to Congressional Oversight Committee and to the Multi-Sectoral Advisory Committee as herein created any intention to negotiate any economic treaty, be it bilateral, regional or multilateral. At the minimum, the report shall contain the subject matter for negotiations and the general objectives of the government. The PTR shall update Congressional Oversight Committee and the Multi-sectoral Advisory Committee on the negotiations, including the offers and counter-offers of all the parties and shall also notify Congressional Oversight Committee and the Multi-sectoral Advisory Committee of any tentative or final agreement of the parties.

(b) Report at least twice a year and as may be directed by the President or Congressional Oversight Committee and as may be requested by MSAC on the developments of any international trade and investment negotiations and/or agreements.

(c) The Philippine Trade Representative shall submit a bi-annual report directly to the President, Congressional Oversight Committee and the Multi-sectoral Advisory Committee regarding the implementation, operation and effectiveness of any trade and investment agreement entered into including the status of ongoing trade and investment negotiations, in which the Philippines participates.

SEC. 24. PROVISION ON ADMINISTRATIVE FINES AND PENALTIES.

(a) Penalty for Non-compliance on Issuance of Compulsory Processes - Any person or entity who fails to comply to the subpoena issued by the PTRO within the 30-day deadline shall suffer the penalty of imprisonment for a period of not less than six (6) months nor more than one (1) year or shall be imposed a fine of not less than One hundred thousand pesos (Php 100,000.00) nor more than Five hundred thousand pesos (Php500,000.00), at the discretion of the court.

(b) Penalty for Violation of Confidentiality Agreement - Any person or entity who shall violate the confidentiality agreement under this Act shall suffer the penalty of imprisonment for a period of not less than six (6) months nor more than one (1) year or shall be imposed a fine of not less than Two hundred fifty thousand pesos (Php250,000.00) nor more than Five hundred thousand pesos (Php500,000.00), at the discretion of the court. The PTRO shall have the power to remove the membership in the MSAC of any member in violation of this provision.

(c) Power to Impose Administrative Fines and Penalties - After due notice and hearing, the Philippine Trade Representative shall have the power to impose administrative fines against any person, organizations, or any other entity, in such amount as it may deem reasonable, which in no case shall be less than Fifty thousand pesos (Php50,000.00) nor more than Five million pesos (Php5,000,000.00) for violations of any provisions under this Act.

SEC. 25. TRANSFER OF FUNCTIONS. The functions of the Bureau of International Trade Relations under the Department of Trade and Industry, Attaches and Permanent Mission to the 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) are hereby transferred to the Office of the Philippine Trade Representative.

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

SEC. 26. TRANSITORY PROVISION. The Tariff and Related Matters Committee (TRMC) created by Section 6 of Executive Order No. 230, series of 1987, together with the Technical Committee on WTO Matters shall continue to function for six (6) months or until the Office of the Philippine Trade Representative is set up whichever comes earlier, after which they shall cease to function.

SEC. 27. IMPLEMENTING PROVISIONS. Within 30 days from the effectivity of this Act, the President shall appoint the Philippine Trade Representative, together with his Deputies.

The PTRO shall, in consultation with the Departments of Trade and Industry, Agriculture, and Foreign Affairs and the National Economic Development Authority, issue the implementing rules and regulations necessary to implement the provisions of this Act, 60 days from the date of appointment of the Philippine Trade Representative.

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

SEC. 29. SEPARABILITY CLAUSE. If any section or provision of this Act shall be declared unconstitutional or invalid, the other sections or provisions not affected thereby shall continue to be in full force and effect.

SEC. 30. REPEALING CLAUSE. All laws, rules and regulations and other issuances inconsistent with the provisions of this Act, including Section 6 of Executive Order No. 230, series of 1987 and relevant provisions of Executive Order No. 133, series of 1987 are deemed modified, revoked or repealed accordingly.

SEC. 31. EFFECTIVITY CLAUSE. This Act shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation or in the Official Gazette, whichever comes earlier.

Approved,