

Republic of the Philippines  
HOUSE OF THE REPRESENTATIVES  
Quezon City

SIXTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 380



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Introduced by CHRISTOPHER S. CO and RODEL M. BATOCABE

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**EXPLANATORY NOTE**

*"There is an urgent need for immediate revision of all existing substantive laws of the Philippines and of codifying them in conformity with the customs, traditions, and idiosyncrasies of the Filipino people and with modern trends in legislation and the progressive principles of law."*

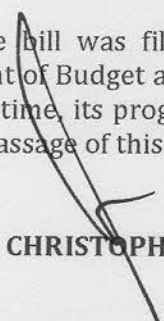
- Executive Order no. 48, Creating the Code Commission, signed by Former President Manuel Roxas

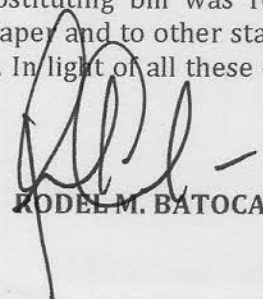
Signed in 1947, the aforementioned executive order created the Code Commission, which paved the way for the passing of the Civil Code in 1952. More than half a century has passed, as well as thousands of laws, and again we see the necessity of executing the heed of President Roxas in his order.

The words of President Roxas sixty-three years ago are as relevant today as it was then. President Benigno Aquino, Jr., in his State of the Nation Address in 2010, urged the Congress to "to begin a re-codification of our laws to ensure harmony in legislation and eliminate contradictions," keeping in mind the outdated and repealed provisions of some of our Codes that resulted from the creation of succeeding laws.

This bill seeks to create the 2010 Commercial Code Commission, which will perform the daunting task of the codification of all existing substantive penal laws of the Philippines, in line with the President's platform of good government and efficient legislation, and to effectively remove contradictions, redundancies and confusing provisions in our laws. The Commercial Code Commission shall complete its work not later than one (1) year from the date of approval of this bill, and shall submit to the President a report of the work undertaken by it together with the corresponding drafts of the different codes for submission to Congress of the Philippines.

The bill was filed in the 15th Congress and its substituting bill was referred to the Department of Budget and Management (DBM) for a position paper and to other stakeholders, but for lack of time, its progress was halted at the committee level. In light of all these circumstances, the swift passage of this bill is earnestly sought.

  
CHRISTOPHER S. CO

  
RODEL M. BATOCABE

Republic of the Philippines  
HOUSE OF THE REPRESENTATIVES  
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**SIXTEENTH CONGRESS**  
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**AN ACT**  
**CREATING THE 2010 COMMERCIAL CODE COMMISSION TO IMPLEMENT THE CODIFICATION**  
**OF ALL EXISTING COMMERCIAL LAWS OF THE PHILIPPINES, DEFINING ITS COMPOSITION**  
**AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR**

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

SECTION 1. *Title* – This Act shall be known as the “COMMERCIAL CODE CODIFICATION ACT OF 2013”,

SEC. 2. *Creation* – There shall be created, under the Office of the President of the Philippines, a Commercial Code Commission to implement the revision and re-codification of all existing substantive commercial laws of the Philippines, and of codifying them in conformity with the customs and traditions of the Filipino people, and modern trends in legislation and the progressive principles of law.

SEC. 3. *Composition and Structure* – The chairman of the Commercial Code Commission shall be an Associate Justice of the Supreme Court. The Law Center of the University of the Philippines shall serve as the Secretariat. The Commercial Code Commission shall be composed of the following ex-officio members:

- (a) the Government Corporate Counsel or his representative;
- (b) the Chairman, Securities Exchange Commission, or his representative;
- (c) the Governor, Bangko Sentral ng Pilipinas, or his representative;
- (d) the Secretary, Department of Finance, or his representative;
- (e) the Secretary, Department of Trade and Industry, or his representative;
- (f) the Secretary, Department of Transportation and Communication (DOTC) or his representative and the respective Undersecretaries for Civil Aviation, Maritime Transport, Road Transport and Railways Transport;

- (g) the Commissioner, Insurance Commission, or his representative;
- (h) the Director General, Intellectual Property Office, or his representative;

Further, the following members from the private sector shall be appointed by the President of the Philippines:

- (a) a representative from the Philippine Chamber of Commerce and Industry;
- (b) the Chairman, Philippine Stock Exchange;
- (c) a member of the Philippine Bar who has at least ten (10) years training and experience in commercial laws;
- (d) a representative from the civil aviation industry;
- (e) a representative from the maritime transport industry;
- (f) a representative from the road transportation industry;
- (g) a representative from the banking industry; and
- (h) a representative from the insurance industry.

The Commission shall be under the executive control and supervision of the President of the Philippines.

*SEC. 4. Powers and Functions* – The Commission shall have the following powers and functions:

- (a) To revise all the existing substantive commercial laws of the Philippines and to codify them in conformity with the customs and traditions of the Filipino people, and modern trends in legislation and the progressive principles of law,
- (b) To call on any official or employee of any bureau, office, branch, subdivision, agency, or instrumentality of the Government to assist or otherwise extend his cooperation to the Committee in connection with the performance of its functions to carry out the provisions of this Act,
- (c) To complete its work not later than one (1) year from the date of approval of this Act;
- (d) To submit to the President of the Philippines a report of the work undertaken by it together with the corresponding drafts of the Commercial Code for submission to the Congress of the Philippines; and
- (e) To deliver to the National Library the records and documents and proceedings of the Commission to the National Library for preservation or disposition by the latter office according to law,

*SEC. 5. Secretariat* - The Commission shall organize a secretariat, which shall be headed by an Executive Director coming from the Law Center of the university of the Philippines. The Commission shall fix its staffing pattern, determine the duties, qualifications, responsibilities and functions, as well as the compensation scheme for the positions to be created upon the recommendation of the Executive Director. The staffing pattern shall be approved and prescribed by the Commission within one hundred twenty (120) days from the approval of this Act.

The Secretariat shall provide technical and administrative support to the Commission and shall be headed by an Executive Director.

The Executive Director shall be appointed by the Chairman. He or she shall inter alia execute and administer the policies and decisions of the Commission, attend the Commission's

deliberations, monitor the implementation of the programs thereof, and manage the day-to-day operations thereof.

SEC. 6. *Existence* – Upon the completion of its work and the submission of its report, the Commission shall cease to exist and the services of the Chairman and the Members of the same and of all the employees working under it shall terminate. Properties, aside from the records and documents and proceedings of the Commission, shall be disposed of in accordance with generally accepted accounting rules and regulations. The unexpended balances of its appropriations shall revert to the unappropriated general fund.

SEC. 7. *Compensation* – The chairman and members of the Commission shall receive such compensation as may be fixed by the President of the Philippines, but if they are at the same time, government officials receiving regular salaries, they shall serve without additional compensation. The Chairman may, subject to the approval of the President of the Philippines and the provisions of the civil service laws and other relevant laws, appoint such assistants and other subordinate employees as may be necessary.

SEC. 8. *Appropriations* – To carry out the purpose of this Act, there is appropriated out of any national funds not otherwise appropriated, the sum of Twenty Million Pesos (Php20,000,000) for the necessary expenses of the Penal Code Commission.

SEC. 9. *Effectivity Clause* – This Act shall take effect fifteen (15) days from its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

*Approved.*