

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SIXTEENTH CONGRESS

First Regular Session

House Bill No. 508

Introduced by **Hon. Rodolfo G. Biazon**

EXPLANATORY NOTE

"The State shall promote the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive."

**Article XII, Section 12
The 1987 Constitution**

This proposed measure is grounded on the abovesited provision of the Constitution as it seeks to require foreign companies engaged in business in the Philippines to utilize local labor and material resources.

Filipinos are known worldwide for their craftsmanship, skills and excellent managerial abilities. Philippine-made products are no longer inferior in quality but have evolved into world-class products. There is no reason therefore for foreign companies engaged in business here in the country not to buy locally produced goods and engage the services of our countrymen.

As it stands, this bill seeks not only to decrease unemployment in the country but also increase trade of locally-produced goods.

Due to the foregoing, passage of this bill is earnestly sought.


RODOLFO G. BIAZON
Representative
Lone District, Muntinlupa City

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AN ACT
REQUIRING FOREIGN COMPANIES ENGAGED IN BUSINESS IN THE
PHILIPPINES TO UTILIZE LOCAL LABOR AND MATERIAL RESOURCES.

Be it enacted by the Senate and House of Representatives of the Republic of the Philippines in Congress Assembled.

SECTION ONE. *Declaration of Policy.* – It is hereby declared the policy of the State to promote the preferential use of Filipino labor, domestic materials and locally produced goods. Towards this end, it shall endeavor to adopt measures that would bolster and strengthen this policy.

Sec. 2. *Use of Filipino Labor, Materials, Goods, Supplies and Services.* – All foreign companies engaged in business here in the Philippines are hereby required to source at least ninety percent (90%) of their requirement for labor, materials, goods and services domestically unless otherwise such labor, materials, goods, supplies and services are unavailable locally.

Sec. 3. *Penalty.* – Any company found violating the provisions of this Act shall be fined an amount of One Hundred Thousand Pesos (PhP100,000.00) on the first offense, Five Hundred Thousand Pesos (PhP500,000.00) on the second offense, and One Million Pesos on the third offense(PhP1,000,000.00). On the fourth offense, said company shall be banned from operating and doing business in the Philippines.

Sec. 4. *Implementing Rules and Regulations.* – The Department of Labor and Employment and the Department of Trade and Industry shall issue the necessary rules and regulations for the effective implementation of this Act within 90 days after its effectivity.

Sec. 5. *Repealing Clause.* – All laws, executive orders, rules and regulations inconsistent with or contrary to this Act, are hereby deemed accordingly repealed or amended.

Sec. 6. *Separability Clause.* – If, for any reason, any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions not affected thereby shall remain in full force and effect.

Sec. 7. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days from its publication in at least two (2) newspapers of national circulation.

Approved,