

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6644



INTRODUCED BY REPRESENTATIVE ALYSSA SHEENA TAN

EXPLANATORY NOTE

On 30 January 2020, the Department of Health reported the first case of COVID-19 in the Philippines with a 38-year-old female Chinese national. On 7 March, the first local transmission of COVID-19 was confirmed. As of 22 April, a total of 6,710 confirmed COVID-19 cases including 446 deaths have been reported in the Philippines¹. On the same day, the Department of Health announced that 1,062 healthcare workers in the country were positive for COVID-19 namely, 422 doctors, 386 nurses, 30 medical technologists, 21 radiological technologists, 51 nursing assistants and 152 other medical personnel such as administrative staff and barangay health workers. Of the number, 26 are dead, including 19 doctors.²

It is beyond disheartening to witness our healthcare workers, who are at the forefront of ensuring public safety, to be deprived of protection despite their unwavering commitment to serve our people amid the pandemic. At some point, these modern day heroes were forced to call for donations in order to equip themselves with the proper gear to defend themselves from the unseen adversary. We should show solidarity with these individuals who risk their lives so that continued medical service remain unhampered.

This bill aims to address the inadequacy in supplies our nation had to endure during this challenging time. It is likewise intended to fuel self-reliance and to strengthen our country's capability in times of national emergency such as COVID-19. It is for this purpose that the immediate passage of this bill is earnestly sought.


ATTY. ALYSSA SHEENA P. TAN
4th District, Isabela

¹ https://www.who.int/docs/default-source/wpro---documents/countries/philippines/emergencies/covid-19/who-phl-sitrep-22-covid-19-22apr2020.pdf?sfvrsn=7b95185_2

² <https://cnnphilippines.com/news/2020/4/22/1000-infected-health-workers-covid-19.html>

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AN ACT
AMENDING PRESIDENTIAL DECREE NO. 252 OTHERWISE KNOWN AS THE
"PHILIPPINE INTERNATIONAL TRADING CORPORATION LAW", AS
AMENDED BY PRESIDENTIAL DECREE NO. 1071 OTHERWISE KNOWN AS
"REVISING THE CHARTER OF THE PHILIPPINE INTERNATIONAL TRADING
CORPORATION"

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

1 **SECTION 1.** Section 2 of the Revised Charter of the Philippine International Trading
2 Corporation is hereby amended as follows:

3
4 "SECTION 2. Name, Domicile and Place of Business. – There is hereby created
5 a body corporate to be known as the [Philippine International Trading
6 Corporation] PHILIPPINE INTERNATIONAL TRADING AND CRITICAL
7 MATERIALS STOCKPILE CORPORATION, hereinafter referred to as the
8 Corporation, which shall henceforth exist for fifty years and shall have its
9 principal office in Metro Manila."

10
11 **SEC. 2.** Section 3 of the Revised Charter of the Philippine International Trading
12 Corporation is hereby amended as follows:

13
14 "SECTION 3. Capitalization. – The authorized capital stock of the Corporation
15 shall be [two hundred million pesos (P200,000,000.00),] ONE BILLION PESOS
16 (P1,000,000,000) to be divided into [two million (2,000,000)] TEN MILLION
17 shares at par value of one hundred pesos (P100.00) per share to be subscribed
18 as follows: THIRTY PERCENT (30%) representing [eight hundred thousand
19 (800,000)] THREE MILLION (3,000,000) shares valued at [eighty million pesos
20 (P80,000,000.00)] THREE HUNDRED MILLION by the Republic of the
21 Philippines; TWENTY PERCENT (20%) representing [two hundred thousand
22 (200,000)] TWO MILLION shares valued at [twenty million pesos
23 (P20,000,000.00)] TWO HUNDRED MILLION PESOS (P200,000,000) by the
24 Development Bank of the Philippines; TWENTY PERCENT (20%) representing

1 [two hundred thousand (200,000)] TWO MILLION SHARES valued at [twenty
2 million pesos (P20,000,000.00)] TWO HUNDRED MILLION (P200,000,000) by
3 the [Philippine National Bank] LAND BANK OF THE PHILIPPINES; and the
4 remaining THIRTY PERCENT (30%) representing [eight hundred thousand
5 (800,000)] THREE MILLION (3,000,000) shares valued at [eighty million pesos
6 (P80,000,000.00)] THREE HUNDRED MILLION by NATIONAL DEVELOPMENT
7 COMPANY at not less than the par value. For the total subscription of the
8 Republic of the Philippines, the amount of [forty million pesos
9 (P40,000,000.00)] THREE HUNDRED MILLION is hereby appropriated out of
10 the funds in the National Treasury which amount or any portion thereof shall
11 be released to the Corporation upon the approval of the President of the
12 Philippines: Provided, that, the subscription of the DEVELOPMENT BANK OF
13 THE PHILIPPINES and the [Philippine National Bank] LAND BANK OF THE
14 PHILIPPINES shall be paid to the Corporation at such time and for such
15 amounts as shall be requested by the Board of Directors of the Corporation:
16 PROVIDED FURTHER that given the current shareholdings of the NATIONAL
17 DEVELOPMENT COMPANY in the Corporation, the balance due on the
18 subscription of THE NATIONAL DEVELOPMENT COMPANY shall be paid to the
19 Corporation at such time as shall be requested by the Board of Directors of the
20 Corporation. [PROVIDED, FURTHER, THAT, THE DISPOSITION OF THE
21 SHARES AVAILABLE TO THE PUBLIC SHALL BE MADE IN SUCH A MANNER AS
22 TO RESULT IN THE WIDEST DISTRIBUTION THEREOF AS POSSIBLE TO
23 INDIVIDUALS OR ORGANIZED BUSINESSMEN REPRESENTING SPECIFIC
24 INDUSTRIES OR PRODUCTS WITHOUT ANY STOCKHOLDER OWNING MORE
25 THAN ONE PER CENT (1%) OF THE TOTAL STOCK OFFERED FOR
26 SUBSCRIPTION TO THE PUBLIC AND NO SINGLE GROUP REPRESENTING ONE
27 SPECIFIC INDUSTRY OR PRODUCT SHALL OWN MORE THAN FIVE PER
28 CENTUM (5%) OF SUCH SHARE UNLESS APPROVED BY THE BOARD: AND,
29 PROVIDED, FINALLY THAT, PROXY VOTING IS HEREBY AUTHORIZED BUT
30 UNDER NO AGREEMENT, CONTRACT, ARRANGEMENT, SCHEME, OR PLAN,
31 SHALL A PROXY HOLDER BE ALLOWED TO REPRESENT MORE THAN ONE PER
32 CENT (1%) OF THE STOCKS OFFERED TO THE PUBLIC FOR SUBSCRIPTION.]

33
34 ["Any disposition of shares of stock of the Corporation which will change the
35 proportion of capital distribution among the National Government, Philippine
36 National Bank, Development Bank of the Philippines and the public shall be null
37 and void unless previously approved by the President of the Philippines upon
38 recommendation of the Board of Directors. Likewise, no transfer of shares of
39 stock subscribed by the public shall be allowed to be registered in the books of
40 the Corporation which will violate the limitations in the next preceding
41 paragraph unless the same is previously approved by the Board of Directors of
42 the Corporation."]

43
44 ["The President of the Philippines may increase the authorized capital stock of
45 the Corporation upon recommendation by the Board of Directors of the
46 Corporation. The Board of Directors shall recommend such increase upon
47 approval by the affirmative vote of stockholders holding at least two-thirds

(2/3) of the subscribed capital stock of the Corporation in a special meeting called for the purpose.”]

SEC. 3. Section 5 of the Revised Charter of the Philippine International Trading Corporation is hereby amended as follows:

“SECTION 5. Purposes of the Corporation. – The Corporation is hereby authorized:

XXX

(t) TO ACT AS THE SUPPLY-CHAIN MANAGER IN THE STOCKPILING OF STRATEGIC AND CRITICAL MATERIALS AS MAY BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES; TO ACQUIRE AND RELEASE SUCH MATERIALS AS DIRECTED BY THE PRESIDENT OF THE PHILIPPINES IN THE INTEREST OF THE PUBLIC IN RESPONSE OR IN PREPARATION OF ANY CONCEIVED NATIONAL EMERGENCY;

(u) TO DO ALL SUCH OTHER THINGS AS ARE INCIDENTAL OR APPURTENANT TO OR GROWING OUT OF OR CONNECTED WITH THE AFORESAID BUSINESS OR POWERS OF THE CORPORATION OR ANY PART THEREOF OR CONDUCTIVE TO THE ATTAINMENT OF ITS CORPORATE PURPOSES AND OBJECTS.”

SEC. 4. Section 7 of the Revised Charter of the Philippine International Trading Corporation is hereby amended as follows:

“SECTION 7. Composition of Board of Directors. – The powers and functions of the Corporation shall be exercised by the Board of Directors which shall be composed of the following:

“(a) The Secretary of the Department of Trade AS THE CHAIRMAN;

“(b) The President of the Corporation AS THE VICE-CHAIRMAN ;

“(c) The Director-General of the National Economic and Development Authority;

“(d) The Chairman of the Board of Investments;

“(e) The Secretary of the Department of Agriculture;

“(f) The Secretary of the Department of Natural Resources;

“(g) THE SECRETARY OF DEPARTMENT OF HEALTH;

“(H) The Chairman of the Board of Governors PRESIDENT of the Development Bank of the Philippines;

“(I) The President of the [Philippine National Bank] LAND BANK OF THE PHILIPPINES;

“(J) THE GENERAL MANAGER OF THE NATIONAL DEVELOPMENT COMPANY;

“(k) A Representative from the Office of the President;

“(L) A REPRESENTATIVE FROM THE PRIVATE SECTOR;

SEC. 5. A new Title is inserted after Section 7, which shall be as follows:

1 **"STOCKPILING OF STRATEGIC AND CRITICAL MATERIALS"**
2

3 SECTION 7. *STRATEGIC AND CRITICAL MATERIALS STOCKPILE DIVISION-*
4 THERE SHALL BE CREATED WITHIN THE PHILIPPINE INTERNATIONAL
5 TRADING AND CRITICAL MATERIALS STOCKPILE CORPORATION A DIVISION
6 IN-CHARGE OF STOCKPILING OF STRATEGIC AND CRITICAL MATERIALS AS
7 MAY BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES.
8

9 THE PHILIPPINE INTERNATIONAL TRADING AND CRITICAL MATERIALS
10 STOCKPILE CORPORATION SHALL ENSURE ROTATION AND REPLENISHMENT
11 OF STOCKS. IT SHALL ALSO ENSURE THAT THERE EXISTS AT ALL TIMES A
12 STEADY, AVAILABLE AND ADEQUATE SUPPLY OF SUCH MATERIALS
13 ESSENTIAL IN RESPONDING TO PANDEMICS, NATURAL DISASTERS AND
14 OTHER NATIONAL EMERGENCIES. FOR THIS PURPOSE, PROCUREMENT OF
15 THE SAID MATERIALS SHALL BE CONSIDERED AS PROCUREMENT OF STOCKS
16 IN TRADE OF THE CORPORATION IN THE REGULAR COURSE OF BUSINESS AS
17 A TRADING COMPANY AND SHALL THEREFORE BE EXEMPTED FROM THE
18 COVERAGE OF R.A. 9184 AND ITS IMPLEMENTING RULES AND REGULATIONS.
19 TO THE EXTENT POSSIBLE, THE CORPORATION SHALL LIKEWISE ADOPT
20 COUNTERTRADE AS A MODE OF PROCUREMENT /STOCKPILING OF CRITICAL
21 MATERIALS.
22

23 SECTION 8. *MATERIALS CONSTITUTING THE STOCKPILE.-* THE PRESIDENT
24 OF THE PHILIPPINES SHALL DETERMINE FROM TIME TO TIME (1) WHICH
25 MATERIALS ARE STRATEGIC AND CRITICAL FOR THE PURPOSES OF THIS
26 ACT; (2) THE QUALITY AND QUANTITY OF EACH SUCH MATERIAL TO BE
27 ACQUIRED FOR THE PURPOSES OF THIS ACT AND; (3) THE FORM IN WHICH
28 EACH SUCH MATERIAL SHALL BE ACQUIRED AND STORED.
29

30 STRATEGIC AND CRITICAL MATERIALS SHALL MEAN ESSENTIAL MEDICAL
31 AND/OR LIFE SAVING SUPPLIES NEEDED IN TIMES OF PANDEMICS SUCH AS
32 FACE MASKS, BODY BAGS, PERSONAL PROTECTIVE EQUIPMENT AND SIMILAR
33 SUPPLIES OR EQUIPMENT.
34

35 THE PRESIDENT OF THE PHILIPPINES SHALL CALL ON AND SEEK COUNSEL
36 FROM THE SECRETARIES OF THE DEPARTMENT OF NATIONAL DEFENSE,
37 DEPARTMENT OF AGRICULTURE, DEPARTMENT OF ENERGY, DEPARTMENT OF
38 HEALTH, AND DIRECTOR GENERAL OF THE FOOD AND DRUG
39 ADMINISTRATION ON THE DETERMINATION OF THE MATERIALS TO BE
40 STOCKPILED AND THE AMOUNTS THEREOF.

41 THE QUANTITY OF ANY MATERIAL TO BE STOCK PILED UNDER THIS ACT
42 MAY BE CHANGED ONLY AS PROVIDED IN THIS SECTION OR AS OTHERWISE
43 PROVIDED BY LAW.
44

45 SECTION 9. *DISPOSAL AUTHORITY.-* MATERIALS IN THE STOCKPILE MAY BE
46 RELEASED FOR USE, SALE, OR OTHER DISPOSITION:
47

1 (1) ON THE ORDER OF THE PRESIDENT OF THE PHILIPPINES, AT ANY
2 TIME THE PRESIDENT DETERMINES THE RELEASE OR DISPOSAL OF
3 SUCH MATERIALS IS REQUIRED FOR PURPOSES OF DISASTER
4 PREPAREDNESS AND RELIEF; PROVIDED, HOWEVER, THAT NOTHING
5 HEREIN SHALL PROHIBIT THE CORPORATION FROM DISPOSING OR
6 TRADING IN STOCK MATERIALS TO ENSURE ROTATION,
7 REPLENISHMENT AND FRESHNESS OF STOCKS IN SUCH MANNER AS
8 PROVIDED BY LAW.
9

10 (2) IN TIME OF WAR DECLARED BY THE CONGRESS OR DURING A
11 NATIONAL EMERGENCY, ON THE ORDER OF ANY OFFICER OR
12 EMPLOYEE OF THE PHILIPPINES DESIGNATED BY THE PRESIDENT TO
13 HAVE AUTHORITY TO ISSUE DISPOSAL ORDERS UNDER THIS
14 SUBSECTION, IF SUCH OFFICER OR EMPLOYEE DETERMINES THAT THE
15 RELEASE OF SUCH MATERIALS IS REQUIRED FOR PURPOSES OF THE
16 NATIONAL DEFENSE OR DISASTER PREPAREDNESS AND RELIEF; AND
17

18 (3) ON THE ORDER OF THE SECRETARY OF DEFENSE IF THE PRESIDENT
19 HAS DESIGNATED THE SECRETARY TO HAVE AUTHORITY TO ISSUE
20 RELEASE ORDERS UNDER THIS SUBSECTION AND, IN THE CASE OF ANY
21 SUCH ORDER, IF THE SECRETARY DETERMINES THAT THE RELEASE OF
22 SUCH MATERIALS IS REQUIRED FOR USE, MANUFACTURE, OR
23 PRODUCTION FOR PURPOSES OF NATIONAL DEFENSE OR DISASTER
24 PREPAREDNESS AND RELIEF.
25

26 ANY ORDER OF DISPOSAL, OTHER THAN FOR REASONS OF
27 ROTATION OR REPLENISHMENT, SHALL BE PROMPTLY REPORTED BY
28 THE PRESIDENT, OR BY THE OFFICER OR EMPLOYEE ISSUING SUCH
29 ORDER, IN WRITING, TO THE COMMITTEE ON GOVERNMENT
30 CORPORATIONS AND PUBLIC ENTERPRISE AND COMMITTEE ON
31 DEFENSE OF BOTH SENATE AND HOUSE OF REPRESENTATIVES.
32

33 SECTION 10. *ADVISORY COMMITTEES.*- THE PRESIDENT MAY APPOINT
34 ADVISORY COMMITTEES COMPOSED OF INDIVIDUALS WITH EXPERTISE
35 RELATING TO MATERIALS IN THE STOCKPILE OR WITH EXPERTISE IN
36 STOCKPILE MANAGEMENT TO ADVISE THE PRESIDENT WITH RESPECT TO
37 THE ACQUISITION, TRANSPORTATION, PROCESSING, REFINING, STORAGE,
38 SECURITY, MAINTENANCE, ROTATION, AND DISPOSAL OF SUCH MATERIALS
39 UNDER THIS ACT. THE COMMITTEE SHALL BE ENTITLED TO PER DIEMS IN
40 ACCORDANCE WITH THE RULES AND REGULATIONS OF THE GOVERNANCE
41 COMMISSION FOR GOCCS (GCG).
42

43 SECTION 11. *REPORT TO CONGRESS.*- NOT LATER THAN FEBRUARY 15 OF
44 EACH YEAR, THE PRESIDENT SHALL SUBMIT TO THE CONGRESS AN ANNUAL
45 WRITTEN REPORT DETAILING OPERATIONS UNDER THIS ACT. EACH SUCH
46 REPORT SHALL INCLUDE—
47

1 (1) INFORMATION WITH RESPECT TO FOREIGN AND DOMESTIC
2 PURCHASES OF STOCKPILED CRITICAL MATERIALS DURING THE
3 PRECEDING FISCAL YEAR;

4
5 (2) INFORMATION WITH RESPECT TO THE ACQUISITION AND DISPOSAL
6 OF STOCKPILED CRITICAL MATERIALS UNDER THIS ACT THROUGH
7 COUNTERTRADE DURING SUCH FISCAL YEAR;

8
9 (3) SUCH OTHER PERTINENT INFORMATION ON THE ADMINISTRATION
10 OF THIS ACT AS WILL ENABLE THE CONGRESS TO EVALUATE THE
11 EFFECTIVENESS OF THE PROGRAM PROVIDED FOR UNDER THIS ACT
12 AND TO DETERMINE THE NEED FOR ADDITIONAL LEGISLATION.

13
14 SECTION 12. *SOURCE OF MATERIALS.* - CONSISTENT WITH THE COUNTRY'S
15 OBLIGATIONS UNDER INTERNATIONAL TREATIES OR AGREEMENTS,
16 MATERIALS MAY BE OBTAINED FROM DOMESTIC OR FOREIGN SOURCES AND
17 THE PROCUREMENT THEREOF SHALL BE OPEN TO ALL ELIGIBLE SUPPLIERS,
18 MANUFACTURERS AND DISTRIBUTORS. HOWEVER IN THE INTEREST OF
19 AVAILABILITY, EFFICIENCY AND TIMELY DELIVERY OF MATERIALS, THE
20 CORPORATION SHALL ENCOURAGE THE DEVELOPMENT OF DOMESTIC
21 SOURCES FOR STRATEGIC AND CRITICAL MATERIALS TO ENSURE STEADY,
22 AVAILABLE AND ADEQUATE SUPPLY OF SUCH MATERIALS ESSENTIAL IN
23 RESPONDING TO PANDEMICS, NATURAL DISASTERS AND OTHER NATIONAL
24 EMERGENCIES, AND IN SUCH MANNER AS MAY BE ALLOWED BY LAW, TO
25 INCLUDE THE ADOPTION OF COUNTERTRADE AND INDUSTRIAL
26 COOPERATION UNDER E.O. 120 S. 1993 TO AUGMENT STOCKPILING AND
27 AVAILABILITY OF CRITICAL MATERIALS

28
29 (1) BY PURCHASING, OR MAKING A COMMITMENT TO PURCHASE,
30 EITHER DIRECTLY OR THROUGH COUNTERTRADE, STRATEGIC AND
31 CRITICAL MATERIALS OF DOMESTIC ORIGIN WHEN SUCH MATERIALS
32 ARE NEEDED FOR THE STOCKPILE;

33
34 (2) BY CONTRACTING WITH DOMESTIC FACILITIES, OR MAKING A
35 COMMITMENT TO CONTRACT WITH DOMESTIC FACILITIES, FOR THE
36 PROCESSING OR REFINING OF STRATEGIC AND CRITICAL MATERIALS
37 IN THE STOCKPILE WHEN PROCESSING OR REFINING IS NECESSARY TO
38 CONVERT SUCH MATERIALS INTO A FORM MORE SUITABLE FOR
39 STORAGE AND SUBSEQUENT DISPOSITION;

40
41 (3) BY IDENTIFYING EXISTING DOMESTIC FACILITIES AND
42 DOMESTICALLY PRODUCED STRATEGIC AND CRITICAL MATERIALS TO
43 MEET THE REQUIREMENTS OF DEFENSE AND ESSENTIAL CIVILIAN
44 INDUSTRIES IN TIMES OF NATIONAL EMERGENCY WHEN EXISTING
45 DOMESTIC SOURCES OF SUPPLY ARE EITHER INSUFFICIENT OR
46 VULNERABLE TO SINGLE POINTS OF FAILURE; AND
47

1 (4) BY CONTRACTING WITH DOMESTIC FACILITIES TO RECYCLE
2 STRATEGIC AND CRITICAL MATERIALS, THEREBY INCREASING
3 DOMESTIC SUPPLIES WHEN SUCH MATERIALS WOULD OTHERWISE BE
4 INSUFFICIENT TO SUPPORT DEFENSE AND ESSENTIAL.
5

6 SECTION 13. *INSTITUTIONAL LINKAGES.*- PHILIPPINE INTERNATIONAL
7 TRADING AND CRITICAL MATERIALS STOCKPILE CORPORATION SHALL
8 MAINTAIN AND DEVELOP INSTUTIONAL LINKAGES/PARTNERSHIP WITH
9 GOVERNMENT AND NON-GOVERNMENT INSTITUTIONS INCLUDING BUT
10 NOT LIMITED TO THE DEPARTMENT OF SOCIAL WELFARE AND
11 DEVELOPMENT, PHILIPPINE RED CROSS, NATIONAL DISASTER RISK
12 REDUCTION AND MANAGEMENT COUNCIL AND SIMILAR INSTITUTIONS,
13 CONCERNING THE UTILIZATION AND DISTRIBUTION OF MATERIALS IN THE
14 STOCKPILE.
15

16 **SEC. 11.** Subsequent sections are hereby renumbered accordingly.
17

18 **SEC. 12.** Separability Clause. – If any provision of this Act is declared
19 unconstitutional, such sections or parts not affected thereby shall remain in full force
20 and effect.
21

22 **SEC.13.** Effectivity Clause. – This Act shall take effect fifteen (15) days after its
23 publication in the Official Gazette or in at least two (2) national newspaper of
24 general circulation.
25

26 *Approved,*