

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Quezon City

4
5 **EIGHTEENTH CONGRESS**
6 First Regular Session
7

8 **HOUSE BILL No. 10263**
9



10 **Introduced by**
11 **BAYAN MUNA Representatives CARLOS ISAGANI T. ZARATE,**
12 **FERDINAND R. GAITE and EUFEMIA C. CULLAMAT,**
13 **ACT TEACHERS Party-List Rep. FRANCE L. CASTRO,**
14 **GABRIELA Women's Party Rep. ARLENE D. BROSAS**
15 **and KABATAAN Party-List Rep. SARAH JANE I. ELAGO**
16

17 **AN ACT**
18 **ABOLISHING THE PHILIPPINE INTERNATIONAL TRADING CORPORATION,**
19 **AND FOR OTHER PURPOSES**
20

21 **EXPLANATORY NOTE**
22

23 The Philippine International Trading Corporation (PITC) was created through Presidential
24 Decree No. 252 to trade with Socialist and Other Centrally Planned Economy Countries. It
25 engages with exports, trade services and special trading arrangements, and provide
26 procurement services.
27

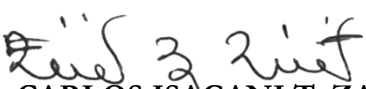
28 According to 2020 annual audit report, the Commission on Audit (COA) revealed that there
29 P11.022 billion fund transfers from various national government agencies from CY 2014 to
30 2020 that remained unutilized as of December 31, 2020. Furthermore, it is noted that P10.877
31 billion or 99% of the total unutilized fund transfers were scheduled for bidding/procurement
32 for CY 2021. The COA recommended to direct the concerned official of the PITC to
33 immediately return the remaining unutilized funds and residual fund transfers to the Bureau of
34 Treasury. This huge amount, especially amid the economic and health crisis could have been
35 used for other programs, projects and activities instead of being parked in the PITC.
36

37 Moreover, there are more audit observations reported by the COA such as procuring various
38 personal protective equipment without considering the lowest price proposal, and procurement
39 of information technology software and equipment that is not supported by an Information
40 Systems Strategic Plan duly endorsed by the Department of Information and Communication
41 Technology.
42

43 The 1987 Constitution and the Republic Act No. 9184, otherwise known as the "Government
44 Procurement Reform Act," which mandates all procurement entity to establish a single Bids
45 and Awards Committee, have made the mandate of the PITC archaic and irrelevant. Worse, it
46 became a breeding ground for graft, corruption, inefficiency and negligence to the duties of
47 other government agencies. Thus, this Bill seeks to abolish the Philippine International Trading
48 Corporation.
49

50 Thus, approval of this Bill is earnestly sought.

1 *Approved,*


REP. CARLOS ISAGANI T. ZARATE
Bayan Muna Partylist


REP. EUFEMIA C. CULLAMAT
Bayan Muna Partylist


REP. FERDINAND R. GAITE
Bayan Muna Partylist


REP. ARLENE D. BROSAS
GABRIELA Women's Party


REP. FRANCE L. CASTRO
ACT Teachers Partylist


REP. SARAH JANE I. ELAGO
Kabataan Partylist

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21
22 *Be it enacted by the Senate and House of Representatives of the Republic of the Philippines in*
23 *Congress assembled:*
24

25 **SECTION 1. Declaration of Policy** – It is the policy of the State to maintain honesty and
26 integrity in the public service and take positive and effective measures against graft and
27 corruption.
28

29 **SECTION 2. Abolition of the Philippine International Trading Corporation.** – The
30 Philippine International Trading Corporation (PITC) created under Presidential Decree No.
31 252 shall be abolished.
32

33 In lieu of the abolition of the PITC, the respective Departments, Agencies, Government-Owned
34 and/or -Controlled Corporations (GOCCs), State Universities and Colleges (SUCs), and Local
35 Government Units (LGUs) shall, thereafter, undertake the procurement of materials,
36 equipment, and infrastructure projects.
37

38 The Department of Trade and Industry (DTI) shall undertake the functions of the PITC in
39 relation to facilitative trade-related services, responsive business solutions, and trade-related
40 government-to-government transactions, among others.
41

42 **SECTION 3. Separation and Retirement from Service.** – Employees affected by the abolition
43 of the PITC shall receive separation benefits under the Government Reorganization Law and
44 other existing laws, rules, and regulations: *Provided*, that those who are qualified to retire and
45 receive retirement benefits shall be allowed to retire under existing laws, rules, and regulations.
46

47 **SECTION 4. Reversion of Funds.** – In coordination with the concerned Departments,
48 Agencies, GOCCs, SUCs, and LGUs, the PITC shall revert all prior years' unutilized advances
49 to the National Treasury. Current year's advances for the procurement of supplies, equipment
50 and all other funds held in trust by the PITC shall be returned to the concerned Departments

1 and Agencies.
2

3 **SECTION 5. *Repealing Clause.*** – All laws, decrees, executive orders, rules or regulations and
4 other issuances, or parts thereof, which are inconsistent with the provisions of this Act, are
5 hereby repealed or amended accordingly.
6

7 **SECTION 6. *Separability Clause.*** – If any portion or provision of this Act is declared
8 unconstitutional, the remainder of this Act or any provision not affected thereby shall remain
9 in force and effect.
10

11 **SECTION 7. *Effectivity.*** – This law shall take effect fifteen (15) days after its publication in
12 the Official Gazette or in two (2) national newspapers of general circulation.
13

14
15 *Approved,*