

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 3269



Introduced by
ACT Teachers Party-List Rep. FRANCE L. CASTRO,
GABRIELA Women's Party Rep. ARLENE D. BROSAS,
and **KABATAAN Party-List Rep. RAOUL DANNIEL A. MANUEL**

AN ACT
ABOLISHING THE PHILIPPINE INTERNATIONAL TRADING
CORPORATION, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippine International Trading Corporation (PITC) was created through Presidential Decree 252 to trade with Socialist and Other Centrally Planned Economy Countries. It engages with exports, trade services and special trading arrangements, and provides procurement services.

According to the 2020 annual audit report, the Commission on Audit (COA) revealed that there are ₱11.022 billion fund transfers from various national government agencies from CY 2014 to 2020 that remained unutilized as of December 31, 2020. Furthermore, it is noted that ₱10.877 billion or 99% of the total unutilized fund transfers were scheduled for bidding or procurement for CY 2021. The COA recommended directing the concerned official of the PITC to immediately return the remaining unutilized funds and residual fund transfers to the Bureau of Treasury.

The audit report found that the PITC has already returned ₱10.122 billion as of March 31, 2022. However, this huge amount could have been used for other programs, projects and activities instead of being parked in the PITC, especially amid the economic and health crisis.

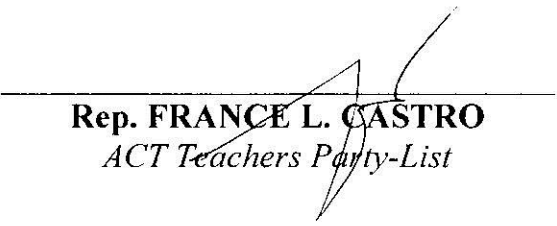
Moreover, there are more audit observations reported by the COA, such as procuring various personal protective equipment without considering the lowest price proposal, and procurement of information technology software and equipment that is

not supported by an Information Systems Strategic Plan duly endorsed by the Department of Information and Communication Technology.

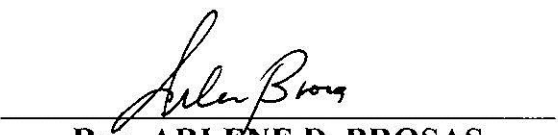
The 1987 Constitution and the Republic Act 9184, otherwise known as the "Government Procurement Reform Act," which mandates all procurement entities to establish a single Bids and Awards Committee, have made the mandate of the PITC archaic and irrelevant. Worse, it became a breeding ground for graft, corruption, inefficiency and negligence of the duties of other government agencies. Thus, this Bill seeks to abolish the Philippine International Trading Corporation.

This Bill was first filed in the 18th Congress by Bayan Muna Reps. Carlos Zarate, Ferdinand Gaite, and Eufemia Cullamat, ACT Teachers Rep. France Castro, Gabriela Women's Party Rep. Arlene Brosas, and Kabataan Party-List Rep. Sarah Elago as House Bill 10263.

Thus, approval of this Bill is earnestly sought.



Rep. FRANCE L. CASTRO
ACT Teachers Party-List



Rep. ARLENE D. BROSAS
GABRIELA Women's Party



Rep. RAOUL DANNIEL A. MANUEL
KABATAAN Party-List

Republic of the Philippines
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NINETEENTH CONGRESS
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3269
HOUSE BILL No. _____

Introduced by
ACT Teachers Party-List Rep. FRANCE L. CASTRO,
GABRIELA Women's Party Rep. ARLENE D. BROSAS,
and **KABATAAN Party-List Rep. RAOUL DANNIEL A. MANUEL**

AN ACT
ABOLISHING THE PHILIPPINE INTERNATIONAL TRADING
CORPORATION, AND FOR OTHER PURPOSES

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

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

SEC. 2. *Abolition of the Philippine International Trading Corporation.* – The Philippine International Trading Corporation (PITC) created under Presidential Decree 252 shall be abolished.

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

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

SEC. 3. *Separation and Retirement from Service.* – Employees affected by the abolition of the PITC shall receive separation benefits under the Government Reorganization Law and other existing laws, rules, and regulations: *Provided, That*

those who are qualified to retire and receive retirement benefits shall be allowed to retire under existing laws, rules, and regulations.

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

SEC. 5. *Special Audit.* - The Commission on Audit shall conduct an updated special audit on the transactions of PS-DBM and submit to the House Committee on Good Government and Public Accountability and the Senate Accountability of Public Officers and Investigations (Blue Ribbon) their findings, observations, and recommendations within thirty days from the completion thereof. Based on the special audit, the COA shall likewise recommend to the Ombudsman the filing of administrative and criminal cases against all responsible public officers and employees as well as private individuals and businesses.

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

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

SEC. 8. *Effectivity.* – This law shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,