



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



NINETEENTH CONGRESS
Second Regular Session

House Bill No. **10012**

Introduced by Representative TEODORICO “NONONG” T. HARESCO, JR.

AN ACT
EXTENDING THE CORPORATE LIFE AND EXPANDING THE POWERS OF
THE PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC),
AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1071,
OTHERWISE KNOWN AS “THE REVISED CHARTER OF THE PHILIPPINE
INTERNATIONAL TRADING CORPORATION”

EXPLANATORY NOTE

The PITC in its fifty (50) years of existence and operating under its Revised Charter, Presidential Decree (PD) 1071 (1977) as amended, is the sole state trading arm of the Philippine government. It is equipped with powers to engage in various kinds of businesses, including but not limited to the business of dealership, brokerage, manufacture, and distribution of commodities, and in connection therewith, imports or exports goods in furtherance of PITC's purpose to achieve economies of scale and better terms of trade for Philippine businesses in support of the government's socio-economic agenda.

Over the years, PITC has ventured and gained vast experience in the fields of marketing, importation, procurement, bonded warehousing, export consolidation and countertrade and related bilateral trading transactions. Importation of critical commodities and procurement outsourcing are not a novel undertaking for PITC. Rather, it has been an integral part of its business operations as a trading entity. These activities are enshrined in PITC's broad powers under PD1071.

PITC, as a chartered, self-sustaining government owned and controlled corporation attached to the Department of Trade and Industry (DTI), is the Philippine government's

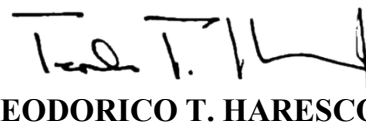
representation to foreign countries and entities that seek to foster an economical relationship and establish long term trade relations that will mutually benefit both countries.

It has been the government's conduit in implementing bilateral trade agreements and special trading arrangements with countries where the Philippines is a signatory. PITC can obtain the best and lowest price of quality goods and commodities direct from foreign countries/enterprises, and directly sell to the government, i.e., Department of Agriculture (DA), or to other government agencies and to the public without going through middleman and/or agents.

The PITC is key to numerous opportunities for the Philippine government, ready to be utilized to implement vital initiatives and programs in stabilizing price and supply of basic goods and commodities. The PITC has the opportunity to be tapped by the government even for at least one-third of the total country importation requirements (right of first refusal) of all agricultural commodities and farm inputs, especially in times of shortage. Being under the DTI that regulates the Suggested Retail Prices (SRP) and monitors prices of basic commodities, PITC's price could be the benchmark for SRP which would eliminate soaring prices for opportunistic traders. It is worth emphasizing that any income of the PITC will redound to the benefit of the Philippine government who hold majority of its share, where fifty percent (50%) of PITC's annual net earnings is remitted to the Bureau of Treasury. This means the government will be able to provide the Filipinos better quality and affordable goods and ensure food security.

In this regard, this bill seeks to strengthen PITC's mandate, specifically its trading powers and services, which can serve as a balancing tool to control prices of goods and commodities and to prevent the monopolization and control of commodity prices by a few private entities and/or individuals. This proposed legislation also introduces a Strategic and Critical Materials Stockpile Division and Regional Field Offices which shall ensure efficiency in the observance of the mandate of PITC.

In view of the foregoing, the passage of this bill is earnestly sought.



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

1 **SECTION 1.** Section 2 of Presidential Decree 1071, otherwise known as the "Revised Charter
2 of the Philippine International Trading Corporation", is hereby amended, deleted and replaced
3 to read as follows:
4

5 "SEC. 2. Name, Domicile and Place of Business. - There is hereby created a
6 body corporate to be known as the Philippine International Trading Corporation,
7 hereinafter referred to as the Corporation, which shall exist for fifty years from
8 the effectivity of this Act, **OR UNTIL JULY 21,2077, UNLESS**
9 **OTHERWISE PROVIDED BY LAW**, and shall have its principal office in
10 Metro Manila."
11

12 **SECTION 2.** Section 3 of Presidential Decree 1071, otherwise known as the "Revised Charter
13 of the Philippine International Trading Corporation", is hereby amended, deleted and replaced
14 to read as follows:
15

16 “SEC. 3. Capitalization. - The authorized capital stock of the corporation shall
17 be ~~two hundred million pesos (Php200,000,000.00)~~ **ONE BILLION FIVE**
18 **HUNDRED MILLION PESOS (PHP 1,500,000,000.00)** to be divided into
19 ~~two million (2,000,000)~~ **FIFTEEN MILLION (15,000,000)** shares at par value
20 of one hundred pesos (Php 100.00) per share to be subscribed as follows:
21

22 ~~forty per cent (40%) representing eight hundred thousand (800,000) shares~~
23 ~~valued at eighty million pesos (P80,000,000.00) by the Republic of the~~
24 ~~Philippines [since assumed and paid for by National Development Company per~~
25 ~~E.O. 1067 s. 1985];~~
26

THIRTY PERCENT (30%) OF THE AUTHORIZED CAPITAL STOCK OR FOUR MILLION FIVE HUNDRED THOUSAND (4,500,000) SHARES, VALUED AT FOUR HUNDRED FIFTY MILLION PESOS (PHP 450,000,000.00), SHALL BE SUBSCRIBED BY THE REPUBLIC OF THE PHILIPPINES;

~~ten per cent (10%) representing two hundred thousand (200,000) shares valued at twenty million pesos (P20,000,000.00) by the Development Bank of the Philippines; ten per cent (10%) representing two hundred thousand (200,000) shares valued at twenty million pesos (P20,000,000.00) by the Philippine National Bank [since assumed and paid for by National Development Company per E.O. 756 s. 1981]; and~~

ANOTHER THIRTY PERCENT (30%) OF THE AUTHORIZED CAPITAL STOCK OR FOUR MILLION FIVE HUNDRED THOUSAND (4,500,000) SHARES, VALUED AT FOUR HUNDRED FIFTY MILLION PESOS (PHP 450,000,000.00), SHALL BE SUBSCRIBED BY THE LAND BANK OF THE PHILIPPINES; AND

~~the remaining forty per cent (40%) representing eight hundred thousand (800,000) shares valued at eighty million pesos (P80,000,000.00) owned by the public at not less than the par value [since assumed and paid by the National Development Company per E.O. 756 s. 1981].~~

THE REMAINING FORTY PERCENT (40%) OF THE AUTHORIZED CAPITAL STOCK REPRESENTING SIX MILLION (6,000,000) SHARES, VALUED AT SIX HUNDRED MILLION PESOS (PHP 600,000,000.00), SHALL BE SUBSCRIBED BY THE NATIONAL DEVELOPMENT COMPANY AT NOT LESS THAN THE PAR VALUE.

For the total subscription of the Republic of the Philippines, the amount of ~~forty million pesos (P40,000,000.00)~~ **FOUR HUNDRED FIFTY MILLION (PHP 450,000,000.00)** is hereby appropriated out of the funds in the National Treasury ~~[since assumed and paid by National Development Company per E.O. 1067 s. 1985]~~ which amount or any portion thereof shall be released to the Corporation upon the approval of the President of the Philippines: Provided, that, the subscription of the ~~Development Bank of the Philippines and the Philippine National Bank~~ **LAND BANK OF THE PHILIPPINES** shall be paid to the Corporation at such time and for such amounts as shall be requested by the Board of Directors of the Corporation: **PROVIDED FURTHER THAT, GIVEN THE CURRENT SHAREHOLDINGS OF THE NATIONAL DEVELOPMENT COMPANY IN THE CORPORATION, THE BALANCE DUE ON THE SUBSCRIPTION OF THE NATIONAL DEVELOPMENT COMPANY SHALL BE PAID TO THE CORPORATION AT SUCH TIME AS SHALL BE REQUESTED BY THE BOARD OF DIRECTORS OF THE CORPORATION.**

SECTION 3. Section 5 of Presidential Decree 1071, otherwise known as the "Revised Charter of the Philippine International Trading Corporation", is hereby amended, deleted and replaced to read as follows:

77
78 “SEC. 5. Purposes of the Corporation. - The Corporation is hereby authorized:
79

- 80 (a) To engage in or handle for Philippines and third country enterprises through
81 methods, systems, devices and facilities intended to achieve economies of scale
82 and better terms of trade for Philippine business, both foreign procurement as well
83 as foreign marketing and distribution;
84
- 85 (b) To arrange for or establish comprehensive facilities for handling all phases of
86 warehousing and to develop and operate physical facilities for the collection,
87 processing and distribution of cargoes and other commodities;
88
- 89 (c) To obtain or arrange more comprehensive protection for activities undertaken or
90 commodities dealt with by monitoring or coordinating risk insurance services for
91 existing institutions or supplementing the same;
92
- 93 (d) To employ, utilize, and monitor trade promotion services, facilities and activities
94 being undertaken by government or private agencies;
95
- 96 (e) To promote or organize, whenever warranted, production enterprises and
97 industrial establishments and to collaborate or associate in joint venture with any
98 person, association, company, or entity, whether domestic or foreign, in the fields
99 of production, **OUTSOURCING, DISTRIBUTION**, marketing, procurement
100 **WITHIN AND FOR OTHER GOVERNMENT AGENCIES**, and such other related
101 businesses;
102
- 103 (f) To provide technical, advisory, investigatory, consultancy and management
104 service with respect to any or all of the functions, activities and operations of the
105 Corporation; and
106
- 107 (g) In general, to undertake such activities as would be appropriate to an institution
108 created for the purposes of international trading.
109

110 **SECTION 4.** Section 6 of Presidential Decree 1071, otherwise known as the "Revised Charter
111 of the Philippine International Trading Corporation", is hereby amended, deleted and replaced
112 to read as follows:
113

114 “SEC. 6. Powers of the Corporation. - In order to attain its purposes and objectives,
115 the Corporation shall have the following powers: [As Amended by E.O. No. 133 s.
116 1987]
117

- 118 (a) To engage in and carry on the business of dealership, brokerage, manufacture,
119 **OUTSOURCING, PROCUREMENT** and distribution of commodities,
120 products, goods, wares, merchandise, machineries and equipment, **WHETHER**
121 **PHYSICALLY OR THROUGH DIGITAL OR ONLINE PLATFORMS**,
122 and in connection therewith, to purchase, borrow, acquire, hold, exchange, sell,
123 distribute, lend, mortgage, pledge, or otherwise dispose of, import or export,
124 process or turn to account in any lawful manner, commodities, products, goods,
125 wares, merchandise, and other articles of commerce and interest therein or
126 instrument evidencing rights to acquire such interest and to guarantee any and
127 all obligations relating to transactions made on any board of trade, commodities
128 exchange, or similar institutions, and to do any and all things as may be useful

129 in connection with or incidental to the conduct of such business,
130

- 131 (b) To build, make, construct, maintain, purchase, sell, charter, deal in and with,
132 own, lease, pledge, and otherwise dispose of all modes of transportation, together
133 with all components, tools, machinery and appliances appurtenant thereto as are
134 utilized in the transport of goods and merchandise by air, land or sea;
135
- 136 (c) To carry on the business of public and private warehousing and all the business
137 necessarily or impliedly incidental thereto, and to further carry on the business
138 of general warehousing in all its several aspects; to construct, hire, purchase,
139 operate and maintain any means or conveyances for the transportation to and
140 from storage, by air, land or water, of any and all products; goods, wares,
141 merchandise or manufactured articles, to issue certificates, warrants and receipts,
142 negotiable or otherwise, to persons warehousing goods with the Corporation, and
143 to make negotiate or secure advances or loans upon the security of such stored
144 merchandise and products or otherwise to construct, purchase, take or lease,
145 develop, operate or otherwise acquire any wharf, pier, dock, warehouse, storage
146 room or other facilities, rights, franchises or premises deemed capable of being
147 advantageously used in connection with the business of the Corporation, and to
148 rent, lease, hypothecate and convey the same, and generally to carry on and
149 undertake any and all business activity, transaction or operation commonly
150 carried on or undertaken by warehousemen;
151
- 152 (d) To act as shipping agent and ship broker, to handle ship husbanding and ship
153 chandlery, and to engage in any aspect for the business of longshoring,
154 lighterage, stevedoring, freight forwarding, packing and carting, and conveying.
155
- 156 (e) To borrow, raise, or obtain funds to support or carry out its objectives and
157 purposes and/or to arrange financing or equipment credit or any kind of financial
158 or material assistance for its own account or its clients from any financial or
159 lending institutions, local or foreign, and to secure any or all of the same, to the
160 extent that may be required such as by any lawful guaranty or counter-guaranty
161 by pledge, mortgage or deed of trust, or by creating or suffering to exist a charge,
162 lien or encumbrance, general or special, upon its revenues and/or assets, and
163 likewise by similar guarantees, pledges, mortgages, liens and other security
164 arrangements to secure the performance by the Corporation of any obligation or
165 liability it may undertake for itself or for other companies or enterprises in which
166 it may be interested; such loans obtained under this authority shall be guaranteed
167 by the government in accordance with existing regulations;
168
- 169 (f) To provide financial accommodations to its clients, and maintain with or for
170 customers' accounts with respect to commodities and/or securities including
171 margin accounts and to do such things as may be requisite or appropriate or
172 incidental to the maintenance of such accounts;
173
- 174 (g) To act as agents or brokers in the business of marine, fire, life, accident and
175 fidelity insurance, in the business of giving protection to principals and
176 employers and any other kind or class of insurance in all its branches;
177
- 178 (h) To organize and incorporate subsidiaries whose capital stock may be subscribed

179 in whole or in part by the Corporation; Provided, however, that the controlling
180 interest of not less than sixty per cent (60%) of the authorized capital stock of
181 such subsidiaries shall at all times remain with the Corporation: Provided,
182 finally, that the organization and incorporation of such subsidiaries shall be
183 subject to prior approval of the President of the Philippines;
184

- 185 (i) To establish, maintain, operate or conduct branch businesses or offices for the
186 transaction of business for itself and on behalf of other persons, firms,
187 corporations, or other entities, either domestic or foreign, and to act as
188 manufacturers' agents, commission merchants, merchandise brokers, insurance,
189 shipping and transport agents, or in any other representative capacity for persons,
190 firms, corporations or other entities, either domestic or foreign, for the
191 investment, loan payment, transmission or collection of money, commodities or
192 securities and/or the purchase, sale, improvement, development and
193 management of property including business concerns and undertakings and
194 generally, to transact and undertake an agency business, whether in respect of
195 any commercial or financial matters;
196
- 197 (j) To undertake or contract for researches, studies and surveys on any subject of
198 interest to the Corporation including but not limited to such matters as business
199 and economic conditions of various countries, including the structure of their
200 commodities and financial markets, the institutional arrangements for
201 mobilizing investments thereat, the legal and tax constraints and incentives
202 obtaining therein; to promote products overseas through holding of trade fairs,
203 exhibits and the like, coordinating with the Department of Trade in undertaking
204 such activities;
205
- 206 (k) To acquire an interest in or to enter into partnership, amalgamate with or enter
207 into other arrangements for sharing profits, mutual assistance or cooperation
208 with any person or company carrying on or about to carry on or engage in any
209 business transaction, operation or work capable of being conducted so as to
210 purchase, take or otherwise acquire and hold shares of stock or other securities
211 of or interest in any such company and to sell, hold and re-issue with or without
212 guaranty or otherwise deal with the same;
213
- 214 (l) Subject to the limitations established by law, to acquire by purchase,
215 subscription, exchange, assignment, gift, or otherwise, and to sell, assign,
216 transfer, exchange, mortgage, pledge, and deal in and with, and otherwise, to
217 enjoy, and dispose of, any bonds, debentures, promissory notes, shares of capital
218 stock, and/or other securities and/or obligations, created, negotiated or issued by
219 any corporation, association, or other entity, foreign or domestic, and while the
220 owner thereof, to exercise all the rights, powers and privileges of ownership,
221 including the right to receive, collect, and dispose of any and all dividends,
222 interest and income, derived therefrom, and the right to vote on any shares of the
223 capital stock, and upon any bonds, debentures and/or other securities, having
224 voting power so owned;
225
- 226 (m) To cause or allow the legal title to or any legal or equitable interest in any
227 business or any other real or personal property acquired or carried on by the
228 Corporation to remain or be vested or registered in the name of any other person

or entity whether upon trust for or as agent nominee of the Corporation or upon such other terms and conditions which may be determined to be necessary or expedient by the Board of Directors of Corporation;

- (n) To acquire by purchase or lease, or otherwise, lands and interest in lands and to own, hold, improve, develop and manage any real estate so acquired and to erect or cause to be erected on any lands owned, held or occupied by the Corporation, buildings or other structures with their appurtenances, and to rebuild, enlarge, alter or improve any buildings or other structures now or hereafter erected on any lands so owned or occupied;
- (o) To purchase, own, hold, or otherwise acquire such machineries, equipment, tools, materials, supplies, or other parts as maybe necessary, convenient, or appropriate for any of the purposes for which the Corporation is formed;
- (p) To invest and deal with the funds of the Corporation in such manner as may be deemed proper, in order not to make such funds idle and unproductive pending their full utilization for the principal objects and purposes for which the Corporation has been organized;
- (q) To apply for, register, purchase or otherwise acquire, or obtain a lien on, or interest in, any patent, patent rights, licenses, designs, processes, trademarks, tradenames, distinctive marks, inventions, and improvements thereof, and concessions which may appear likely to be advantageous or useful to the Corporation or its clients; to use, exercise or otherwise turn to account said property, rights, and to enter into knowhow and data or process feedback agreements, including the use of computers, as the same may be related to or necessary or appropriate to carry on the objectives and purposes of the Corporation;
- (r) To pay for any property or rights acquired or services obtained by the Corporation either in cash, shares or other securities of the Corporation, or partly in cash and partly in shares or other securities, under such terms and conditions as its Board of Directors shall determine to be reasonable. To enter into any agreement or contract with any government or any of the agencies and instrumentalities thereof, or with any person or company on any undertaking that may be conducive to the attainment of objectives of the Corporation or of any of them, and to obtain from any such government or authority, person or company any rights, privileges and concessions, which the Corporation may think desirable;
- (s) To establish, operate and maintain its own communication system throughout the country as may be needed or required by its business operations for which purpose, the proper franchise is hereby granted;
- (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; and

- (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 conducive to the attainment of its corporate purposes and objects, **PROVIDED THAT TRADE TRANSACTIONS MADE THROUGH THE PITC SHALL BE SUBJECT TO STREAMLINED CUSTOMS PROCESSES AND INCENTIVES, AS MAY BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES;**

SECTION 5. Section 7 of Presidential Decree 1071, otherwise known as the "Revised Charter of the Philippine International Trading Corporation", is hereby amended, deleted and replaced to read as follows:

“SEC. 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 **AND INDUSTRY AS THE CHAIRPERSON;**
- (b) The President of the Corporation **AS THE VICE-CHAIRPERSON;**
- (c) The Director-General of the National Economic and Development Authority;
- (d) The **CHAIRPERSON** ~~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 **CHAIRPERSON** ~~Chairman~~ of the Board of ~~Governors~~ **DIRECTORS** of the Development Bank of the Philippines;
- (h) ~~The President of the Philippine National Bank~~ **THE GENERAL MANAGER OF THE NATIONAL DEVELOPMENT COMPANY;**
- (i) **THE PRESIDENT & CEO OF THE LAND BANK OF THE PHILIPPINES;**
- (j) A Representative from the Office of the President;
- (k) **A REPRESENTATIVE FROM THE PRIVATE SECTOR;**
- ~~(j) [Six (6) other members to be appointed by the President of the Philippines for a term of five years in such manner that the first members appointed shall have terms of office of one, two and three years for every two members and that, to the extent possible, the financial, agricultural, industrial and commercial interests, shall be represented. Provided, however, That for purposes of determining the quorum, the same shall be based on the number of members of the Board actually appointed/ designated as such.]~~

PROVIDED, HOWEVER, THAT FOR PURPOSES OF DETERMINING THE QUORUM, THE SAME SHALL BE BASED ON THE NUMBER OF MEMBERS OF THE BOARD ACTUALLY APPOINTED/ DESIGNATED AS SUCH.

The Secretary of Trade **AND INDUSTRY** shall be the ~~Chairman~~ **CHAIRPERSON** of the Board and shall preside over its meetings: Provided, That, whenever the Secretary of Trade **AND INDUSTRY** is unable to do so, the President of the Corporation shall preside over such meetings: Provided, further,

329 That, if both the Secretary of Trade **AND INDUSTRY** and the President of the
330 Corporation are absent, the members of the Board present shall, there being a
331 quorum, elect from among themselves a presiding officer for that particular
332 meeting: And, provided, finally, that, except those members of the Board
333 representing the private sector, and the Secretary of Trade **AND INDUSTRY**
334 and the President of the Corporation who shall be represented by the
335 Undersecretary of Trade **AND INDUSTRY** and the Executive Vice President,
336 respectively, the other ex-officio members of the Board shall, whenever unable
337 to attend said meetings, be represented by their duly designated representatives
338 who shall have the same powers, duties, and privileges in these meetings as the
339 ex-officio members they are representing. [Amended by E.O. 756, s. 1981]
340

341 **SECTION 6.** The following Sections are inserted after Section 23. All succeeding sections of
342 the same Act are hereby renumbered accordingly.:
343

344 **SECTION 24. *STRATEGIC AND CRITICAL MATERIALS STOCKPILE***
345 ***DIVISION.*** – THERE SHALL BE CREATED WITHIN THE PHILIPPINE
346 INTERNATIONAL TRADING CORPORATION A DIVISION IN-CHARGE
347 OF STOCKPILING OF STRATEGIC AND CRITICAL MATERIALS AS
348 MAY BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES.
349

350 THE PHILIPPINE INTERNATIONAL TRADING CORPORATION SHALL
351 ENSURE ROTATION AND REPLENISHMENT OF STOCKS. IT SHALL
352 ALSO ENSURE THAT THERE EXISTS AT ALL TIMES A STEADY,
353 AVAILABLE AND ADEQUATE SUPPLY OF SUCH MATERIALS
354 ESSENTIAL IN RESPONDING TO PANDEMICS, NATURAL DISASTERS
355 AND OTHER NATIONAL EMERGENCIES. FOR THIS PURPOSE,
356 PROCUREMENT OF THE SAID MATERIALS SHALL BE CONSIDERED
357 AS PROCUREMENT OF STOCKS IN TRADE OF THE CORPORATION IN
358 THE REGULAR COURSE OF BUSINESS AS A TRADING COMPANY
359 AND SHALL THEREFORE BE EXEMPTED FROM THE CONVERGENCE OF
360 R.A. 9184 AND ITS IMPLEMENTING RULES AND REGULATIONS. TO
361 THE EXTENT POSSIBLE, THE CORPORATION SHALL LIKEWISE
362 ADOPT COUNTERTRADE AS A MODE OF
363 PROCUREMENT/STOCKPILING OF CRITICAL MATERIALS.
364

365 **SECTION 25. *MATERIALS CONSTITUTING THE STOCKPILE.*** – THE
366 PRESIDENT OF THE PHILIPPINES SHALL DETERMINE FROM TIME TO
367 TIME: (1) WHICH MATERIALS ARE STRATEGIC AND CRITICAL FOR
368 THE PURPOSES OF THIS ACT; (2) THE QUALITY AND QUANTITY OF
369 EACH SUCH MATERIAL TO BE ACQUIRED FOR THE PURPOSES OF
370 THIS ACT, AND; (3) THE FORM IN WHICH EACH SUCH MATERIAL
371 SHALL BE ACQUIRED AND STORED.
372

373 STRATEGIC AND CRITICAL MATERIALS SHALL MEAN ESSENTIAL
374 MEDICAL AND/OR LIFE SAVING SUPPLIES NEEDED IN TIMES OF
375 PANDEMICS SUCH AS MAINTENANCE, ROTATION, AND DISPOSAL
376 OF SUCH MATERIALS UNDER THIS ACT. THE COMMITTEE SHALL BE
377 ENTITLED TO PER DIEMS IN ACCORDANCE WITH THE RULES AND

REGULATIONS OF THE GOVERNANCE COMMISSION FOR GOCCS (GCG).

SECTION 26. REPORT TO CONGRESS. – NOT LATER THAN FEBRUARY 15, OF EACH YEAR, THE PRESIDENT SHALL SUBMIT TO THE CONGRESS AN ANNUAL WRITTEN REPORT DETAILING OPERATIONS UNDER THIS ACT. ECH SUCH REPORT SHALL INCLUDE:

- (1) INFORMATION WITH RESPECT TO FOREIGN AND DOMESTIC PURCHASES OF STOCKPILED CRITICAL MATERIALS DURING THE PRECEDING FISCAL YEAR;
- (2) INFORMATION WITH RESPECT TO THE ACQUISITION AND DISPOSAL OF STOCKPILED CRITICAL MATERIALS UNDER THIS ACT THROUGH COUNTERTRADE DURING SUCH FISCAL YEAR;
- (3) SUCH OTHER PERTIENT INFORMATION ON THE ADMINISTATION OF THIS ACT THAT WILL ENABLE THE CONGRESS TO EVALUATE THE EFFECTIVENESSS OF THE PROGRAM PROVIDED FOR UNDER THIS ACT AND TO DETERMINE THE NEED FOR ADDITIONAL LEGISLATION.

SECTION 27. SOURCE OF MATERIALS. – CONSISTENT WITH THE COUNTRY’S OBLIGATIONS UNDER INTERNATIONAL TREATIES OR AGREEMENTS, MATERIALS MAY BA OBTAINED FROM DOMESTIC OF FOREIGN SOURCES AND THE PROCURMENT THEREOF SHALL BE OPEN TO ALL ELIGIBLE SUPPLIERS, MANUFACTURERS AND DISTRIBUTORS. HOWEVER, IN THE INTEREST OF AVAILABILITY, EFFICIENCY AND TIMELY DELIVERY OF MATERIALS, THE CORPORATION SHALL ENCOURAGE THE DEVELOPMENT OF DOMESTIC SOURCES FOR STRATEGIC AND CRITICAL MATERIALS TO ENSURE STEADY, AVAILABLE AND ADEQUATE SUPPLY OF SUCH MATERIALS ESSENTIAL IN RESPONDING TO PANDEMICS, NATURAL DISASTERS AND OTHER NATIONAL EMERGENCIES, AND IN SUCH MANNER AS MAY BE ALLOWED BY LAW. TO INCLUDE THE ADOPTION OF COUNTERTRADE AND INDUSTRIAL COOPERATION UNDER E.O. 120 S. 1993 TO AUGMENT STOCKPILING AND AVAILABILITY OF CRITICAL MATERIALS.

BY PURCHASING, OR MAKING A COMMITMENT TO PURCHASE, EITHER DIRECTLY OR THROUGH COUNTERTRADE, STRATEGIC AND CRITICAL MATERIALS OF DOMESTIC ORIGIN WHEN SUCH MATERIALS ARE NEEDED FOR THE STOCKPILE;

BY CONTRACTING WITH DOMESTIC FACILITIES, OR MAKING A COMMITMENT TO CONTRACT WITH DOMESTIC FACILITIES, FOR THE PROCESSING OR REFINING OF STRATEGIC AND CRITICAL MATERIALS IN THE STOCKPILE WHEN PROCESSING OR REFINING IS NECESSARY TO CONVERT SUCH MATERIALS INTO A FORM MORE SUITABLE FOR STORAGE AND SUBSEQUENT DISPOSITION;

BY IDENTIFYING EXISTING DOMESTIC FACILITIES AND DOMESTICALLY PRODUCED STRATEGIC AND CRITICAL MATERIALS TO MEET THE REQUIREMENTS OF DEFENSE AND ESSENTIAL CIVILIAN INDUSTRIES IN TIMES OF NATIONAL EMERGENCY WHEN EXISTING DOMESTIC SOURCES OF SUPPLY ARE EITHER INSUFFICIENT OR VULNERABLE TO SINGLE POINTS OF FAILURE; AND BY CONTRACTING WITH DOMESTIC FACILITIES TO RECYCLE STRATEGIC AND CRITICAL MATERIALS, THEREBY INCREASING DOMESTIC SUPPLIES WHEN SUCH MATERIALS WOULD OTHERWISE BE INSUFFICIENT TO SUPPORT DEFENSE AND ESSENTIAL.

SECTION 28. INSTITUTIONAL LINKAGES. – THE PITC SHALL MAINTAIN AND DEVELOP INSTITUTIONAL LINKAGES/PARTNERSHIP WITH GOVERNMENT AND PRIVATE INSTITUTIONS INCLUDING BUT NOT LIMITED TO THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT, PHILIPPINE RED CROSS, NATIONAL DISASTER RISK REDUCTION AND MANAGEMENT COUNCIL AND SIMILAR INSTITUTIONS, CONCERNING THE UTILIZATION AND DISTRIBUTION OF MATERIALS IN THE STOCKPILE.

SECTION 29. REGIONAL FIELD OFFICES. – THERE SHALL BE CREATED WITHIN THE PHILIPPINE INTERNATIONAL TRADING CORPORATION REGIONAL OFFICES IN VISAYAS TO BE BASED IN CEBU CITY AND IN MINDANAO TO BE BASED IN DAVAO CITY.

THE BOARD OF DIRECTORS, UPON THE RECOMMENDATION OF THE PITC PRESIDENT, SHALL HAVE THE POWER TO ORGANIZE, STRUCTURE, AND DETERMINE THE STAFFING PATTERN, COMPENSATION STRUCTURE AND RELATED ORGANIZATIONAL REQUIREMENTS OF THE REGIONAL FIELD OFFICES.

SECTION 7. Implementing Rules and Regulations. - Within ninety (90) days from the effectivity of this Act, the Secretary of Trade and Industry shall, in coordination with appropriate government departments and agencies with the participation of stakeholders, promulgate the necessary rules and regulations to carry out the provisions of the Act.

SECTION 8. Separability Clause. – If any provision is held invalid or unconstitutional, the remainder of the law or provision not otherwise affected shall remain valid and subsisting.

SECTION 9. Repealing Clause. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

SECTION 10. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspaper of general circulation.