



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



Twentieth Congress
First Regular Session

HOUSE BILL NO. **1420**

Introduced by HON. ROMERO FEDERICO “MIRO” QUIMBO

EXPLANATORY NOTE

Government procurement plays a vital role in shaping economic outcomes. By setting the terms for what products and services the government purchases, it can influence market incentives, boost domestic industry, and foster competition.

This bill seeks to amend Section 12 of Republic Act No. 11981 or the “Tatak Pinoy Act” by prescribing a clear ceiling for the margin of preference in favor of Philippine products and services in government procurement. Under the amendment, the Department of Trade and Industry (DTI), in consultation with the Tatak Pinoy Council, may set a margin of preference of no less than 15% and no more than 50%, to be periodically reviewed.

This amendment aims to strike a balance between promoting the competitiveness of Filipino products and allowing room for adequate competition in the procurement process. By clarifying the allowable range for preference, the amendment ensures predictability and transparency for suppliers while aligning procurement incentives with the country’s strategic development goals under the Tatak Pinoy Strategy.

Ultimately, this measure will help support Filipino producers, foster innovation and quality improvement, and strengthen our domestic industries – without compromising value or quality in public spending.

A stylized, handwritten signature in black ink, consisting of a large loop followed by a series of connected strokes that form the letters 'R' and 'Q'.

HON. ROMERO FEDERICO “MIRO” QUIMBO

Representative

Second District, Marikina City



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AN ACT
AMENDING SECTION 12 OF REPUBLIC ACT NO. 11981, OTHERWISE
KNOWN AS THE "TATAK PINOY (PROUDLY FILIPINO) ACT," BY
PRESCRIBING A MAXIMUM MARGIN OF PREFERENCE FOR
PHILIPPINE PRODUCTS AND SERVICES IN GOVERNMENT
PROCUREMENT, AND FOR OTHER PURPOSES

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

SECTION 1. *Amendment.* – Section 12 of Republic Act No. 11981, otherwise known as the "Tatak Pinoy (Proudly Filipino) Act," is hereby amended to read as follows:

"SEC. 12. Domestic Preference in Government Procurement. – For a period of ten (10) years, preference and priority shall be given to Philippine products and services in sectors and economic activities covered by the prevailing Tatak Pinoy Strategy (TPS): Provided, That the preference and priority for Philippine products shall be guaranteed at all levels of the procurement process, including raw materials, ingredients, supplies, or fixtures: Provided, further, That within fifteen (15) days from the effectivity

of this Act, the Tatak Pinoy Council shall issue a list of Philippine products and services that shall be immediately given preference and priority pending the formulation of the TPS:

Provided, furthermore, That the preference herein established may be waived should any of the following conditions be present:

- (a) Where domestic production is insufficient or unavailable in the required commercial quantities;
- (b) Where the specific or desired quality is not met;
- (c) Where domestic preference will result in inconsistencies with the Philippines' obligations under international agreements; or
- (d) Other analogous circumstances.

~~After the ten (10) year period, the domestic preference provided herein shall be subject to the margin of preference to be determined by the TP Council which should not be lower than fifteen percent (15%);~~ **AFTER THE TEN (10)-YEAR PERIOD, THE DOMESTIC PREFERENCE PROVIDED HEREIN SHALL BE SUBJECT TO A MARGIN OF PREFERENCE OF NOT LESS THAN FIFTEEN PERCENT (15%) AND NOT MORE THAN FIFTY PERCENT (50%), AS DETERMINED AND PERIODICALLY REVIEWED BY THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IN CONSULTATION WITH THE TATAK PINOY COUNCIL AND RELEVANT STAKEHOLDERS;** *Provided, That this period for domestic preference may be extended by Act of Congress.*

IN DETERMINING THE APPROPRIATE MARGIN OF PREFERENCE, THE DTI SHALL CONSIDER THE COMPETITIVENESS OF PHILIPPINE PRODUCTS AND SERVICES, PREVAILING MARKET CONDITIONS, AND THE STRATEGIC PRIORITIES IDENTIFIED IN THE TATAK PINOY STRATEGY (TPS).

For products and services not covered by the prevailing TPS, all government agencies and instrumentalities shall strictly adhere to the

domestic preference rules provided under Republic Act No. 9184, otherwise known as the “Government Procurement Reform Act,” and its implementing rules and regulations.”

SEC. 2. *Implementing Rules and Regulations.* — Within sixty (60) days from the effectivity of this Act, the Department of Trade and Industry, in coordination with the Tatak Pinoy Council and relevant government agencies, shall promulgate the necessary rules and regulations to implement the provisions of this Act.

SEC. 3. *Separability Clause.* — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 4. *Repealing Clause.* — All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 28. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,