

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

TWENTIETH CONGRESS
First Regular Session
House Bill No. 4189



Introduced by Representative

BRIAN DANIEL POE LLAMANZARES, PhD, MNSA

**AN ACT PROMOTING AND REGULATING THE EXPORT OF DEFENSE
EQUIPMENT AND TECHNOLOGIES, PROVIDING FOR SAFEGUARDS, SUPPORT
MECHANISMS, AND APPROPRIATIONS, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Philippine defense industry is a critical component of national security, economic growth, and technological development. With the increasing demand for defense equipment and technologies across the globe, the Philippines has the opportunity to position itself as a responsible and competitive player in the international defense market.

At present, the country lacks a comprehensive legal framework governing the export of defense products and technologies. This absence creates regulatory gaps that limit the industry's capacity to compete globally while also raising risks of unauthorized transfers that could undermine national security and international commitments.

This proposed measure seeks to address these gaps by establishing a clear and robust regulatory system for defense exports through the creation of a Defense Export Office (DEO). The DEO will serve as the lead agency in evaluating export applications, ensuring compliance with national laws and international obligations such as the Arms Trade Treaty, and maintaining transparency and accountability in the defense export process.

The bill also provides safeguards against proliferation by prohibiting exports to entities or states deemed threats to national security, those under United Nations arms embargoes, and those with documented histories of human rights abuses. In addition, the measure introduces mechanisms to prevent diversion, illicit trade, and misuse of defense products.

To strengthen the domestic defense sector, the bill establishes a Defense Export Incentive Program to encourage local manufacturers through tax credits, research and development support, and participation in international trade fairs. These initiatives aim to stimulate innovation, create jobs, and open new markets for Filipino defense products.

Finally, the measure authorizes the Department of Foreign Affairs to pursue bilateral and multilateral defense trade agreements that will expand opportunities for local industries while reinforcing international cooperation and security.

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


HON. BRIAN DANIEL POE LLAMANZARES, PhD, MNSA
Representative
FPJ Panday Bayanihan Party-List

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

SECTION 1. Short Title. — This Act shall be known as the “Defense Export Promotion and Regulation Act”

SEC. 2. Declaration of Policy. — It is hereby declared the policy of the State to:

- a) Promote the growth of the Philippine defense industry as a key pillar of national security, economic development, and technological innovation;
- b) Establish a robust regulatory framework for the responsible export of domestically produced defense equipment and technologies, ensuring alignment with national interests, international law, and global security norms;
- c) Safeguard against the proliferation of arms and defense technologies to unauthorized or adversarial entities; and
- d) Foster international partnerships and open new markets for Philippine defense products while maintaining transparency, accountability, and ethical standards.

SEC. 3. Definition of Terms. — For purposes of this Act:

- a) Defense Equipment and Technologies refer to weapons, ammunition, military vehicles,

defense systems, dual-use technologies, and related components produced in the Philippines;

b) Defense Export refers to the sale, transfer, or shipment of defense equipment and technologies from the Philippines to a foreign country;

c) Adversarial Entities refer to governments, groups, or individuals designated as threats to Philippine national security under national laws, or as identified in coordination with international partners and multilateral agreements.

SEC. 4. Creation of the Defense Export Office (DEO). —

a) There is hereby created a Defense Export Office (DEO) under the joint supervision of the Department of National Defense (DND), Department of Trade and Industry (DTI), and Commission on Audit (COA), which shall serve as the primary regulatory and coordinating body for defense exports.

b) The DEO shall have the following powers and functions:

(1) Formulate and implement the National Defense Export Policy Framework;

(2) Evaluate and issue export permits and licenses for defense products, ensuring compliance with national laws and international agreements, including the Arms Trade Treaty;

(3) Screen and vet prospective buyers and end-users of Philippine defense products, with input from intelligence and diplomatic agencies;

(4) Maintain a National Defense Export Registry and regularly update a list of approved, pending, and denied export applications;

(5) Monitor global trends, emerging markets, and international arms control regimes to inform policy and identify opportunities and risks;

(6) Conduct post-delivery verification and ensure end-use compliance;

(7) Develop training modules and provide technical assistance to local defense manufacturers to navigate export procedures and legal requirements; and

(8) Submit annual reports to Congress on defense export activities, including economic impact, compliance issues, and global trends.

SEC. 5. Safeguards Against Proliferation and Diversion. —

a) The DEO shall establish a screening and compliance system to ensure Philippine defense products do not reach unauthorized or adversarial entities.

b) No defense export shall be authorized to:

- (1) Entities or countries designated as threats to Philippine national security;
- (2) Nations under UN Security Council arms embargoes or international sanctions; and
- (3) Entities with a documented record of human rights abuses or violations of international humanitarian law, as determined by the DEO in consultation with the DFA and DND.

c) The DEO shall coordinate with the Anti-Money Laundering Council (AMLC), intelligence agencies, and international partners to detect suspicious transactions and prevent illicit trade.

SEC. 6. Support for the Philippine Defense Industry. —

a) The DEO, in partnership with the DTI and the Philippine Defense Industry Development Council (PDIDC), shall:

- (1) Organize capacity-building programs on export compliance, product standards, and international marketing;
- (2) Facilitate participation in international defense exhibitions, trade fairs, and bilateral trade missions; and
- (3) Provide financial incentives, including tax breaks and preferential access to export financing, to defense companies successfully penetrating foreign markets.

b) A Defense Export Incentive Program is hereby established, offering:

- (1) Tax credits;
- (2) Priority processing of permits;
- (3) Access to government-supported R&D programs; and
- (4) Recognition awards for exemplary exporters.

SEC. 7. International Cooperation and Bilateral Agreements. — The Department of Foreign Affairs (DFA), in coordination with the DEO, shall pursue bilateral and multilateral agreements to open new markets, establish end-use monitoring protocols, and foster defense trade partnerships.

SEC. 8. Funding. — The initial implementation of this Act shall be charged against the current appropriations of the DND, DTI, and COA. Thereafter, such sums as may be necessary shall be included in the annual General Appropriations Act (GAA).

SEC. 9. Implementing Rules and Regulations (IRR). — Within ninety (90) days from the effectivity of this Act, the DND, DTI, COA, and DFA shall jointly promulgate the necessary IRR to implement the provisions of this Act.

SEC. 10. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

SEC. 11. Repealing Clause. — All laws, decrees, executive orders, and rules inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 12. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,


HON. BRIAN DANIEL POE LLAMANZARES, PhD, MNSA
Representative
FPJ Panday Bayanihan Party-List