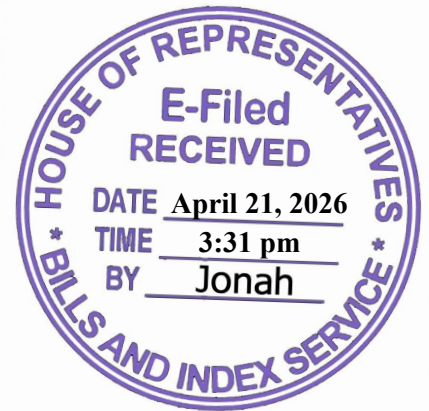


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session



House Bill No. 8919

Introduced by Honorable Roy M. Loyola

EXPLANATORY NOTE

The Philippine International Trading Corporation (PITC) operates as a self-sustaining government-owned and controlled corporation, attached to the Department of Trade and Industry (DTI). For half a century, the PITC has been the principal representative of the Philippine government in fostering bilateral trade agreements and cultivating long-term, mutually beneficial economic ties with foreign nations. Through its expansive corporate powers, spanning dealership, brokerage, manufacturing, and commodity distribution, the PITC facilitates the import and export of goods to secure favorable trade terms and achieve economies of scale for the country's broader socio-economic development.

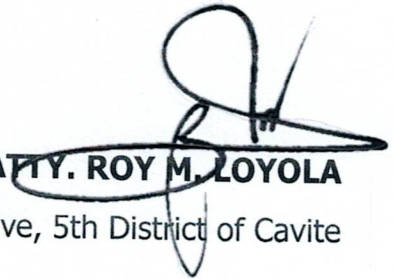
Strategically positioned under the DTI, which oversees the Suggested Retail Price (SRP) and monitors basic commodities, the PITC possesses a unique capacity to stabilize the national supply chain. By sourcing high-quality commodities directly from foreign markets and enterprises, the PITC bypasses costly middlemen. This allows it to supply essential goods directly to the public and government entities, such as the Department of Agriculture (DA), at the most competitive rates. Consequently, PITC's direct pricing can establish a realistic benchmark for the SRP, effectively curtailing price gouging by opportunistic traders. Furthermore, the government can leverage the PITC to fulfill at least one-third of the nation's agricultural and farm input importation requirements (through the right of first refusal), serving as a vital buffer during critical supply shortages.

Empowering the PITC is not only a matter of ensuring food security and affordable goods for Filipinos, but it also provides a direct financial advantage to the State. Because the government is the majority shareholder, any income generated by the PITC ultimately redounds to the national coffers, with fifty percent (50%) of its annual net earnings mandated for remittance to the Bureau of the Treasury.

To maximize these capabilities, this proposed measure aims to fortify the PITC's charter. By expanding its trading powers, the PITC can serve as an effective market equalizer, breaking monopolies and preventing the manipulation of commodity prices by a select few private entities. Additionally, this legislation introduces a Strategic and

Critical Materials Stockpile Division alongside new Regional Field Offices to guarantee a proactive, decentralized, and highly efficient execution of the agency's mandate.

Considering the immense benefits this measure brings to the Filipino consumers and the national economy, the immediate passage of this bill is earnestly sought.



ATTY. ROY M. LOYOLA

Representative, 5th District of Cavite

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

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House Bill No. 8919

Introduced by Honorable Roy M. Loyola

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"

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
2 Charter of the Philippine International Trading Corporation", is hereby amended,
3 deleted and replaced to read as follows:

4 "SEC. 2. Name, Domicile and Place of Business. There is hereby created a
5 body corporate to be known as the Philippine International Trading
6 Corporation, hereinafter referred to as the Corporation, which shall exist
7 for fifty (50) years from the effectivity of this Act, **OR UNTIL JULY 21,**
8 **2077, UNLESS OTHERWISE PROVIDED BY LAW,** and shall have its
9 principal office in Metro Manila."

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

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

19 ~~forty per cent (40%) representing eight hundred thousand (800,000)~~
20 ~~shares valued at eighty million pesos (P80,000,000.00) by the Republic of~~

the Philippines [~~since assumed and paid for by National Development Company per E.O. 1067 s. 1985~~];

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 PESOS (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**

60 **IN THE CORPORATION, THE BALANCE DUE ON THE**
61 **SUBSCRIPTION OF THE NATIONAL DEVELOPMENT COMPANY**
62 **SHALL BE PAID TO THE CORPORATION AT SUCH TIME AS SHALL**
63 **BE REQUESTED BY THE BOARD OF DIRECTORS OF THE**
64 **CORPORATION."**

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

68 SEC. 5. Purposes of the Corporation. The Corporation is hereby authorized:

69 (a) To engage in or handle for Philippines and third country enterprises
70 through methods, systems, devices, and facilities intended to achieve
71 economies of scale and better terms of trade for Philippine business, both
72 foreign procurement as well as foreign marketing and distribution;

73 (b) To arrange for or establish comprehensive facilities for handling all
74 phases of warehousing and to develop and operate physical facilities for
75 the collection, processing, and distribution of cargoes and other
76 commodities;

77 (c) To obtain or arrange more comprehensive protection for activities
78 undertaken or commodities dealt with by monitoring or coordinating risk
79 insurance services for existing institutions or supplementing the same;

80 (d) To employ, utilize, and monitor trade promotion services, facilities, and
81 activities being undertaken by government or private agencies;

82 (e) To promote or organize, whenever warranted, production enterprises
83 and industrial establishments and to collaborate or associate in joint
84 venture with any person, association, company, or entity, whether
85 domestic or foreign, in the fields of production, **OUTSOURCING,**
86 **DISTRIBUTION, DEALERSHIP,** marketing, procurement **WITHIN**
87 **AND FOR OTHER GOVERNMENT AGENCIES,** and such other related
88 businesses;

89 (f) To provide technical, advisory, investigatory, consultancy, and
90 management services with respect to any or all of the functions, activities,
91 and operations of the Corporation; and

92 (g) In general, to undertake such activities as would be appropriate to an
93 institution created for the purposes of international trading.

SECTION 4. Section 6 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. 6. Powers of the Corporation. In order to attain its purposes and objectives, the Corporation shall have the following powers: [As Amended by E.O. No. 133 s. 1987]

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

(b) To build, make, construct, maintain, purchase, sell, charter, deal in and with, own, lease, pledge, and otherwise dispose of all modes of transportation, together with all components, tools, machinery, and appliances appurtenant thereto as are utilized in the transport of goods and merchandise by air, land, or sea;

(c) To carry on the business of public and private warehousing and all the business necessarily or impliedly incidental thereto, and to further carry on the business of general warehousing in all its several aspects; to construct, hire, purchase, operate and maintain any means or conveyances for the transportation to and from storage, by air, land or water, of any and all products; goods, wares, merchandise or manufactured articles, to issue certificates, warrants and receipts, negotiable or otherwise, to persons warehousing goods with the Corporation, and to make negotiate or secure advances or loans upon the security of such stored merchandise and products or otherwise to construct, purchase, take or lease, develop, operate or otherwise acquire any wharf, pier, dock, warehouse, storage room or other facilities, rights, franchises or premises deemed capable of being advantageously used in connection with the business of the Corporation, and to rent, lease, hypothecate and convey the same, and generally to carry on and undertake any and all business activity, transaction or operation commonly carried on or undertaken by warehousemen;

(d) To act as shipping agent and ship broker, to handle ship husbanding and ship chandlery, and to engage in any aspect for the business of longshoring, lighterage, stevedoring, freight forwarding, packing and carting, and conveying.

(e) To borrow, raise, or obtain funds to support or carry out its objectives and purposes and/or to arrange financing or equipment credit or any kind of financial or material assistance for its own account or its clients from any financial or lending institutions, local or foreign, and to secure any or all of the same, to the extent that may be required such as by any lawful guaranty or counter-guaranty by pledge, mortgage or deed of trust, or by creating or suffering to exist a charge, lien or encumbrance, general or special, upon its revenues and/or assets, and likewise by similar guarantees, pledges, mortgages, liens and other security arrangements to secure the performance by the Corporation of any obligation or liability it may undertake for itself or for other companies or enterprises in which it may be interested; such loans obtained under this authority shall be guaranteed by the government in accordance with existing regulations;

(f) To provide financial accommodations to its clients, and maintain with or for customers' accounts with respect to commodities and/or securities, including margin accounts and to do such things as may be requisite or appropriate or incidental to the maintenance of such accounts;

(g) To act as agents or brokers in the business of marine, fire, life, accident, and fidelity insurance, in the business of giving protection to principals and employers and any other kind or class of insurance in all its branches;

(h) To organize and incorporate subsidiaries whose capital stock may be subscribed in whole or in part by the Corporation; Provided, however, that the controlling interest of not less than sixty per cent (60%) of the authorized capital stock of such subsidiaries shall at all times remain with the Corporation: Provided, finally, that the organization and incorporation of such subsidiaries shall be subject to prior approval of the President of the Philippines;

(i) To establish, maintain, operate or conduct branch businesses or offices for the transaction of business for itself and on behalf of other persons, firms, corporations, or other entities, either domestic or foreign, and to act as manufacturers' agents, commission merchants, merchandise brokers, insurance, shipping and transport agents, or in any other representative capacity for persons, firms, corporations or other entities, either domestic or foreign, for the investment, loan payment, transmission or collection of money, commodities or securities and/or the purchase, sale, improvement, development and management of property including business concerns

175 and undertakings and generally, to transact and undertake an agency
176 business, whether in respect of any commercial or financial matters;

177 (j) To undertake or contract for researches, studies and surveys on any
178 subject of interest to the Corporation including but not limited to such
179 matters as business and economic conditions of various countries,
180 including the structure of their commodities and financial markets, the
181 institutional arrangements for mobilizing investments thereat, the legal and
182 tax constraints and incentives obtaining therein; to promote products
183 overseas through holding of trade fairs, exhibits and the like, coordinating
184 with the Department of Trade in undertaking such activities;

185 (k) To acquire an interest in or to enter into partnership, amalgamate with
186 or enter into other arrangements for sharing profits, mutual assistance or
187 cooperation with any person or company carrying on or about to carry on
188 or engage in any business transaction, operation or work capable of being
189 conducted so as to purchase, take or otherwise acquire and hold shares of
190 stock or other securities of or interest in any such company and to sell,
191 hold and re-issue with or without guaranty or otherwise deal with the
192 same;

193 (l) Subject to the limitations established by law, to acquire by purchase,
194 subscription, exchange, assignment, gift, or otherwise, and to sell, assign,
195 transfer, exchange, mortgage, pledge, and deal in and with, and
196 otherwise, to enjoy, and dispose of, any bonds, debentures, promissory
197 notes, shares of capital stock, and/or other securities and/or obligations,
198 created, negotiated or issued by any corporation, association, or other
199 entity, foreign or domestic, and while the owner thereof, to exercise all the
200 rights, powers and privileges of ownership, including the right to receive,
201 collect, and dispose of any and all dividends, interest and income, derived
202 therefrom, and the right to vote on any shares of the capital stock, and
203 upon any bonds, debentures and/or other securities, having voting power
204 so owned;

205 (m) To cause or allow the legal title to or any legal or equitable interest in
206 any business or any other real or personal property acquired or carried on
207 by the Corporation to remain or be vested or registered in the name of any
208 other person or entity whether upon trust for or as agent nominee of the
209 Corporation or upon such other terms and conditions which may be
210 determined to be necessary or expedient by the Board of Directors of
211 Corporation;

212 (n) To acquire by purchase or lease, or otherwise, lands and interest in
213 lands and to own, hold, improve, develop and manage any real estate so
214 acquired and to erect or cause to be erected on any lands owned, held or
215 occupied by the Corporation, buildings or other structures with their

216 appurtenances, and to rebuild, enlarge, alter or improve any buildings or
217 other structures now or hereafter erected on any lands so owned or
218 occupied;

219 (o) To purchase, own, hold, or otherwise acquire such machineries,
220 equipment, tools, materials, supplies, or other parts as may be necessary,
221 convenient, or appropriate for any of the purposes for which the
222 Corporation is formed;

223 (p) To invest and deal with the funds of the Corporation in such manner
224 as may be deemed proper, in order not to make such funds idle and
225 unproductive pending their full utilization for the principal objects and
226 purposes for which the Corporation has been organized;

227 (q) To apply for, register, purchase or otherwise acquire, or obtain a lien
228 on, or interest in, any patent, patent rights, licenses, designs, processes,
229 trademarks, tradenames, distinctive marks, inventions, and improvements
230 thereof, and concessions which may appear likely to be advantageous or
231 useful to the Corporation or its clients; to use, exercise or otherwise turn
232 to account said property, rights, and to enter into know-how and data or
233 process feedback agreements, including the use of computers, as the same
234 may be related to or necessary or appropriate to carry on the objectives
235 and purposes of the Corporation;

236 (r) To pay for any property or rights acquired or services obtained by the
237 Corporation either in cash, shares, or other securities of the Corporation,
238 or partly in cash and partly in shares or other securities, under such terms
239 and conditions as its Board of Directors shall determine to be reasonable.
240 To enter into any agreement or contract with any government or any of
241 the agencies and instrumentalities thereof, or with any person or company
242 on any undertaking that may be conducive to the attainment of objectives
243 of the Corporation or of any of them, and to obtain from any such
244 government or authority, person or company any rights, privileges and
245 concessions, which the Corporation may think desirable;

246 (s) To establish, operate, and maintain its own communication system
247 throughout the country as may be needed or required by its business
248 operations, for which purpose, the proper franchise is hereby granted;

249 **(t) TO ACT AS THE SUPPLY-CHAIN MANAGER IN THE**
250 **STOCKPILING OF STRATEGIC AND CRITICAL MATERIALS AS MAY**
251 **BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES; TO**
252 **ACQUIRE AND RELEASE SUCH MATERIALS AS DIRECTED BY THE**
253 **PRESIDENT OF THE PHILIPPINES IN THE INTEREST OF THE**

254 **PUBLIC IN RESPONSE OR IN PREPARATION OF ANY CONCEIVED**
255 **NATIONAL EMERGENCY; and**

256 (u) To do all such other things as are incidental or appurtenant to or
257 growing out of or connected with the aforesaid business or powers of the
258 Corporation or any part thereof or conducive to the attainment of its
259 corporate purposes and objects, **PROVIDED THAT TRADE**
260 **TRANSACTIONS MADE THROUGH THE PITC SHALL BE SUBJECT**
261 **TO STREAMLINED CUSTOMS PROCESSES AND INCENTIVES, AS**
262 **MAY BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES;**

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

266 "SEC. 7. Composition of Board of Directors. The powers and functions of
267 the Corporation shall be exercised by the Board of Directors, which shall
268 be composed of the following:

269 (a) The Secretary of the Department of Trade **AND INDUSTRY AS THE**
270 **CHAIRPERSON;**

271 (b) The President of the Corporation **AS THE VICE-CHAIRPERSON;**

272 (c) The Director-General of the Department of Economy, Planning, and
273 Development;

274 (d) The **CHAIRPERSON** ~~Chairman~~ of the Board of Investments;

275 (e) The Secretary of the Department of Agriculture;

276 (f) The Secretary of the Department of Natural Resources;

277 (g) The **CHAIRPERSON** ~~Chairman~~ of the Board of Governors
278 **DIRECTORS** of the Development Bank of the Philippines;

279 ~~(h) The President of the Philippine National Bank~~ **THE GENERAL**
280 **MANAGER OF THE NATIONAL DEVELOPMENT COMPANY;**

281 **(i) THE PRESIDENT & CEO OF THE LAND BANK OF THE**
282 **PHILIPPINES;**

283 **(j) A Representative from the Office of the President;**

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(k) A REPRESENTATIVE FROM THE PRIVATE SECTOR;

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~~(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.]~~

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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.

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

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

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SECTION 24. STRATEGIC AND CRITICAL MATERIALS STOCKPILE DIVISION. THERE SHALL BE CREATED WITHIN THE PHILIPPINE INTERNATIONAL TRADING CORPORATION A DIVISION IN-CHARGE OF STOCKPILING OF STRATEGIC AND CRITICAL MATERIALS AS MAY BE DETERMINED BY THE PRESIDENT OF THE PHILIPPINES. THE PHILIPPINE INTERNATIONAL TRADING CORPORATION SHALL ENSURE ROTATION AND REPLENISHMENT OF STOCKS. IT SHALL ALSO ENSURE THAT THERE EXISTS AT ALL TIMES A STEADY, AVAILABLE AND ADEQUATE SUPPLY OF SUCH MATERIALS ESSENTIAL IN RESPONDING TO PANDEMICS, NATURAL DISASTERS AND OTHER NATIONAL EMERGENCIES. FOR THIS PURPOSE,

326 PROCUREMENT OF THE SAID MATERIALS SHALL BE CONSIDERED AS
327 PROCUREMENT OF STOCKS IN TRADE OF THE CORPORATION IN THE
328 REGULAR COURSE OF BUSINESS AS A TRADING COMPANY AND SHALL
329 THEREFORE BE EXEMPTED FROM THE CONVERGENCE OF R.A. 12009 AND
330 ITS IMPLEMENTING RULES AND REGULATIONS. TO THE EXTENT
331 POSSIBLE, THE CORPORATION SHALL LIKEWISE ADOPT COUNTERTRADE
332 DEALERSHIP ARRANGEMENT AS A MODE OF
333 PROCUREMENT/STOCKPILING OF CRITICAL MATERIALS.

334 **SECTION 25. MATERIALS CONSTITUTING THE STOCKPILE.** - THE
335 PRESIDENT OF THE PHILIPPINES SHALL DETERMINE FROM TIME TO
336 TIME: (1) WHICH MATERIALS ARE STRATEGIC AND CRITICAL FOR THE
337 PURPOSES OF THIS ACT; (2) THE QUALITY AND QUANTITY OF EACH
338 SUCH MATERIAL TO BE ACQUIRED FOR THE PURPOSES OF THIS ACT,
339 AND; (3) THE FORM IN WHICH EACH SUCH MATERIAL SHALL BE
340 ACQUIRED AND STORED. STRATEGIC AND CRITICAL MATERIALS SHALL
341 MEAN ESSENTIAL MEDICAL AND/OR LIFE SAVING SUPPLIES NEEDED IN
342 TIMES OF PANDEMICS SUCH AS MAINTENANCE, ROTATION, AND
343 DISPOSAL OF SUCH MATERIALS UNDER THIS ACT. THE COMMITTEE
344 SHALL BE ENTITLED TO PER DIEMS IN ACCORDANCE WITH THE RULES
345 AND REGULATIONS OF THE GOVERNANCE COMMISSION FOR GOCCS
346 (GCG).

347 **SECTION 26. REPORT TO CONGRESS.** NOT LATER THAN FEBRUARY
348 15, OF EACH YEAR, THE PRESIDENT SHALL SUBMIT TO THE CONGRESS
349 AN ANNUAL WRITTEN REPORT DETAILING OPERATIONS UNDER THIS
350 ACT. EACH SUCH REPORT SHALL INCLUDE: (1) INFORMATION WITH
351 RESPECT TO FOREIGN AND DOMESTIC PURCHASES OF STOCKPILED
352 CRITICAL MATERIALS DURING THE PRECEDING FISCAL YEAR; (2)
353 INFORMATION WITH RESPECT TO THE ACQUISITION AND DISPOSAL OF
354 STOCKPILED CRITICAL MATERIALS UNDER THIS ACT THROUGH
355 COUNTERTRADE DURING SUCH FISCAL YEAR; (3) SUCH OTHER
356 PERTINENT INFORMATION ON THE ADMINISTRATION OF THIS ACT
357 THAT WILL ENABLE THE CONGRESS TO EVALUATE THE EFFECTIVENESS
358 OF THE PROGRAM PROVIDED FOR UNDER THIS ACT AND TO DETERMINE
359 THE NEED FOR ADDITIONAL LEGISLATION.

360 **SECTION 27. SOURCE OF MATERIALS.** CONSISTENT WITH THE
361 COUNTRY'S OBLIGATIONS UNDER INTERNATIONAL TREATIES OR
362 AGREEMENTS, MATERIALS MAY BE OBTAINED FROM DOMESTIC OR
363 FOREIGN SOURCES AND THE PROCUREMENT THEREOF SHALL BE OPEN
364 TO ALL ELIGIBLE SUPPLIERS, MANUFACTURERS AND DISTRIBUTORS.
365 HOWEVER, IN THE INTEREST OF AVAILABILITY, EFFICIENCY AND
366 TIMELY DELIVERY OF MATERIALS, THE CORPORATION SHALL
367 ENCOURAGE THE DEVELOPMENT OF DOMESTIC SOURCES FOR
368 STRATEGIC AND CRITICAL MATERIALS TO ENSURE STEADY, AVAILABLE
369 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 DEVELOP AND MAINTAIN 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

413 participation of stakeholders, promulgate the necessary rules and regulations to carry
414 out the provisions of the Act.

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

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

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

Approved,