

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 11334



Introduced by: Hon. Keith Micah "Atty. Mike" D.L. Tan

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

EXPLANATORY NOTE

This bill seeks to amend Republic Act No. 11981, otherwise known as the "Tatak Pinoy Act", by establishing a clear and defined range for the margin of preference granted to Philippine products and services in government procurement. 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, encourage innovation and promote fair competition.

Under the proposed amendment, the Department of Trade and Industry (DTI), in consultation with the Tatak Pinoy Council, may set a margin of preference ranging from not less than fifteen percent (15%) and not more than fifty percent (50%) in favor of Philippine products and services. The prescribed margin shall be subject to periodic review to ensure its continued relevance and effectiveness.

This measure seeks to strike an appropriate balance between advancing the competitiveness of Filipino products and allowing room for adequate competition in the procurement process. By clearly defining the allowable range of preference, the amendment promotes transparency, predictability, and consistency for suppliers while aligning government procurement policies with the strategic objectives of the Tatak Pinoy Strategy.

Ultimately, this amendment will help strengthen domestic industries, support Filipino producers, and encourage continuous improvements in innovation and quality. At the same time, it safeguards the prudent use of public funds by ensuring that government procurement remains focused on achieving value for money and high standards of quality.

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

A handwritten signature in black ink, appearing to read "Keith Tan", is written above the printed name of the sponsor.

Keith Micah "Atty. Mike" D.L. Tan
4th District, Quezon

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PROCUREMENT, AND FOR OTHER PURPOSES**

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

SECTION 1. 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 upon all levels of the procurement process, including raw materials, ingredients, supplies or fixtures: *Provided, further*, That within fifteen (15) days upon 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 the international agreements; or
- (d) Other analogous circumstances.

~~After 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 the 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~~ **REPUBLIC ACT NO. 12009** otherwise known as the "~~Government Procurement Reform Act~~" "**NEW GOVERNMENT PROCUREMENT ACT**", and its implementing rules and regulations."

SEC. 2. Section 21 of Republic Act No. 11981, otherwise known as the "Tatak Pinoy (Proudly Filipino) Act", is hereby amended to read as follows:

"SEC. 21. *Amendatory Clause.* -

"(a) To align with the policy of this Act to mandate preference for Philippine products and services covered by the prevailing TPS in government procurement, ~~Section 43 of Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act",~~ **SECTION 79 OF REPUBLIC ACT NO. 12009, OTHERWISE KNOWN AS THE "NEW GOVERNMENT PROCUREMENT ACT"**, and its implementing rules and regulations are hereby amended;

"(b) To harmonize definitions on qualified Philippine products and services and the margin of preference to be determined by the TP Council for purposes of government procurement of Philippine products and services covered by the prevailing TPS, Section 2 and 3 of Commonwealth Act No. 138 are hereby modified; and

"(c) Any other provisions of laws, orders, agreements, rules, or regulations contrary to and inconsistent with this Act is hereby amended and modified accordingly."

SEC. 3. *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. 4. *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. 5. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 6. *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,