

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 11494

EXPLANATORY NOTE

The Philippine International Trading Corporation (PITC) was created through Presidential Decree No. 252, and its charter was subsequently revised by Presidential Decree No. 1071, otherwise known as the “Revised Charter of the Philippine International Trading Corporation.” Under Section 2 of Presidential Decree No. 1071, the Corporation is authorized to exist for a period of fifty (50) years, with its present corporate term set to expire on 25 January 2027.

For several decades, PITC has served as a government corporate vehicle in pursuing the State’s objectives in international trade. Consistent with its charter, the Corporation has undertaken trade-related activities and provided services intended to facilitate international trade, promote Philippine products and enterprises, and support the Government in its foreign procurement and marketing activities.

As the expiration of PITC’s corporate term approaches, there is a need to ensure the continuity of its juridical personality, operations, and existing commitments. The expiration of its corporate term without an appropriate legislative measure may create uncertainty regarding the Corporation’s authority to continue performing its lawful functions, administering its assets and liabilities, honoring its contractual commitments, and undertaking transactions necessary for the fulfillment of its mandate.

The proposed measure seeks to address this concern by providing for the continued corporate existence of PITC, while ensuring that such continued existence remains subject to appropriate government oversight and accountability.

The proposed framework recognizes that the continued existence of a government-owned or -controlled corporation must be accompanied by mechanisms for periodic assessment of its relevance, efficiency, financial viability, performance, and consistency with national development policies and priorities. Accordingly, the GCG may conduct periodic performance evaluation and oversight of PITC, taking into account, among others, its financial performance, operational efficiency, governance and risk management systems, delivery of services, and contribution to the promotion and development of Philippine international trade. The measure further recognizes that perpetual corporate existence does not exempt PITC from continuing government evaluation, oversight, and accountability. The Corporation shall remain subject to the evaluation, monitoring, and other appropriate actions authorized under Republic Act No. 10149, otherwise known as the “GOCC Governance Act of 2011,” and other applicable laws, rules, and regulations. Where warranted by such evaluation and consistent with applicable law, the appropriate government authorities may undertake or recommend such lawful measures as may be necessary to ensure that the Corporation remains relevant, efficient, financially viable, and responsive to the national interest.

The grant of perpetual existence is not intended to constitute a determination that the Corporation shall operate indefinitely regardless of its continued relevance, performance, or economic viability. Rather, PITC shall remain subject to the performance evaluation, monitoring, and oversight mechanisms applicable to government-owned or -controlled corporations under Republic Act No. 10149 and other applicable laws.

At the same time, the proposed measure does not seek to expand the substantive powers and functions of PITC under Presidential Decree No. 1071. Rather, it seeks to ensure

the continuity of the Corporation's juridical personality and operations while strengthening accountability and providing for continuing evaluation by the appropriate government authorities.

The proposed perpetual corporate term will also eliminate the need for periodic legislative action solely for the purpose of extending the Corporation's corporate existence, while preserving the authority of Congress to amend, repeal, or otherwise modify the Corporation's charter or corporate existence through subsequent legislation. This approach provides greater institutional stability and continuity while maintaining the necessary safeguards to ensure that PITC remains relevant, efficient, financially viable, and responsive to the national interest. Perpetual corporate existence does not preclude the State from undertaking performance evaluation, monitoring, and oversight of the Corporation's relevance, performance, efficiency, and financial viability, nor does it prevent the appropriate government authorities from recommending or undertaking such lawful measures as may be warranted by the results of such evaluation.

The continued corporate existence of PITC is therefore intended to prevent disruption in its legal existence and operations and to ensure the orderly continuity of its contracts, obligations, assets, liabilities, and other lawful commitments. It will likewise enable the Corporation to continue performing its existing mandate and contributing, within the scope of its charter, to the promotion and development of Philippine international trade.

In view of the foregoing, immediate approval of this measure is earnestly requested.



RUFUS B. RODRIGUEZ



MAXIMO B. RODRIGUEZ, JR.

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AN ACT

EXTENDING THE CORPORATE LIFE OF THE PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC) FOR ANOTHER TWENTY FIVE YEARS, AMENDING FOR THE PURPOSE SECTION 2 OF 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:

SECTION 1. Amendment of Section 2 of Presidential Decree No. 1071. Section 2 of Presidential Decree 1071, otherwise known as the “Revised Charter of the Philippine International Trading Corporation”, is hereby amended to read as follows:

"SECTION 2. Name, Domicile and Place of Business. — There is hereby created a body corporate to be known as the Philippine International Trading Corporation, hereinafter referred to as the Corporation, which shall exist for ~~fifty years~~ **SEVENTY FIVE YEARS**, and shall have its principal office in Metro Manila.

THE CORPORATION SHALL REMAIN SUBJECT TO THE PERFORMANCE EVALUATION, MONITORING, AND OVERSIGHT OF THE GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED OR -CONTROLLED CORPORATIONS (GCG), IN ACCORDANCE WITH REPUBLIC ACT NO. 10149, OTHERWISE KNOWN AS THE ‘GOCC GOVERNANCE ACT OF 2011,’ AND OTHER APPLICABLE LAWS, RULES, AND REGULATIONS.

NOTHING IN THIS ACT SHALL BE CONSTRUED AS LIMITING OR DIMINISHING THE POWER OF CONGRESS TO AMEND, REPEAL, OR OTHERWISE MODIFY THE CHARTER OR CORPORATE EXISTENCE OF THE CORPORATION BY SUBSEQUENT LEGISLATION.”

Sec. 2. The Philippine International Trading Corporation shall continue to exist as a body corporate without interruption upon the expiration of its existing corporate term, with all the rights, powers, privileges, assets, liabilities, contracts, obligations, and responsibilities lawfully vested in or assumed by it prior to such expiration. All pending actions, proceedings, contracts, transactions, and commitments of the Corporation shall continue and shall not be affected by the expiration of its existing corporate term.

Sec. 3. If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall remain in full force and effect.

Sec. 4. All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Sec. 5. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,