

1 CONGRESS OF THE PHILIPPINES
2 14th CONGRESS
3 First Regular Session
4

5 **HOUSE OF REPRESENTATIVES**
6

7 House Bill No. **318**
8

9
10 Introduced by
11 **Representative Lorenzo R. Tañada III**
12

13 **EXPLANATORY NOTE**
14

15
16 The Philippine economic development and trajectory continues to be a paradox.
17 Compared to its Asian neighbors, it is endowed by a lot of natural resources, a highly
18 literate population and creative people.
19

20 It was one of the first to accede to the GATT-WTO Uruguay Round Agreement in 1994
21 and quickly lowered its tariff way below its WTO commitments. The Philippine market is
22 now known to be one of the most open in the world, outranking Thailand and Indonesia
23 in the Kearney Globalization Index of 2004. The rationale behind the drive for greater
24 openness is the belief that doing so will pave the way for quicker economic
25 development.
26

27 Yet, looking around, the Philippines is a laggard in terms of economic growth.
28 Investments are much less than what our neighbors generate. Vietnam, which has yet
29 to fully join the WTO, is actually attracting more foreign investments and has
30 dramatically reduced poverty over the last decade.
31

32 Apart from our commitments to the World Trade Organization, greater opening of our
33 markets has happened with our membership in APEC, AFTA and numerous bilateral and
34 investment agreements that government has entered into.
35

36 At the moment, a bilateral trade agreement with Japan is awaiting the Senate's
37 ratification process while that of the US appears to be in the drawing board. We have
38 finished the ASEAN-China and the ASEAN-Korea free trade agreements (FTAs). The
39 combined impact of all these agreements is yet to be appreciated as there is no
40 singular entity principally responsible for monitoring and more importantly maintaining a
41 cohesive and coherent trade policy vis-a-vis our national interest.
42

43 What is existing is an ad-hoc set-up called the Tariff and Related Matters Committee
44 (TRMC) created by Section 6 of Executive Order No. 230, series of 1987, tasked to
45 coordinate agency positions and recommend national positions for international and
46 economic negotiations. This is composed of several line agencies and ad hoc
47 committees with overlapping functions and responsibilities.
48

49 The TRMC has a Technical Committee composed of different line agencies which
50 handles trade and investment agreements among others. It receives technical and
51 administrative support from a NEDA-based secretariat. It has a separate Technical
52 Committee on WTO Matters (TCWM), supported by the WTO Desk of the Bureau of
53 International Trade Relations (BITR) of the DTI. The TCWM has a technical subcommittee
54 on agriculture, industry, services and other rules, which are headed by the Department
55 of Agriculture, Department of Trade and Industry-Board of Investments, NEDA, and DTI
56 respectively.
57

1 The TRMC has no jurisdiction over ASEAN and APEC matters, which are handled by the
2 Philippine Council on ASEAN and APEC Cooperation.

3
4 To be blunt, our trade negotiations work can be likened to an orchestra, each unit
5 playing its own instrument but with no *maestro* wielding a baton that is tasked to
6 harmonize everything into a symphony.

7
8 It is no wonder then that it is difficult to pinpoint who or which agency is directly
9 responsible for the promises that our joining the WTO, for instance, has failed to deliver.

10
11 Our trade negotiators are not at all full-time trade negotiators but professional
12 bureaucrats from different line agencies that handle other work as well. To quote DA
13 Undersecretary Segfredo Serrano, "Trade negotiations take up only 20 percent of our
14 workload, 80 percent is devoted for other things that our policy and planning unit is
15 tasked to do."

16
17 Finally, there are no mechanisms in place to ensure transparency in the negotiations
18 process as well as stakeholder consultation and participation in the crafting of all these
19 agreements when their very livelihoods are at stake. This cannot go on.

20
21 To establish coherence, greater predictability, accountability and transparency in trade
22 and investment policy making and to ensure that we have a cadre of trade
23 negotiators with good institutional memory, the creation of a Philippine Trade
24 Representative Office is being proposed.

25
26 It shall be under the Office of the President. As the country's chief trade negotiator, the
27 Philippine Trade Representative shall coordinate all trade-related policies, serve as the
28 country's lead negotiator in international trade matters, and ensure the development,
29 implementation and administration of Philippine trade policy. A very important
30 principle by which this Office shall operate is that of meaningful consultation with
31 affected sectors, be it industry or agriculture and their representation in trade
32 negotiations.

33
34 There is no doubt that trade and investments, when conducted within the framework of
35 a clear development agenda, can contribute to employment creation and poverty
36 alleviation. Other countries have done it without changing their Constitution just to
37 accommodate the demands of foreigners for greater openness. That we forego
38 ownership requirements of companies in key sectors of the economy and give them
39 the right to own land goes beyond trade agreements and is practically giving up our
40 patrimony. Indeed, we have yet to explore what it is like to be aggressive in our trade
41 and investment negotiating strategy.

42
43 Time is not on our side as the globalization train will not stop on its tracks. Even if there
44 was a temporary halt in the Doha Development Agenda of the WTO negotiations,
45 there are regional and bilateral agreements that are in the works. Perhaps the creation
46 of a Philippine Trade Representative Office should have been done a long time ago.
47 But it is never too late to do it now.

48
49 Immediate passage of this bill is therefore earnestly sought.

50
51
52 **HON. LORENZO R. TAÑADA III**
53 *Representative*
54 4th District, Quezon

55
56 Date Filed: 2 July 2007, 1:21 PM

1 Republic of the Philippines
2 HOUSE OF REPRESENTATIVES

3
4 14th CONGRESS

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6 First Regular Session

7
8 HOUSE BILL NO. 318
9

10
11 Introduced by **Representative LORENZO R. TAÑADA III**
12
13

14
15 **AN ACT**
16 **CREATING THE PHILIPPINE TRADE REPRESENTATIVE OFFICE,**
17 **APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES**
18

19
20 *Be it enacted by the Senate and House of Representatives of the Philippines in*
21 *Congress assembled:*
22

23 Section 1. **Title.** This Act shall be known as the "Charter of the Philippine Trade
24 Representative Office.
25

26 Section 2. **Declaration of Policy.** It is hereby declared the policy of the State to
27 pursue a trade policy that serves the general welfare, creates jobs, ensures food
28 security and rural and industrial development, among others and utilizes all
29 forms and arrangements of exchange on the basis of fair trade. Market access
30 in itself is not the end goal of trade negotiations.
31

32 It is also the declared policy of the State to ensure the right of the people and
33 their organizations to be duly informed on matters of public concern and the
34 right to effectively and reasonably participate in economic decision making.
35

36 Congress has the power to regulate commerce, including commerce with
37 foreign nations, and has the power to re-organize the bureaucracy in order to
38 make it more responsive to needs of all the stakeholders in the Philippine
39 economy and the exigencies of international economic relations. Any
40 international economic, commercial, or trade agreement entered into by the
41 Government constitutes regulation of commerce and will affect the different
42 stakeholders in our economy. Hence, it is essential that any agreement is
43 harmonized with our existing domestic commercial laws and our constitution.
44

45
46 Moreover, Congress, as one of the three (3) political branches of the
47 Government, has power over foreign relations, especially international
48 economic relations.
49

1 For this purpose, and pursuant to the power of Congress to regulate commerce,
2 the State shall ensure that a single office shall, with competence and
3 accountability, direct, formulate, and coordinate government agencies
4 towards formulating cohesive policies, positions and measures, and conduct
5 regular stakeholders consultations with respect to international trade and
6 investment relations and negotiations.

7
8 Section 3. *Definition of Terms*
9

- 10 1) **Ambassador** is a diplomatic official accredited to a foreign sovereign or
11 government, or to an international organization, to serve as the official
12 representative of his or her own country. In everyday usage it applies to
13 the ranking plenipotentiary minister stationed in a foreign capital. The host
14 country typically allows the ambassador control of specific territory called
15 an embassy, whose territory, staff, and even vehicles are generally
16 afforded diplomatic immunity from most laws of the host country.
17
- 18 2) **Civil Society** refers to the totality of voluntary civic and social
19 organizations and institutions that form the basis of a functioning society
20 as opposed to the formal institutions and structures of a state.
21
- 22 3) **Commerce** is the entire range of activities connected with the
23 production, manufacturing, accumulation, gathering, mining, raising,
24 harvesting, exchange or buying and selling of something of economic value
25 such as agricultural products, minerals, goods, services, information, debt
26 instruments, shares of stock or equity, derivatives, and money. It also
27 includes capital formation, either through debt or equity; savings; and
28 investments. Finally, it likewise includes the obligations, rights, and duties of
29 all economic entities such as natural persons, corporations,
30 partnerships, and governmental entities.
31
- 32 4) **Consultation Mechanism** is the means by which stakeholders and sectors
33 could participate effectively and meaningfully in the governmental
34 process of drawing up our international trade policy, and in coming up
35 with all other policies and rules affecting all aspects of international trade.
36
- 37 5) **Fair Trade** is a trading partnership, based on dialogue, transparency and
38 respect, that seeks greater equity in international trade. It contributes to
39 sustainable development by offering better trading conditions to, and
40 securing the marginalized producers and workers.
41
- 42 6) **Investment** is the act of putting money to a business, either by directly
43 buying or leasing assets, hiring personnel, and entering into a whole
44 gamut of contracts needed to run an on going concern, or by buying
45 equity in a business – typically in the form of shares of stock.
46
- 47 7) **Private Sector** is that sector of the economy that is owned by or is
48 composed of private individuals, including natural persons doing business
49 in their personal capacity.
50
- 51 8) **Legal** is the characterization of an act that is not contrary to law and the
52 accession of the parties to a trade and/or investment agreement

- 1
2 9) **Multisectoral** is a grouping of different sectors of the economy
3
4 10) **Non-Government Organizations** are non-stock, non-profit corporations
5 organized under the laws of the Republic of the Philippines doing
6 charitable, educational, religious, social, economic, and other not-for-
7 profit endeavors.
8
9 11) **Sectors** are the different economic or commercial groups composed of
10 members with substantially common commercial interest, including
11 business, labor, peasants, farmers, fisherfolk, consumers, private sector,
12 public sector, service sector, and manufacturing sector.
13
14 12) **Stakeholders** are persons or groups of persons with legitimate interest in
15 commerce or whose economic well-being will be affected by any
16 government policy or law affecting commerce – either as factors in the
17 production, sale, or distribution of goods and services, or as consumers or
18 beneficiaries thereof.
19
20 13) **Trade** is the voluntary exchange of goods, services and all things of
21 economic value, whether or not across national borders.
22
23 14) **Trade and Investment Agreement** or **International Trade and Investment**
24 **Agreement** is an accord whereby two or more countries bind themselves
25 to a set of rules that govern the commercial and investment transactions
26 of persons originating from any of the parties to the agreement. When it
27 is just between two countries, it is called a *Bilateral Agreement*. On the
28 other hand, if it involves more than two countries, then it is called a
29 *Multilateral Agreement*. *Regional Agreements* are those among countries
30 within the same geographical area as contemplated by the agreement.
31 *Plurilateral Agreements* are specialized agreements included in a
32 multilateral agreement, and where the parties have the option of
33 acceding.
34
35 15) **Trade Dispute** is a disagreement between two or more countries to a
36 trade agreement that arises when at least one country adopts a trade
37 policy measure or takes some action that one or more fellow members
38 considers to be a breach of the agreement, or a failure to live up to
39 obligations under the agreement.
40
41
42 16) **Research** refers to the study of the potential or actual economic
43 implications of a proposed or existing trade agreement and the validation
44 of its findings among the stakeholders.
45

46 Section 4. **Creation.** There is hereby created the Philippine Trade Representative
47 Office, hereinafter referred to as the "Trade Office", attached to the Office of
48 the President.
49

50 The Trade Office shall be headed by the Philippine Trade Representative who
51 shall be appointed by the President with the confirmation of the Commission on

1 Appointments. He/she shall hold a Cabinet rank with a fixed term of six (6)
2 years.

3
4 Further, the Trade Office shall have three (3) Deputy Philippine Trade
5 Representatives who shall be appointed by the President upon the
6 endorsement of various stakeholders and shall have the rank of Senior
7 Undersecretary.

8
9 The Deputies shall have a term of six years each and can be re-appointed for
10 no more than a second term. Of those first appointed under this Act, one
11 deputy shall serve for six years, another deputy for four years and another
12 deputy for two years.

13
14
15 Section 5. ***Qualifications and Limitation on Appointments***
16

17 *Qualifications.* – The Philippine Trade Representative and Deputy Trade
18 Representatives must be natural-born citizens of the Philippines, at least thirty-
19 five (35) years of age, with the exception of the Philippine Trade Representative
20 who should be at least forty (40) years of age, of good moral character,
21 unquestionable integrity, and known probity and patriotism, and have
22 academic training, experience, and competence in business, economics,
23 international trade law and policy or trade negotiations.

24 The Philippine Trade Representative and Deputy Trade Representatives shall
25 not, during their tenure in office, engage in the practice of any profession, or
26 intervene directly or indirectly in the management or control of any private
27 enterprise which may, in any way, be affected by the functions of their office,
28 nor shall they be financially interested, whether directly or indirectly, in any
29 contract with the Government, or in any franchise, or special privilege granted
30 by the Government or any subdivision, agency or instrumentality thereof,
31 including government-owned or controlled corporations or their subsidiaries.
32 They shall strictly avoid conflict of interest in the conduct of their office.

33 *Limitations on Appointments; Disqualifications.* – No person shall be appointed
34 Philippine Trade Representative or Deputy Trade Representative if he/she has
35 directly represented, aided, or advised a foreign entity in any trade and/or
36 investment negotiation or trade dispute against the Philippines.

37 Likewise, the Philippine Trade Representative, Deputy Trade Representatives,
38 and all members of the research group and legal team of the Office of the
39 Philippine Trade Representative shall not be allowed to be employed,
40 commissioned, or retained by foreign entities, or to do any kind of consultancy
41 or related work for foreign clients on trade and investment issues within two (2)
42 years after the expiration or termination of their service with the Office of the
43 Philippine Trade Representative. They shall likewise maintain at all times the
44 confidentiality of all matters that they have handled during their service with the
45 Office of the Philippine Trade Representative.

46
47 Section 6. ***Functions and Responsibilities of the Philippine Trade Representative***
48 ***Office.*** The Philippine Trade Representative Office shall:
49

- 1 a) Negotiate trade and investment agreements on the basis of the Philippine
2 Constitution and other laws.
3
- 4 b) Coordinate with different line agencies of government in formulating
5 harmonized and coherent Philippine trade and investments policies based
6 on a national development agenda that is a product of regular and
7 meaningful consultation with stakeholders
8
- 9 c) Advise the President and Congress on international trade and investments
10 policies and their implications on the domestic economy and the impact of
11 domestic policies on international trade and investments commitments.
12
- 13 d) Report to Congress and to the Multi-Sectoral Advisory Committee any
14 intention to negotiate any economic treaty, be it bilateral, regional or
15 multilateral. At the minimum, the report shall contain the subject matter for
16 negotiations and the general objectives of the Government. The Office shall
17 update Congress and the Multi-Sectoral Advisory Committee on the
18 negotiations, including the offers and counter-offers of all the parties. The
19 Office shall also notify Congress and the Multi-Sectoral Advisory Committee
20 of any tentative or final agreement of the parties.
21
- 22 e) Coordinate with departments and agencies on basic issues of policy and
23 interpretation arising in the exercise of international trade and investments
24 functions including, but not limited to the World Trade Organization, regional,
25 bilateral and plurilateral negotiations to the extent necessary to assure the
26 coordination of international trade and investment policy and its consistency
27 with any other law.
28
- 29 f) Conduct research and legal studies related to trade and investments that will
30 enhance trade policy formulation.
31
- 32 g) Obtain, collate and maintain a database that shall include, but not be
33 limited to, trade and investments statistics, trade and investment -related
34 laws, policies, trade and investments agreements, and initiatives which have
35 implications on the development of the Philippine negotiating position in
36 trade and investment agreements, and which shall be accessible to the
37 stakeholders.
38
- 39 h) Conduct or facilitate the conduct of trainings and courses for the benefit of
40 the technical staff of the Office and other government personnel directly or
41 indirectly engaged in trade and investment policy work in order to build,
42 improve and enhance their capacity and competence in trade and
43 investments negotiations.
44
- 45 i) Report directly to the President, Congress and the Multi-Sectoral Advisory
46 Committee regarding the implementation, operation and effectiveness of
47 any trade and investments agreement entered into including the status of
48 on-going trade and investment negotiations, in which the Philippines
49 participates.
50
- 51 j) Undertake consultations with stakeholders in all aspects of trade policy
52 formulation and negotiation. Stakeholders must also be directly involved in

1 formulating positions related to trade and investment negotiations in line with
2 the national development agenda.

3
4 k) Subject to Civil Service Commission rules, elect, appoint, employ and fix the
5 compensation of such officers and employees as are necessary and
6 prescribe their authority and duties.

7
8 l) Promulgate such rules and regulations as may be necessary to carry out the
9 functions, powers and duties vested herein.

10
11 m) Enter into and perform such contracts, leases, cooperative agreements, or
12 other transactions as may be necessary in the conduct of the work of the
13 Office and on such terms as the Philippine Trade Representative may deem
14 appropriate with any agency or instrumentality of the Philippine government
15 or with any public or private person, firm, association, corporation or
16 institution.

17
18 a) Provide the necessary staff support for the Mutli-Sectoral and Sub-sectoral
19 Advisory Committee and the Inter-Agency Coordinating Committee.

20
21 n) Adopt an official seal.

22
23
24 Section 7. ***Functions of the Philippine Trade Representative.*** The Philippine Trade
25 Representative shall:

26
27 b) Serve as the chief trade negotiator of the Philippines in international trade
28 and investment agreements, including, but not limited to, the World Trade
29 Organization, regional, bilateral and plurilateral negotiations, in which the
30 Philippines participates, and shall be responsible for the conduct of such.

31
32 c) Head the Philippine Trade Representative Office and exercise control and
33 supervision over all its functions and activities and including its organization

34
35 d) Participate in economic summits and other international meetings at which
36 international trade and investment are major topics.

37
38 e) Chair the Inter-agency Coordinating Committee on international trade and
39 investments

40
41 f) Co-chair the multisectoral advisory committee in their regular and special
42 meetings.

43
44 g) Report at least twice a year and as needed to Congress and Multi-Sectoral
45 Advisory Committee on the developments of any international trade and
46 investments negotiations and/or agreements.

47
48
49
50 Section 8. ***Functions and Responsibilities of Deputy Trade Representatives.*** – The
51 Deputy Trade Representatives shall:

- 1 a) Lead the negotiations for their respective sectors and/or areas of
2 concern.
- 3 b) Convene and chair the Sub-Sectoral Advisory Committees and the
4 Inter-Agency Coordinating Sub-Committee for their respective
5 sectors and/or areas of concern.
- 6 c) Ensure proper coordination among the various government
7 agencies involved in their specific sectors of concern, and
8 harmonize conflicting negotiating positions.
- 9 d) Prepare sector-specific proposals and negotiating positions and
10 strategies.
- 11 e) Perform all other functions as may be delegated by the Philippine
12 Trade Representative, or as may be required by the nature or
13 exigencies of their foregoing functions and responsibilities.

14
15 Section 9. ***Inter-Agency Coordinating Committee and Sub-Committees.*** In
16 connection with the performance of his/her functions, the Philippine Trade
17 Representative shall, to the extent necessary for the proper administration and
18 execution of the trade and investment agreements of the Philippines, draw
19 upon the expertise of, and consult with national agencies.

20
21 The Philippine Trade Representative shall consult with concerned agencies and
22 any other agency on trade and investment policy issues. All agencies consulted
23 by the Philippine Trade Representative shall participate actively, cooperate fully,
24 and promptly provide to the Philippine Trade Representative all documents and
25 information requested.

26
27 Further, there is hereby created Inter-Agency Sub-Committees to provide inputs
28 and support to the Deputy Trade Representatives

29
30
31 Section 10. ***The Multisectoral Advisory Committee.*** The Philippine Trade
32 Representative shall seek information and advice from representatives of the
33 private sector, non-government organizations and members of Congress
34 working on trade and investment policy based on a national development
35 agenda aimed at balancing the interests of various stakeholders with respect
36 to:

- 37
- 38 a) negotiating objectives and bargaining positions before entering into a
39 trade and investment agreement
- 40 b) the operation, implementation, and monitoring of any trade and
41 investment agreement once entered into
- 42 c) trade remedies, dispute settlements, non-compliance and/or violations to
43 any trade and investment agreement
- 44 d) other matters arising in connection with the development, implementation
45 and administration of the trade and investment policy.

46
47 On the other hand, the Multi-Sectoral Advisory Committee shall:
48

- 1 a) provide the Philippine Trade Representative overall policy advice on trade
- 2 matters
- 3 b) prior to any trade negotiation, be an active participant in the
- 4 development of the negotiation objectives and bargaining positions of the
- 5 country;
- 6 c) at the conclusion of negotiations for each trade agreement entered into,
- 7 provide a report to the President and Congress. The report of the
- 8 Committee shall include an assessment and evaluation of whether and to
- 9 what extent the agreement promotes the economic interest of the
- 10 Philippines and achieves the applicable overall and principal negotiating
- 11 objectives set forth.
- 12 d) be allowed to accompany the Philippine delegation in trade and
- 13 investment negotiation missions in an observer capacity.
- 14

15 The Committee will meet as needed at the call of the Committee Chairman or
16 the Philippine Trade Representative depending on various factors such as the
17 level of activity of trade negotiations.

18
19 Further, there is hereby created Sub-Sectoral Advisory Committees, to be
20 defined by the Philippine Trade Representative for trade and investment policy
21 formulation and negotiations. These Committees shall be broadly
22 representative of the key sectors and groups of the economy, particularly with
23 respect to those sectors and groups which are affected by trade and shall
24 consist of representatives of industry, academe, agriculture, fisheries, labor, small
25 business, service industries, retailers, consumer interest and other stakeholder
26 groups. Members from both Houses of Congress who are Chairs and Vice-Chairs
27 of the relevant Committees in Congress shall have the option to join the Sub-
28 Sectoral Advisory Committees during the conduct of consultations and in the
29 course of the Trade Representative's reportorial duties.

30
31 Members of the Committee and Sub-committees shall be appointed by the
32 Philippine Trade Representative upon the endorsement of various non-
33 government organizations and stakeholders. Members of the committee shall
34 serve without either compensation or reimbursement of expenses.

35
36 The Chairman of the Committee and Sub-Committees shall be elected by its
37 members.

38
39
40 Section 11. ***Joint Congressional Committee on Trade and Investment Matters.***

41 There shall be a Joint Congressional Committee on Trade and Investment
42 matters to which the Philippine Trade Representative Office shall seek *a priori*
43 negotiating mandate, parameters and authority with respect to trade and
44 investment agreements. The oversight committee shall be composed of the
45 Chairs of the two Houses of Congress coming from the Committees on Trade
46 and Industry, Agriculture, Foreign Affairs, Economic Affairs, Labor, Environment
47 and Natural Resources and Special Committee on Globalization.

48
49 The Oversight Committee shall conduct a periodic review and evaluation of the
50 performance of the Philippine Trade Representative Office, including its officials,
51 every three (3) years. An independent panel composed of experts to be
52 appointed by the Committee shall review the activities and performance of the

1 Philippine Trade Representative Office and shall make recommendations,
2 based on its findings, to the Congressional Oversight Committee. The
3 independent panel of evaluators shall likewise conduct consultations with
4 stakeholders in the conduct of the review

5
6 Section 12. ***Trade Research Services, Data Collection, Analysis and***
7 ***Dissemination.*** The Office shall improve and strengthen its capacity on
8 research, data collection, analysis, and dissemination of trade and investments
9 statistics, laws and policies, agreements and other related information.

10
11 The trade and investment research under the Office of the Philippine Trade
12 Representative shall have the following specific functions and responsibilities:

- 13
14 a. Generate, maintain, and update records/files of comprehensive
15 national and international trade statistic, tariff and non-tariff measures,
16 and investment-related data.
17
18 b. Conduct sectoral and macrolevel impact assessment and/or potential
19 effects of the country's trade negotiating positions or an eventual trade
20 agreement and validate such studies.
21
22 c. Provide the general public access to trade data and information and
23 other relevant documents through online databases, journals,
24 publications, etc.
25
26 d. Collaborate with government and non-government research institutions
27 in research concerning trade and investments policies and programs in
28 relation to the national development program.
29
30 e. Tap the foreign trade service corps to get market intelligence
31 information with regard to commercial, industrial and general economic
32 conditions, as well as non-economic conditions, affecting Philippine
33 products both in the export and domestic markets.
34
35 f. Perform other functions as may be provided by law or assigned by the
36 Trade Representative or Deputy Trade Representative.

37
38 Section 13. ***Legal Services and Programme.*** The Office shall have a Legal
39 Services arm with the following functions:

- 40
41 a. Provide legal advice to the Office of the Philippine Trade
42 Representative, including legal advice on trade and investment
43 negotiations;
44
45 b. Interpret laws and rules affecting the operation of the Office;
46
47 c. Prepare contracts and instruments to which the Office is a party, and
48 interpret provisions of contracts covering work performed for the Office
49 by private entities;
50
51 d. Assist in the promulgation of rules governing the activities of the Office;
52
53 e. Prepare comments on proposed legislation concerning the Office;

- 1 f. Assist the Solicitor General in suits involving the Office or its officers, or
2 employees or act as their principal counsel in all actions taken in their
3 official capacity before judicial or administrative bodies;
- 4 g. Assist the Office in ensuring compliance by the Republic of the
5 Philippines with its obligations in the World Trade Organization
6 agreements, other multilateral trade , regional, plurilateral and bilateral
7 trade and investment agreements;
- 8 h. Represent the Republic of the Philippines in any dispute settlement
9 before the World Trade Organization, other multilateral trade
10 agreements, bilateral trade agreements, or in any other suit involving
11 international trade; and
- 12 i. Perform such other functions as may be directed by the Philippine Trade
13 Representative Office.

14
15 Section 14. ***Penalties for Withholding Information, Non-Consultation.*** The failure of
16 the Philippine Trade Representative or any other officer of the Office of the
17 Philippine Trade Representative to provide information to Congress, as well as
18 failure to hold meaningful consultations, as provided for under this Act, shall be
19 punishable by imprisonment of not less than 6 months to not more than 6 years,
20 and a fine of not more than P 50,000.

21
22
23 Section 15. ***Transfer of Functions.*** The functions of the Bureau of International
24 Trade Relations under the Department of Trade and Industry, Attaches and
25 Permanent Mission to the WTO, ASEAN and UNIO, and the negotiating functions
26 of the Tariff and Related Matters Committee (TRMC) are hereby transferred to
27 the Office of the Philippine Trade Representative.

28 The foregoing transfer of powers and functions shall include all applicable funds
29 and appropriations, records, equipment, property, and personnel as may be
30 necessary.

31
32 Section 16. ***Transitory Provision.*** The Tariff and Related Matters Committee
33 (TRMC) created by Section 6 of Executive Order No. 230, series of 1987,
34 together with the Technical Committee on WTO Matters shall continue to
35 function for six months or until the Office of the Philippine Trade Representative is
36 set up whichever comes earlier, after which they shall cease to function.

37
38
39 Section 17. ***Implementing Rules and Regulations.*** Within 90 days of the effectivity
40 of this act, the President shall appoint the Philippine Trade Representative, who
41 shall in consultation with the Departments of Trade and Industry, Agriculture,
42 Foreign Affairs and the National Economic Development Authority, issue the
43 necessary rules and regulations to implement the provisions of this act.

44
45 Section 18. ***Appropriations.*** The sum of One Hundred Sixty Million Pesos (Php
46 160,000,000.00) is hereby authorized to be appropriated to the Office for the
47 purposes of carrying out its functions for the fiscal year beginning January 1,
48 2007.

1 For fiscal year beginning January 2008 and for each fiscal year thereafter, there
2 are authorized to be appropriated to the Office for the salaries of its officers and
3 employees such additional sums as may be provided by law to reflect pay rate
4 changes made.

5

6 Section 19. **Separability Clause.** If any section or provision of this Act shall be
7 declared unconstitutional or invalid, the other sections or provisions not affected
8 thereby shall continue to be in full force and effect.

9

10 Section 20. **Repealing Clause.** Laws, rules and regulations and other issuances
11 inconsistent with the provisions of this Act, including Section 6 of Executive Order
12 230 series of 1987 and relevant provisions of Executive Order No. 133 series of
13 1987 are deemed modified, revoked or repealed accordingly.

14

15 Section 21. **Effectivity Clause.** This Act shall take effect fifteen (15) days following
16 its complete publication in two (2) newspapers of general circulation or in the
17 *Official Gazette*, whichever comes earlier

18

19 *Approved.*