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DEPARTMENT ORDER

No. 18
Series of 2024

SUBJECT : IMPLEMENTING GUIDELINES ON THE UTILIZATION AND MANAGEMENT OF THE REMEDIES FUND

WHEREAS, the Philippines, as a member state of the World Trade Organization (WTO), is vested with the right to impose trade remedies in the form of countervailing, anti-dumping, and safeguard measures as remedial action against unfair trade practices arising from subsidized and dumped imports which cause or threaten to cause injury to the domestic industry and against import surges and price depressions;

WHEREAS, Republic Act (RA) No. 8751, otherwise known as the Countervailing Act of 1999, RA No. 8752, otherwise known as the Anti-Dumping Act of 1999, and RA No. 8800, otherwise known as the Safeguard Measures Act of 2000, were enacted to operationalize and implement the trade remedy measures within the country;

WHEREAS, Section 2 of RA No. 8751 stipulates that all countervailing duties collected shall be earmarked for the strengthening of the capability of the Departments of Trade and Industry (DTI) and Agriculture (DA) and the Tariff Commission to undertake their responsibilities under the law and create a special unit within each agency that will undertake the functions relative to the disposition of countervailing cases;

WHEREAS, Section 3 of RA No. 8752 stipulates that all anti-dumping duties collected shall be earmarked for the strengthening of the capabilities of the DTI, DA, and the Tariff Commission to undertake their responsibilities under the law and create a special unit within each agency that will undertake the functions relative to the disposition of anti-dumping cases;

WHEREAS, Section 13 of RA No. 8800, otherwise known as the Safeguard Measures Act of 2000, authorizes the Secretary of the DA, upon the recommendation of the Tariff Commission, to impose or increase any duty on imported agriculture and fishery products;

WHEREAS, Section 21 of RA 8800 further authorizes the Secretary of Agriculture to issue a Department Order (DO) requesting the Commissioner of the Bureau of Customs (BOC), through the Secretary of the Department of Finance (DOF), to impose additional special safeguard duties on an agricultural products, consistent with international treaty obligations;

WHEREAS, Section 34 of RA 8800 authorizes the DA, the DTI , and the Tariff Commission to collect fees, charges, and safeguard duties deemed necessary and stipulates the allocation of 50% of the revenue from such fees, charges, and safeguard duties be earmarked for use in the implementation of remedies, including safeguard measures;

WHEREAS, the Secretary of the Department of Budget and Management (DBM), in a letter dated 22 November 2016, approved the renaming of the Trade Remedies Fund to Remedies Fund to which 50% of collections arising from related safeguard measures of the DA pursuant to RA 8800 shall accrue effective FY 2017;

WHEREAS, the utilization of the Remedies Fund shall be subject to the submission of a Special Budget Request to the DBM, pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292, series of 1987, otherwise known as the Administrative Code of 1987, and shall be used exclusively for the said purpose;

WHEREAS, there is a need to establish the implementing guidelines for the utilization and management of the Remedies Fund in compliance with prevailing government accounting and auditing rules and regulations and to ensure the prudent and efficient use of public fiscal resources for the development of the domestic agriculture and fishery sector; and,

WHEREAS, there is a need to create a special unit/office within the Department to provide support to the implementation of said guidelines and to undertake the functions relative to the disposition of countervailing and anti-dumping cases and the application of safeguard measures.

NOW, THEREFORE, I, FRANCISCO P. TIU LAUREL JR., Secretary of the Department of Agriculture, by virtue of the powers vested in me by law and other issuances, do hereby order:

ARTICLE I

General Provisions

Section 1. *Scope and Objectives.* This Order shall govern the utilization and management of the Remedies Fund for countervailing duties, anti-dumping, and safeguard measures of the DA, as defined in Section 2(e) hereunder. It aims to institutionalize the utilization of the Remedies Fund by prescribing the parameters, procedures, and system of approval of its use. It also aims to create an Oversight Committee to ensure the prudent and appropriate use of the Remedies Fund.

Section 2. *Definition of Terms.* For the purpose of this Order, the following terms shall be operationally defined as follows:

- (a) *Anti-Dumping Duties* — refers to duties imposed on instances when goods are exported at a price less than their normal value, generally meaning they are

exported for less than they are sold in the domestic market or third-country markets, or at less than production cost.

- (b) *Countervailing Duties* — refers to measures by the importing country to offset the effect of the subsidy on the product in question.
- (c) *Funding Request* — refers to the document containing information on the expense items, justification for said expenditure, and other relevant details for purposes of evaluation and alignment with the purpose of the Fund as indicated in Section 4 of this Order.
- (d) *General Safeguard Measures* — refers to measures, such as higher tariffs, tariff quotas, or quantitative restrictions, imposed against imports in cases wherein the products at issue are being imported in such increased quantities, either absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry.
- (e) *Remedies Fund* — refers to the fund comprising all countervailing duties collected pursuant to Section 2 of RA No. 8751, all anti-dumping duties collected pursuant to RA No. 8752, and fifty percent (50%) of all revenues collected from safeguard duties pursuant to Section 34 of RA No. 8800. Such fund is earmarked for the implementation of trade remedies by DTI, DA, and Tariff Commission.
- (f) *Safeguard Duties* — refers to duties imposed as part of the general and special safeguard measures.
- (g) *Special Safeguard Measures* — refers to a mechanism available under Article 5 of the WTO Agreement on Agriculture which allows the imposition of additional duties on agricultural products if import volumes exceed defined trigger levels or import prices fall below defined trigger prices.
- (h) *Trade Remedies* — refers to anti-dumping measures, countervailing duties and safeguards to deal with the effects of trade actions by other countries;

Trade Remedy Laws — refers to the primary laws governing the imposition of trade remedies, namely RA No. 8751, "*Countervailing Act of 1999*", RA No. 8752, "*Anti-Dumping Act of 1999*", and RA No. 8800, "*Safeguard Measures Act of 2000*".

ARTICLE II

Fund Utilization

Section 3. Institutionalization of the Remedies Fund. The Remedies Fund, hereinafter referred to as the "Fund", is hereby established, organized, and operationalized for the sole purpose of implementing programs, activities, and projects relevant to the efficient

and effective implementation of trade remedy measures and directly-related matters on international trade relations.

Section 4. Allowable Expense Items. The Fund shall be used only for the following allowable expense items:

- a. Conduct of preliminary investigation, surveillance, and other related activities for possible imposition, review, or termination of trade remedies on any imported agriculture and fishery products and on any Philippine exports being subjected to trade remedies by other countries;
- b. Generation or production and conduct of applied policy research, in-depth studies, working papers, policy briefers, and similar reports;
- c. Acquisition, through purchase, rental, or subscription, of data and information collection and processing tools and resources such as statistical programs, software, data analysis tools, market research studies, journals, magazines, newsprints, and other forms of publication;
- d. Design, establishment, operation, maintenance, and regular upgrading of an electronic data management system, including software and other digital products in support of various data management activities related to the implementation of trade remedy measures and the management of the Fund;
- e. Engagement of legal and other professional services, including the hiring of Contract of Service (COS) personnel, commissioning of local and international consultants or experts as may be deemed appropriate and necessary;
- f. Conduct of activities for the development of policies and guidelines relevant to trade remedies, including meetings, stakeholder consultations, focus group discussions, interviews, and workshops;
- g. Conduct of and participation to local and international meetings, consultations, workshops, and capacity building programs on trade remedies and related activities;
- h. Provision of technical assistance and other capacity building activities for the domestic industry, including participation in local and international meetings on trade remedies and related activities;
- i. Construction, acquisition, or leasing/rental of office building/s or premises, parking facilities, and related facilities, including the procurement of office furniture, fixtures, and equipment, and expenses for repairs and modernization;
- j. Acquisition and rental of office transport vehicles, including expenses for fuel, toll fees, oil, lubricants, regular repair and maintenance, and insurance;

- k. Procurement of office supplies and other goods, including special services such as language translation and publications in journals and newsprints and other forms of publication;
- l. Incidental expenses incurred in the conduct of meetings, consultations, conferences, and other activities in support of the implementation of trade remedy measures and related matters;
- m. Procurement of information, education and communication (IEC) materials, including other goods and services for purposes of information dissemination for the benefit of the domestic industry and other relevant stakeholders; and,
- n. Other maintenance and other operating expenses to support policy development towards ensuring fair trade practices in the agriculture and fishery sector.

Section 5. Procedures. The following procedures and requirements are hereby adopted for the purpose of prudent and appropriate utilization of the Fund:

- a. *Preparation of Funding Requests* — All requests for funding to be charged against the Fund shall be accompanied by a Funding Request Form which shall indicate the particulars of the expenses, including but not limited to the purpose, specific expense items, and period of implementation, if applicable. For this purpose, the Trade Remedies Office (TRO), an-ad hoc unit to be placed under the direct technical and administrative control and supervision of the DA-Director of the Policy Research Service (PRS), shall formulate the relevant forms and templates for all requests for funding.
- b. *Technical Evaluation of Funding Requests* — The TRO shall undertake the initial evaluation of the funding requests in terms of consistency with the purpose of the Fund as stipulated in trade remedy laws. For this purpose, the funding requests shall be evaluated on whether the expenditure item falls within those outlined in Section 4 of this Order.
- c. *Additional Requirements or Corrective Measures* — The TRO may, upon its determination, require the submission of additional documents or return the funding request for revision in cases wherein submissions are found to be deficient or the justification cited for the expenditure item is inadequate.
- d. *Recommendation* — The DA-PRS Director shall undertake the final evaluation of the funding requests and shall recommend the approval or disapproval of the funding request of the designated approving authority identified in Section 6 of this Order.
- e. *Approval* — Funding shall only be authorized upon approval of the funding request by the designated approving authority as stipulated in Section 6 of this Order.

Section 6. *Approving Authority.* The DA Undersecretary for Policy, Planning and Regulations shall be the approving authority for all expenditure items to be charged against the Fund amounting to Two Million Pesos (PhP 2,000,000.00) and below. All expenditure items to be charged against the Fund exceeding PhP 2,000,000.00 shall be approved by at least two-thirds ($\frac{2}{3}$) of the members of the Oversight Committee as constituted under Section 9 of this Order.

Section 7. *Reportorial Requirements.* All approved funding requests shall comply with existing government accounting and auditing rules. Further, the TRO shall be required to submit an annual report on the physical and financial accomplishments pertinent to the utilization of the Fund.

ARTICLE III

Fund Oversight and Management

Section 8. *Creation of Fund Management Bodies.* The Oversight Committee is hereby created to ensure the prudent and appropriate utilization of the Fund.

Section 9. *Oversight Committee for the Remedies Fund.* There shall be an Oversight Committee to oversee the management of the Fund, which shall also formulate and review policies and guidelines governing the utilization of the Fund, to be composed of the following:

- a. Undersecretary for Policy, Planning and Regulations, *Chair*;
- b. Undersecretary and Chief-of-Staff, *Co-Chair*;
- c. Assistant Secretary for Policy and Regulations, *Vice Chair*;
- d. Director, PRS, *Member*;
- e. Director, Planning and Monitoring Service (PMS), *Member*;
- f. Director, Financial and Management Service (FMS), *Member*; and,
- g. Director, Legal Service, *Member*.

The TRO shall act as the technical and administrative Secretariat to the Oversight Committee for the Remedies Fund.

ARTICLE IV

Final Provisions


Section 10. *Separability.* If any part or provision of this Order shall be held invalid or unconstitutional, the provisions not affected thereby shall remain in full force and effect.



Section 11. *Repeal.* All other orders, rules and regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Order are also hereby repealed or modified accordingly.

Section 12. *Effectivity.* This Order shall take effect immediately upon approval and shall remain in force until revoked in writing.

Done this 4th day of OCTOBER 2024.


FRANCISCO P. TIU LAUREL JR.
Secretary 