



**Department Administrative Order No. 24-01
Series of 2024**

**IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 11981
OR THE "TATAK PINOY (PROUDLY FILIPINO) ACT"**

Pursuant to the provisions of Section 18 of REPUBLIC ACT NO. 11981 or the "Tatak Pinoy (Proudly Filipino) Act", the following Implementing Rules and Regulations are hereby promulgated and adopted for the guidance, information, and compliance of all concerned:

**CHAPTER I
GENERAL PROVISIONS**

**RULE 1
PRELIMINARY PROVISIONS**

Section 1. Title. This Department Administrative Order (DAO) shall be referred to as "The Implementing Rules and Regulations of Republic Act No. 11981", or the "Tatak Pinoy (Proudly Filipino) IRR".

Section 2. Purpose. The purpose of this IRR is to provide guidelines for the effective and expeditious implementation of the "Tatak Pinoy (Proudly Filipino) Act".

Section 3. Declaration of Policy. It is hereby declared the policy of the State to encourage, support, and promote the production and offering of Philippine products and services of increasing diversity, sophistication, and quality by domestic enterprises that are globally competitive.

Pursuant to Section 1 of Article XII of THE CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES emphasizing the promotion of industrialization and full employment through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets, the State hereby adopts the following policies:

- (a) In collaboration with the private sector, the State shall continuously support domestic enterprises in producing and offering products and services of increasing sophistication, generating safe and decent employment, creating sound supply-chain management systems, and adopting green technologies in production practices and in the formulation of a long-term sustainability criteria;
- (b) The State shall encourage the continuous improvement, expansion, and diversification of the productive capabilities of domestic enterprises and their linkages with local, regional, and global value chains;
- (c) The State shall ensure that its initiatives to support domestic enterprises are market-driven or are in anticipation of future market demand;
- (d) The State shall identify business models, business sectors, market segments, and product opportunities for domestic enterprises to target and gain comparative or

competitive advantage. Towards this end, the State shall employ complementary strategies, including, but not limited to, targeted sectoral and firm level support programs, with economic and evidence-based methods including, but not limited to, analysis of the country's product space, and of rankings in economic complexity indices;

- (e) To elicit pride for Philippine products and services, and to ensure adequate and steady supply of highly skilled and adaptive workforce, the State shall develop and promote the knowledge, skill, ingenuity, creativity, and innovativeness of Filipino workers, craftsmen, laborers, entrepreneurs, and professionals consistent with emerging trends or demands from the industry, including the development of sustainable skills and jobs;
- (f) The State shall promote and safeguard the quality of Philippine products and services in both the domestic and global market, as means for encouraging economic growth and consumer and business confidence in Philippine industries;
- (g) The State shall give preference and priority in the procurement of Philippine products and services in accordance with applicable laws on government procurement. Towards this end, the Tatak Pinoy Council, hereinafter referred to as the "TP Council", shall formulate metrics, guidelines, and recommendations on how government agencies and instrumentalities can give preference and priority to Philippine products and services;
- (h) The State recognizes the complementary roles of the public and private sector, including the academe, domestic industries, and civil society, in generating high-paying jobs; pursuing economic development; and co-creating solutions to the country's biggest challenges. As such, the State shall actively seek out close partnerships with the private sector and endeavor to jointly develop, finance, implement, and continuously improve a nationwide strategy for supporting domestic enterprises;
- (i) The State recognizes the crucial role that scientific and technological innovation as well as human capital development play in economic growth and development. As such, the State shall implement plans, programs, and projects that continuously improve the country's education and training system; ensure better technology transfer among enterprises, the academe, and government institutions; encourage the generation and sharing of new scientific and technological knowledge through research and development (R&D); facilitate the commercialization of R&D outputs; and bridge the gap between innovation and market-ready solutions; and
- (j) In pursuit of inclusive economic growth and development, the State shall ensure that public expenditures to support domestic enterprises are equitably spread across the country, including those in the fourth and fifth class provinces and municipalities, and elevate and develop the skills and provide opportunities for disadvantaged sectors and vulnerable and marginalized groups such as, but not limited to, the urban poor, subsistence farmers and fisherfolk, indigenous communities, persons with disabilities (PWDs), women, and micro and small enterprises, repatriated overseas Filipino workers (OFWs), and other similar groups, enabling them to engage in more complex economic activities.

Section 4. Construction and Interpretation. The Tatak Pinoy (Proudly Filipino) Act and the Tatak Pinoy (Proudly Filipino) IRR shall be construed in light of the declaration of policy under Section 2 of the Act and Section 3 of this IRR which is to encourage, support, and promote

the production and offering of Philippine products and services of increasing diversity, sophistication, and quality by domestic enterprises that are globally competitive.

Any doubt on the interpretation of the Tatak Pinoy (Proudly Filipino) Act and the Tatak Pinoy (Proudly Filipino) IRR shall be resolved in the manner consistent with Section 1 of Article XII, of THE CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES emphasizing the promotion of industrialization and full employment through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets.

RULE 2 DEFINITION OF TERMS

Section 1. Definition of Terms. For the purposes of the Act and this IRR, the following terms are defined:

- (a) **Economic Complexity** refers to the measure of the productive capabilities and know-how of a specific geographical area, such as a country, region, province, city, or municipality, which is calculated based on the diversity of goods and services produced within and exported from that geographical area, and to the number of other geographical areas that are able to produce them.
- (b) **Domestic Enterprises** refer to businesses that are organized, registered, and existing under Philippine laws.
- (c) **Minimum Local Content** refers to the mandatory proportion of goods, services, or labor that must be sourced within the Philippines as a condition for the availment of preferences and incentives under the Tatak Pinoy (Proudly Pinoy) Act.

The specific percentage of minimum local content, which varies depending on the sector, industry, or project, will be determined by the TP Council based on what may be required to promote domestic industries, create jobs, and stimulate the Philippine economy. In determining the minimum local content for specific industries or sectors, the TP Council may consult with representatives from specific sectors and take into account sector-specific circumstances and practices.

- (d) **Philippine Products and Services** refer to local goods, articles, materials, supplies, services, and intangible products which may be:
 - (i) Unmanufactured goods, articles, materials or supplies wholly obtained or produced in the Philippines;
 - (ii) Any good, article, material, and supplies produced, manufactured or assembled in the Philippines, which has a minimum local content as may be determined by the TP Council;
 - (iii) **Services**, which refer to the delivery of value or intangible acts or uses through high-level skills, expertise, labor, or some form of knowledge-, technology- or process-intensive activities; or
 - (iv) **Intangible Products** are non-physical products that provide value to consumers through benefits, services or experiences rather than through a

tangible form. Unlike physical products, intangible products cannot be touched, stored, or handled directly. They often involve human expertise, creativity or technological capabilities. Examples include, but are not limited to, services: professional services like consulting, legal advice, healthcare, education, and financial services; digital goods: software, e-books, music downloads, online courses and streaming media; intellectual property: patents, copyrights, trademarks, trade secrets; experiences: events, tourism, entertainment shows, virtual reality experiences; licenses and subscriptions: software licenses, magazine subscriptions, and memberships. Intangible products are typically delivered and consumed at the point of service or through digital means.

- (v) As may be necessary, the TP Council shall issue guidelines on the conditions, standards, and criteria in classifying products or services pursuant to the prevailing Tatak Pinoy Strategy (TPS).
- (e) **Product Space** refers to a type of visualization that depicts the connectedness between products based on the similarities of the know-how required to produce them. The product space visualizes the paths that countries can take to diversify the products and services they are able to produce or offer. Products are linked by their proximity to each other, which is determined by factors such as the similarity of production technologies, the use of common resources, and the transferability of skills and knowledge between industries.
- (f) **Sophisticated** refers to the state when a product or service requires a high level of technology, human capital, competencies or know-how, and infrastructure to be produced or offered.
- (g) **Sophistication** refers to the level of technology, human capital, competencies or know-how, and infrastructure required for a product or service to be offered by an economy like that of the Philippines.
- (h) **Technology Transfer** refers to the process by which one party systematically transfers to another party the knowledge and/or technology used in manufacturing a product, the application of a process, or rendering of a service, which may involve the transfer, assignment or licensing of Intellectual Property Rights (IPRs), consistent with the Philippines' obligations under international agreements.

CHAPTER II
THE TATAK PINOY COUNCIL, WORKING GROUPS, AND SECRETARIAT

RULE 3
THE TATAK PINOY COUNCIL

Section 1. Composition of the Tatak Pinoy Council. There is hereby created a Tatak Pinoy Council, herein referred to as the "TP Council", composed of thirteen (13) members:

- (a) The Secretary of the Department of Trade and Industry (DTI) as Chairperson;
- (b) The Secretary of the National Economic and Development Authority (NEDA), and the Secretary of the Department of Finance (DOF) as Vice-Chairpersons;
- (c) The Secretary of the Department of Agriculture (DA);
- (d) The Secretary of the Department of Budget and Management (DBM);
- (e) The Secretary of the Department of Information and Communications Technology (DICT);
- (f) The Secretary of the Department of the Interior and Local Government (DILG);
- (g) The Secretary of the Department of Labor and Employment (DOLE);
- (h) The Secretary of the Department of Science and Technology (DOST); and
- (i) Four (4) private sector representatives.

Section 2. Designation of Alternates by the Public Sector Representatives. The respective heads of agencies who are members of the TP Council may designate permanent alternates in the TP Council, whose rank shall not be lower than an Assistant Secretary, through the submission of an endorsement letter to the Chairperson. The acts of the permanent alternates shall be considered as the acts of their principals.

Section 3. Appointment of Additional Government Representatives. The President of the Philippines shall have the power to expand the public sector members of the TP Council in order to fully achieve the objectives of the Tatak Pinoy (Proudly Filipino) Act.

Section 4. Composition and Appointment of Private Sector Representatives of the TP Council. The representatives from the private sector shall be appointed by the President of the Philippines from nominees submitted to the TP Council by reputable business groups, academic institutions, or associations with national representation.

Section 5. Term of Office. Public sector members of the TP Council shall serve for the duration of their respective departmental roles while the private sector members shall serve for a term of three (3) years, renewable once through reappointment.

Section 6. Compensation. The private sector representatives of the TP Council shall be entitled to receive *per diems* for their participation in council or working group meetings. The *per diems* shall cover reasonable expenses incurred by the members, including but not limited to transportation costs to and from the meeting venue, and or meals and incidental expenses

during the duration of the meeting or activity. The rate of the *per diems* shall be determined in accordance with the guidelines set by the DBM and other relevant authorities.

Section 7. Issuance of Guidelines. The TP Council may issue resolutions, guidelines, and other similar issuances as the Council deems it fit to provide for the specific procedure for the designation of alternates, manner of and choosing additional public sector representatives in the TP Council, conditions or procedure for holding over of tenure of the incumbent representative until the successor becomes qualified or appointed, and the entitlement to and procedure of claiming *per diems*.

RULE 4

POWERS AND FUNCTIONS OF THE TATAK PINOY COUNCIL

Section 1. Role of the TP Council. The TP Council shall serve as the policy and advisory body to the President and shall, adopting a whole-of-government approach, formulate policies, and programs that will diversify the productive capabilities of domestic enterprises and increase the country's economic complexity.

Section 2. Specific Powers and Functions. The TP Council shall have the following powers and functions:

- (a) Formulate the multi-year TPS and the necessary guidelines and issuances mandated under Tatak Pinoy (Proudly Filipino) Act;
- (b) Ensure timely compliance of government instrumentalities and private sector stakeholders with the Planning Call described in Section 7(b) of the Act and Rule 8, Section 5 of this IRR, as required herein through a robust information dissemination and awareness campaign;
- (c) Coordinate with national government agencies (NGAs), local government units (LGUs), existing councils created by law, local development agencies, and other government instrumentalities to ensure that their respective development plans, policies, and programs are harmonized towards promoting the diversification and sophistication of Philippine products and services offered by domestic enterprises, whether exported or consumed locally;
- (d) Ensure that plans under the TPS are implemented well, and in accordance with the objectives of the Tatak Pinoy (Proudly Filipino) Act;
- (e) Encourage and support LGUs, regional development council (RDCs), local development agencies, other public sector instrumentalities, local chambers of commerce, and other reputable private sector groups to pursue plans, programs, and projects that enhance the diversity and sophistication of Philippine products and services offered by domestic enterprises, as means for spreading economic growth and ensuring more equitable and inclusive development across the country;
- (f) Ensure the equitable spread of public expenditures relevant to the fulfillment of the objectives of the Act, and formulate the necessary guidelines for measuring and monitoring thereof, pursuant to Section 2 of the Act, and Rule 1, Section 3 of this IRR;

- (g) Ensure that LGUs incorporate or adopt the TPS in their respective local development plans, as may be applicable, through the DILG;
- (h) Monitor, evaluate, and periodically review and assess the TPS and its implementation, identify gaps and challenges constraining the competitiveness, sophistication, and diversification of Philippine products and services and provide policy recommendations thereon;
- (i) Propose executive issuances and legislation or amendments to Philippine laws and regulations related to industry development and promotion of the sophistication and diversification of Philippine products and services;
- (j) Provide technical assistance and advisory opinions in the review of proposed national or local legislation, regulations, or procedures;
- (k) In coordination with relevant national government agencies, local government units, and other instrumentalities of government, organize trainings, workshops, and seminars for council members and other stakeholders to enhance their understanding of issues and propose solutions tailored to the needs of enterprises, relevant to economic complexity and increasing the diversity, sophistication, and quality of Philippine products and services;
- (l) Facilitate engagement with stakeholders, organize consultations, and ensure that a diverse range of voices are heard in the policy-making process;
- (m) Coordinate with education agencies, relevant inter-agency bodies involved in human capital development, and industry for the continuous improvement of the education and training system towards ensuring adequate and steady supply of highly skilled and adaptive human capital to realize the priorities and strategic goals of the prevailing TPS;
- (n) In coordination with relevant national government agencies, local government units, and other instrumentalities of government, collaborate with reputable public and private higher education institutions (HEIs), public R&D institutions, other government instrumentalities, and relevant industry stakeholders towards pursuing strategic R&D and technology transfer initiatives that are critical to implementing the TPS and achieving the objectives of the Act;
- (o) Strengthen the development and implementation of policies that would support commercialization and transfer of technology and capacity building between agents of the economy, including multinational companies and international investors, and research institutions;
- (p) Collaborate with relevant government instrumentalities and private sector stakeholders to implement joint initiatives for promoting and safeguarding the quality of Philippine products and services;
- (q) Perform such other functions as may be necessary, or as may be directed by the President of the Philippines, for the attainment of the objectives of the Tatak Pinoy (Proudly Filipino) Act; and
- (r) Issue resolutions, guidelines, advisory opinions, and other similar issuances as the Council deems it fit to define the meaning of terms used in the implementation of the Act and this IRR.

RULE 5
THE TATAK PINOY COUNCIL WORKING GROUPS

Section 1. Organization. Within sixty (60) days from the effectivity of the Tatak Pinoy (Proudly Filipino) Act, the TP Council shall meet and organize working groups under each pillar of the TPS to formulate objectives and targets, conduct the necessary consultations, and ensure proper implementation of the TPS. The TP Council shall determine who shall head each working group.

Section 2. Tatak Pinoy Council Working Groups. The TP Council shall have the following working groups and shall be composed of, at the minimum, the agencies identified and named under the specific pillars identified in Section 8 of the Act and Rule 9 of this IRR:

- (a) The **Human Resources Working Group** composed of public sector representatives from the DOLE, DTI, and NEDA who will work in coordination with the Inter-Agency Council for the Development and Competitiveness of Philippine Digital Workforce, the Philippine Qualifications Framework National Coordinating Council (PQF-NCC), and the Philippine Skills Framework Initiative of the DTI, and the Department of Migrant Workers (DMW);
- (b) The **Infrastructure Working Group** composed of public sector representatives from the DA, DICT, DILG, DTI, and NEDA who will work in coordination with the Department of Public Works and Highways (DPWH), the Committee on Infrastructure (InfraCom) of the NEDA Board, the Department of Education (DepEd), the Department of Environment and Natural Resources (DENR), the Department of National Defense (DND), the Department of Transportation (DOTr), the Department of Tourism (DOT), and the Philippine Space Agency (PhilSA);
- (c) The **Technology and Innovation Working Group** composed of the public sector representatives from DICT, DOST, DTI, and NEDA who shall coordinate with the National Innovation Council (NIC), the PhilSA, public and private higher education institutions (HEI) with reputable track record in scientific and technological research, and relevant industry groups;
- (d) The **Investment Working Group** composed of the public sector representatives from the DTI, NEDA, DILG, and DOF, who will coordinate with the Board of Investments (BOI), and investment promotion agencies; and
- (e) The **Sound Financial Management Working Group** composed of the public sector representative from the DBM, DTI, and DOF who will coordinate with the Development Budget Coordination Committee (DBCC).

Representatives of the public sector in the TP Council may join more than one (1) working group or may change which working group they would be part of.

Section 3. Appointment of Additional Members. The TP Council may recommend to the President of the Philippines the appointment of additional representatives to the Working Groups from national government agencies.

Section 4. Issuance of Guidelines. The TP Council may issue resolutions, guidelines, advisory opinions, and other similar issuances as the council deems it fit to organize and deputize the Working Groups.

RULE 6
MEETINGS OF THE TATAK PINOY COUNCIL AND WORKING GROUPS

Section 1. Meetings of the TP Council. The TP Council shall meet at least once every quarter or as often as necessary, at the call of the Chairperson on his or her own initiative or as requested from a majority of the members of the TP Council.

Section 2. Attendance in TP Council Meetings. Members of the TP Council who cannot physically attend or vote during the TP Council meetings can participate and vote through remote communication technologies - including videoconferencing, teleconferencing, or other alternate modes of communication that allow them reasonable opportunities to participate.

Section 3. Quorum for TP Council Meetings. A simple majority of the TP Council shall constitute a quorum to do business.

Section 4. Meetings of the Working Groups. Working group meetings may be called by its members, as they may deem fit, in order to pursue their objectives. The attendance of a simple majority of the members of the working groups is enough to constitute a quorum to do business.

Section 5. Voting. The TP Council and the Working Groups shall decide on issues and matters before it through the concurrence of a simple majority of the members constituting a quorum.

Section 5. Attendance of Resource Persons. The members of the TP Council may invite resource persons from the public and private sector to attend and present during the TP Council meetings and/or Working Group meetings.

Section 6. Other Governance Matters. The TP Council may issue resolutions, guidelines, advisory opinions, and other similar issuances as the Council deems it fit to organize the TP Council and Working Group meetings.

RULE 7
THE TATAK PINOY COUNCIL SECRETARIAT

Section 1. Technical and Secretariat Support. A Secretariat to the TP Council, herein referred to as the "TP Council Secretariat", shall be established within the DTI.

Section 2. The Executive Director. The TP Council Secretariat shall be headed by an Executive Director (Salary Grade 29) and shall be appointed by the President of the Philippines from a list of at least five (5) nominees from the TP Council.

The Executive Director shall be a person of proven integrity and good moral character, shall have relevant experience and practice in the fields of industry development, data-driven industrial policy, domestic and/or international trade, entrepreneurship, innovation, or any related field, and be a person of proven administrative proficiency and expertise in the area of management with a minimum of five (5) years' experience in an executive leadership capacity.

Section 3. The Office of the Executive Director. The Executive Director shall be assisted by technical and administrative staff consisting of at least one (1) of each of the following officers and employees:

- (a) Project managers (Salary Grade 24) for each of the five (5) Tatak Pinoy Pillars;

- (b) Financial management specialist (Salary Grade 22);
- (c) Technical staff project specialists (Salary Grade 18) per Tatak Pinoy Pillar; and
- (d) Administrative staff (Salary Grade 18).

Section 4. Liaison and Technical Officers. Each of the public sector members of the TP Council namely – DA, DBM, DICT, DILG, DOF, DOLE, DOST, and NEDA shall appoint at least one (1) representative solely dedicated to serve as liaison and provide technical and/or administrative support to the TP Council Secretariat.

Section 5. Organization of the TP Council Secretariat. Within one hundred twenty (120) days after the effectivity of the Act, the DTI shall determine the organizational structure, staffing pattern, and compensation system of the TP Council Secretariat, including the duties, qualifications, responsibilities, and functions of its officers and staff members, and submit the same to the DBM for approval, in accordance with the existing, organizational staffing, position classification, and compensation laws, rules, regulations, and guidelines.

Section 6. Interim TP Council Secretariat. Pending the creation of the appropriate plantilla positions, the DTI-Competitiveness and Innovation Group (DTI-CIG) shall constitute an interim secretariat within one (1) month from the effectivity of the Act. Each of the TP Council member agencies shall formally designate at least one (1) representative on temporary detail to the interim secretariat until such time that the plantilla positions of the TP Council Secretariat have been created. The DTI-CIG is likewise authorized to engage consultants and enter into service contracts, as may be necessary. However, once the organizational structure and personnel have been determined, those engaged by the DTI-CIG shall have the option to be absorbed permanently in the TP Council Secretariat.

Section 7. Duties of the TP Council Secretariat. The TP Council Secretariat shall have the following duties and responsibilities:

- (a) Determine and prepare the agenda of the TP Council meetings, and prepare the minutes of each meeting;
- (b) Serve as a venue for the initial processing and discussion of the work of the TP Council;
- (c) Receive and prepare communications pertinent to the work of the TP Council;
- (d) Manage and maintain the official records of the TP Council;
- (e) Prepare reports as required by the TP Council;
- (f) Conduct research, gather data, and provide analytical support as required by the TP Council to inform its decisions and recommendations;
- (g) Assist in the drafting of policy recommendations, strategies, and action plans based on the TP Council's deliberations;
- (h) Assist in the preparation of annual and medium-term strategies and in the drafting of the TP Council's periodic reports and accomplishments; and
- (i) Perform other duties as may be assigned by the TP Council.

**CHAPTER III
THE TATAK PINOY STRATEGY**

**RULE 8
DEVELOPMENT AND FORMULATION OF THE TATAK PINOY STRATEGY**

Section 1. The Tatak Pinoy Strategy. To achieve the objectives of the Act, a Tatak Pinoy Strategy (TPS) shall be formulated, implemented, monitored, evaluated, and continuously improved upon by the TP Council and approved by the President of the Philippines.

Section 2. Contents. The TPS shall outline the plan and action components for the country, and for the regions, provinces, cities, municipalities, to incrementally and systematically expand and diversify the productive capabilities of domestic enterprises and empower them to produce and offer increasingly diverse and sophisticated products and services, and compete in the global market.

Section 3. Approval. The TPS shall be submitted for approval by the President within eight (8) months after the effectivity of the Act. In approving the TPS, the President may only expand from the five (5) existing pillars identified in Section 8 of the Act and Rule 9 of this IRR and shall ensure coordination and collaboration among the TP Council members.

Section 4. Identification of National Priorities and Strategic Goals. In line with the Philippine Development Plan (PDP) approved by the NEDA Board, the Philippine Export Development Plan (PEDP), and existing development strategies not otherwise covered in the PDP, the TP Council, within sixty (60) days from organizing the working groups under each TPS Pillar, shall identify national priorities and strategic goals, and mandate the formulation by relevant public and private sector stakeholders of action components under each TPS Pillar for achieving these national priorities and strategic goals, pursuant to the objectives of the Act and this IRR.

Section 5. Planning Call. The TP Council shall issue, in a timely manner, after the TP Council's determination of national priorities and strategic goals, a Planning Call to all NGAs and government instrumentalities, including public and private HEIs, LGUs, and government-owned and -controlled corporations (GOCCs), and relevant private sector stakeholders.

These government instrumentalities and private sector stakeholders shall submit to the TP Council Secretariat their respective plans, programs, and projects related to the national priorities and strategic goals, as determined by the TP Council, within sixty (60) days from the commencement of the Planning Call. The TP Council shall review these submissions and determine which shall be included in the TPS.

Section 6. Target Sectors and/or Economic Activities. Within thirty (30) days from the submission of the aforementioned plans, programs, and projects described in Rule 8 Section 5 of this IRR, the TP Council, through the TPS Pillars, shall also identify and list target sectors, economic and investment activities, using an evidence-based, transparent, and consultative process involving public and private sectors, including existing councils created by law. The list shall include targets for the short term (three years or less) and medium term (six to nine years).

Section 7. Development and Coverage. TP Council shall formulate the TPS within thirty (30) days after the identification of target sectors and/or economic activities described in Rule 8 Section 5. The TPS shall cover the same period as the PDP from which it was based on.

RULE 9
THE PILLARS OF THE TATAK PINOY STRATEGY

Section 1. The Pillars of the Tatak Pinoy Strategy. The TPS shall include plans and programs, comparable with international best practices, which shall be organized according to the following TPS Pillars: (1) human resources; (2) infrastructure; (3) technology and innovation; (4) investments; and (5) sound financial management.

Under each TPS Pillar, the TP Council shall identify relevant public-private initiatives and the government support or assistance to be provided per targeted sector or economic activity.

Section 2. The Human Resources Pillar. The Human Resources Working Group, composed of TP Council members identified in Rule 5, Section 2(a) of this IRR, shall develop a roadmap in close consultation with the academe and industry. The Human Resources Pillar (HRP) Roadmap shall ensure that:

- (a) There is adequate and skilled human resources to realize the national priorities and strategic goals and support the target sectors and economic activities identified in the TPS;
- (b) The HRP Roadmap will promote academe-industry linkage to develop programs that will match the demands of the industry;
- (c) The HRP Roadmap shall include different modalities for training, skills development, upskilling, reskilling, and lifelong learning to be implemented by both public and private sectors;
- (d) the HRP Roadmap developed shall be harmonized with the Trabaho Para sa Bayan Plan pursuant to REPUBLIC ACT NO.11962 or the "Trabaho Para sa Bayan Act" and other human resource capacity building roadmaps mandated under other laws.

Section 3. The Infrastructure Pillar. The Infrastructure Working Group, composed of TP Council members identified in Rule 5, Section 2(b) of this IRR, shall identify infrastructure programs and requirements such as innovation infrastructure and facilities for advanced research and incubation; and national and regional innovation hubs to feature relevant advanced and emerging technology centers that will fulfill the national priorities and strategic goals and support the target sectors and economic activities identified in the TPS.

In order to reap the full benefits afforded by significant investments in infrastructure, the TP Council shall ensure that the domestic preference under the Act is extended to locally produced, sourced, or manufactured construction materials, including, but not limited to, raw materials, ingredients, supplies or fixtures, upon all levels of the procurement process.

Section 4. The Technology and Innovation Pillar. The Technology and Innovation Working Group, composed of TP Council members identified in Rule 5, Section 2(c) of this IRR shall:

- (a) Identify and advance strategic, market-driven, and customer-centric R&D activities and technology transfer initiatives that are critical to the implementation of the TPS and the achievement of the objectives of the Act;
- (b) Strengthen the development and implementation of policies that would support commercialization and transfer of technology and capacity building between

agents of the economy, including multinational companies and international investors, and research institutions; and

- (c) Shall ensure that the TPS and the National Innovation Agenda and Strategy Document (NIASD), in accordance with REPUBLIC ACT NO. 11293, otherwise known as the "Philippine Innovation Act", are aligned and harmonized.

Section 5. The Investments Pillar. The Investments Working Group, composed of TP Council members identified in Rule 5, Section 2(d) of this IRR, shall, based on measurable eligibility criteria determined by the TP Council, incorporate the Tatak Pinoy investment activities and projects in the Strategic Investment Priority Plan (SIPP) and other relevant investment arrangements:

- (a) All Tatak Pinoy investment activities and projects duly identified in the TPS are hereby automatically included in the list of priority activities that will form part of the prevailing SIPP for the first three (3) years from the approval of the first TPS by the President of the Philippines. Thereafter, the inclusion of Tatak Pinoy activities and projects in the SIPP shall be supported by a formal evaluation process or report pursuant to Sec. 300 of the NATIONAL INTERNAL REVENUE CODE (NIRC), as amended.
- (b) The grant, administration, and monitoring of fiscal incentives to identified Tatak Pinoy investment projects and activities under the Act shall be governed by Title XIII of the NIRC, as amended.
- (c) No project or activity shall be allowed to avail of fiscal incentives unless such project or activity is included in the SIPP. The TP Council, as led by the Investments Working Group, shall likewise coordinate with the Inter-Agency Investment Promotion Coordination Committee (IIPCC) to ensure that investment promotion and facilitation efforts of the country are aligned with the TPS.
- (d) The TP Council shall also coordinate with the Department of Foreign Affairs (DFA) for investments from foreign states, organizations, and international investors.

Section 6. The Sound Financial Management Pillar. The Sound Financial Management Working Group, composed of TP Council members identified in Rule 5, Section 2(e) of this IRR, shall ensure that:

- (a) Programs and projects for the enhancement of the capabilities of domestic enterprises to produce and offer increasingly sophisticated products and services are to be included in the expenditure priorities and the national government fiscal program;
- (b) Each pillar takes into consideration the environmental impact, sustainability, and intergenerational responsibility of the policies, programs, projects, and activities that are covered in the TPS; and
- (c) Include, wherever it is appropriate in the TPS, interventions that encourage more responsible and sustainable consumption and production.

RULE 10

INTEGRATION OF, REPORTING MECHANISM FOR, AND REVIEW OF THE TATAK PINOY STRATEGY

Section 1. Integration of the Tatak Pinoy Strategy. The TP Council shall ensure that the TPS is incorporated in the government's sectoral plans, programs, and projects, such as, but not limited to:

- (a) The Philippine Development Plan;
- (b) Micro, Small, Medium Enterprise Development (MSMED) Plan;
- (c) Philippine Export Development Plan;
- (d) Industry Roadmaps; and
- (e) Other relevant government plans by prescribing standards, guidelines, compliance, and accountability mechanisms.

Section 2. Localization of the Tatak Pinoy Strategy. The TP Council, in collaboration with RDCs, LGUs, and local development agencies, shall encourage the development and implementation of local components of the TPS.

Section 3. Reportorial Requirements. In order to fully monitor and measure the implementation of the TPS, the following reports shall be submitted:

- (a) **Stakeholder Reports.** All departments, agencies, government instrumentalities, relevant LGUs and participating private sector proponents mandated to implement the TPS shall submit periodic reports, as may be determined, to the TP Council. Such reports shall then be collated, reviewed, validated, and analyzed by the TP Council Secretariat and will form part of the annual accomplishment report which shall be submitted by the TP Council.
- (b) **Annual Procurement Report.** To ensure the fulfillment of the State's lead role in promoting and supporting the production and offering of Philippine products, the Procurement Service-Department of Budget and Management (PS-DBM) shall submit an annual report to the TP Council on the government agencies that procure Common-use Supplies and Equipment (CSE) items available from the PS-DBM and Non-CSE items based on postings made by agencies in the Philippine Government Electronic Procurement System (PhilGEPS). Such data, particularly government spending towards procurement of domestically-produced CSE and Non-CSE items, shall be reflected and used by the TP Council in formulating, reviewing, and updating the TPS.
- (c) **Annual Accomplishment Report.** The TP Council shall submit an annual accomplishment report to the President of the Philippines, the Senate President, the Speaker of the House of Representatives, and the Chairpersons of the Senate Committees on Finance, and Trade, Commerce and Entrepreneurship, and the House Committees on Appropriations, and Trade and Industry which shall include, among others, the results of the policies and programs initiated by the TP Council as an inter-agency body to implement the TPS, on a per pillar basis, as well as other matters related to the exercise of its functions as enumerated under the Act.

That the annual accomplishment report shall be submitted on or before the 30th of June of the succeeding year, after its establishment, and annually thereafter. The report shall also be made available to the general public.

Section 4. Annual Review. The TP Council, with support from the TP Council Secretariat, shall perform an annual review of the TPS and its implementation, as provided under the Act.

Section 5. Amendments or Revisions of the Tatak Pinoy Strategy. To ensure responsiveness to market conditions, the TPS shall be subject to amendment or revision every three (3) years unless there are supervening events that require an earlier amendment or modification. The TP Council shall conduct public consultations to relevant stakeholders before enacting any amendment or revision to the TPS.

**CHAPTER IV
PREFERENCES AND INCENTIVES**

**RULE 11
DOMESTIC PREFERENCE IN PROCUREMENT**

Section 1. 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 TPS. The preference and priority for Philippine products shall be guaranteed upon all levels of the procurement process, including raw materials, ingredients, supplies, or fixtures.

Section 2. Initial List of Preferred Products and Services. Within fifteen (15) days upon effectivity of the Act or after the TP Council has been convened, the TP Council shall issue a list of Philippine products and services that shall be immediately given preference and priority pending the formulation of the TPS.

Section 3. Waiver of Domestic Preference in Government Procurement. The preference herein described in Section 1 may be waived by the procuring entity 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 international agreements; or
- (d) Other analogous circumstances.

Subject to the issuance of guidelines by the TP Council in coordination with relevant government agencies, the procuring entity shall submit a written explanation on the waiver of the domestic preference to the TP Council Secretariat within five (5) days of the award of the procurement bid to foreign products and services in sectors and economic activities covered by the prevailing TPS.

Section 4. Extension of the Period for Domestic Preferences. The ten (10) year period for domestic preference may only be extended by Act of Congress.

Section 5. Margin of Preference for Philippine Products and Services. After the ten (10) year period counted from the effectivity of the Act, the domestic preference provided and described in Section 1 shall be subject to the margin of preference to be determined by the TP Council which should not be lower than fifteen percent (15%).

Section 6. Products and Services not Covered by the 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, otherwise known as the "Government Procurement Reform Act", and its implementing rules and regulations.

Section 7. Issuance of Guidelines. The TP Council shall issue guidelines on the issuance of a Certificate of Preference for Philippine products and services in sectors and economic activities covered by the prevailing TPS.

RULE 12
ACCESS TO FINANCING

Section 1. Financing Programs. The government, through government financial institutions (GFIs), shall ensure the availability of credit to domestic enterprises through innovative financing mechanisms including, but not limited to:

- (a) the provision of low interest or flexible term loan programs;
- (b) credit guarantee programs;
- (c) the development of other modes of financing such as leasing and venture capital activities, which will enable these enterprises, especially micro, small and medium enterprises (MSMEs), to expand their businesses, perform necessary technology upgrades; and
- (d) other related capacity-building activities leading to more sophisticated products and services.

Section 2. Government Loan and Guarantee Programs. The Land Bank of the Philippines (LBP), the Development Bank of the Philippines (DBP), the Philippine Guarantee Corporation (PHILGUARANTEE), and the Small Business Corporation (SBCorp) shall expand their respective loan and guarantee programs to accommodate domestic enterprises that are producing and/or providing services that are covered by the TPS

Section 3. Private Sector Financing. Private banks and financial institutions are likewise encouraged to provide equivalent financing mechanisms.

RULE 13
ACCESS TO OTHER BUSINESS SUPPORT SERVICES

Section 1. Market Access Facilitation. The TP Council shall provide the necessary support and assistance to ensure that Philippine products and services covered under the prevailing TPS are provided access to both the domestic and international markets. The DTI, the DFA, the DOT, and other market and promotion agencies shall integrate the Philippine products and services covered under the prevailing TPS in existing marketing plans including, but not limited to, international exhibitions and establishment of hubs in tourist destinations, including their ports of entry and other high-traffic retail areas.

Section 2. Product Standard Assistance. The TP Council shall provide capacity-building support to guarantee the market quality of Philippine products and services to conform with existing product standards and technical regulations, where appropriate. The DTI, in coordination with other relevant agencies, shall formulate guidelines on branding, packaging, and marketing of Philippine products and services.

Section 3. Green Lanes for the Issuances of Permits and Licenses. The concerned NGAs, including their regional and provincial offices, GOCCs, quasi-judicial bodies, other government instrumentalities, and LGUs involved in the issuance of permits, licenses, certifications or authorizations, shall establish a green lane within their offices in charge of expediting and streamlining the processes and requirements for the issuance of permits, licenses, certifications or authorizations of Tatak Pinoy investments duly identified in the TPS. For this purpose, the above agencies or offices shall designate an account officer for the green lane.

Section 3. Export Green Lane Facility. An export green lane facility shall likewise be established for qualified exporters for advanced processing and clearances of their export requirements, including the importation of critical raw materials and capital equipment, under the Bureau of Customs (BOC), Food and Drug Administration (FDA), and other regulatory authorities.

Section 4. Ease of Doing Business. The above agencies described in Sections 2 and 3 shall act on the applications within the prescribed processing time provided in the concerned agency or LGU's Citizen's Charter, which shall not be longer than the periods prescribed under REPUBLIC ACT NO. 9485, otherwise 'known as the "Anti-Red Tape Act of 2007", as amended.

Section 5. Efficient Implementation of the Value-Added Tax (VAT) Refund. Notwithstanding any existing rules, the Bureau of Internal Revenue (BIR) shall implement a streamlined requirement and process for faster VAT refund of entities with Tatak Pinoy-related transactions. The BIR shall issue the applicable revenue regulation on the expedited processing for VAT refunds within thirty (30) days of the effectivity of this IRR.

**CHAPTER V
FINAL PROVISIONS**

**RULE 14
MISCELLANEOUS PROVISIONS**

Section 1. Information Dissemination and Awareness Campaign. To ensure dissemination and policy coordination, the TP Council, in coordination with the Philippine Information Agency (PIA), the DOT, the DFA, embassies, permanent missions, the Manila Economic and Cultural Office (MECO), commercial attaches of the Foreign Trade Service Corps of the DTI abroad and other relevant government agencies and public and private HEIs, shall ensure that the goals and objectives of the TPS are communicated through a nationwide and international information dissemination and awareness campaign.

Section 2. Appropriations. The amount necessary for the initial implementation of the Act shall be charged against the current year's appropriations of the agencies concerned. Thereafter, the funding of which shall be included in the annual General Appropriations Act.

Section 3. Separability Clause. If any part or provision of this IRR is declared unconstitutional, the remainder of the provisions are not affected thereby shall remain in force and effect.

Section 4. Amendatory Clause. To align with the policy of the Act to mandate preference for Philippine products and services covered by the prevailing TPS in government procurement, the following provisions are hereby amended:

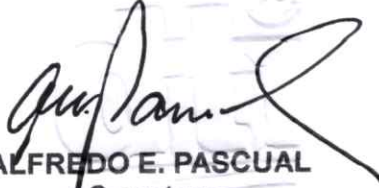
- (a) Section 43 of REPUBLIC ACT No. 9184, otherwise known as the "Government Procurement Reform Act", and its implementing rules and regulations are hereby amended to conform with the Act;
- (b) To harmonize definitions on qualified Philippine products and services and the margin of preference to be determined by the TP Council for purposes of government procurement of Philippine products and services covered by the prevailing TPS, Sections 2 and 3 of COMMONWEALTH ACT NO. 138 are hereby modified; and
- (c) Any other provision of laws, orders, agreements, rules, or regulations contrary to and inconsistent with the Act is hereby amended and modified accordingly.

Section 5. Repealing Clause. All laws, orders, agreements, rules, or regulations contrary to and inconsistent with the Act and this IRR are hereby repealed.

Section 6. Effectivity. This IRR shall take effect fifteen (15) days following its complete publication in the Official Gazette or in a newspaper of general circulation and from the filing of three (3) certified copies at the Office of the National Administrative Register (ONAR) of the University of the Philippines Law Center.

Issued this 22nd Day of May 2024 in Makati City, Philippines

APPROVED


ALFREDO E. PASCUAL
Secretary

RECOMMENDING APPROVAL


RAFAELITA M. ALDABA, PH.D.
Undersecretary


LEONILA T. BALUYUT, DBA
Assistant Secretary