

LETTER OF INSTRUCTIONS NO. 1183, December 29, 1981

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Foreign Trade Service Rules and Regulations To Implement Executive Order 540, As Amended, Professionalizing the Foreign Trade Service Corps.

WHEREAS, Executive Order 540 has been promulgated, creating a Foreign Trade Service Corps in the Ministry of Trade and industry to develop and promote the expansion of Philippine exports in the world market and to attract foreign investments to the Philippines;

WHEREAS, Executive Order 540 envisions the upgrading and the professionalization of the present Corps of Commercial Attaches;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby issue the following rules and regulations to implement the provisions of Executive Ordu as amended.

RULE I: DEFINITION OF TERMS -

When used herein the term:

(a)

"Ministry" shall mean the Ministry of Trade and Industry of the Republic of the Philippines;

(b)

"Minister" shall mean the Minister of Trade and Industry;

(c)

"Foreign Trade Service Corps", hereinafter referred to as the "Corps" shall refer collectively to all persons duly appointed in a permanent capacity as Special Trade Representatives, Trade Service Officers and Trade Service Staff Officers, in accordance with Executive Order 540;

(d)

"Special Trade Representative" shall refer to any person duly appointed as such in accordance with the provisions of Executive Order 540;

(e)

"Trade Service Officer" shall refer to any person duly appointed as such in accordance with the provisions of

Executive Order 540;

(f)

"Trade Service Staff Officer" shall refer to any person duly appointed as such in accordance with the provisions of Executive Order 540;

(g)

"Commercial Attache Corps" shall refer collectively to all persons holding the positions of Commercial Attaches and Foreign Trade Analysts in a permanent capacity at the time of the approval of Executive Order 540;

(h)

"Commercial Attaches and Foreign Trade Analyst" shall refer to those persons holding permanent appointments as such and referred to in Rule VI, Sec. 3, whose positions had been classified according to their assimilated ranks, as of the time of the approval of Executive Order 540;

(i)

"Senior Commercial Attaches", "Commercial Attache" and Assistant Commercial Attache" shall refer to members of the Foreign Trade Service Corps having been designated as such by the Minister within the context of this Letter of Instructions;

(j)

"Commercial Post" shall refer to the geographic area of jurisdiction of a commercial office established abroad by the Ministry of Trade and Industry headed by a Trade Service Officer;

(k)

"Commercial Office" shall refer to the office established abroad by the Ministry of Trade and Industry where the head of the commercial official business, whether or not located in a foreign service establishment;

(l)

"Regional Commercial Office" shall refer to the office established abroad by the Ministry of Trade and Industry having functional jurisdiction over commercial offices located within a particular region.

RULE II: OBJECTIVES OF THE FOREIGN TRADE SERVICE CORPS

Section 1. Objectives - It shall be the responsibility of the Corps to pursue the following objectives:

(a)

To develop and promote the growth of Philippine exports in the world market;

(b)

To encourage the inflow of foreign investments into the country; and

(c)

To develop and implement innovative approaches to increase the country's export trade.

RULE III: COMPOSITION OF THE CORPS; DUTIES AND FUNCTIONS OF MEMBERS THEREOF

Section 1. Composition of Corps - The Corps shall be composed of the following categories of personnel:

CLASS

DESIGNATION

GRADE

I

Special Trade Representative

II

Trade Service Officer

1, 2, 3 4

III

Trade Service Staff Officer

1, 2, 3

Section 2. Duties and Functions of Special Trade Representative

(a) Supervise the commercial offices under his jurisdiction and coordinate their program and activities;

(b) Recommend to the Minister such policies that will enhance the performance of Philippine exports in his regional market area;

(c) Assist in negotiations for better terms of trade for Philippine product;

(d) Negotiate, upon prior authority, the procurement of necessary imports at the most advantageous terms and

conditions;

(e) Recommend innovative approaches designed to increase the country's exports to his market area;

(f) Continually explore and develop the potentials of Philippine products in his market area;

(g) Participate in international conferences relating to policies, issues and problems on international trade and investments;

(h) Perform such other functions as may be assigned to him by the Minister.

Section 3. Duties and Functions of Trade Service Officer -

(a)

Explore and develop the potentials of Philippine products in his area of assignment;

(b)

Assist Philippine producers and traders in establishing business connections with individual businessmen and companies in his area of assignment;

(c)

Promote awareness of Philippine products in his area of assignment, including assistance in promotional activities like international trade fairs, national solo exhibitions, in-store promotions and trade mission.

(d)

Conduct market surveys for Philippine exportable products and identify trade opportunities therefore;

(e)

Study and analyze economic and other conditions that may significantly affect Philippine exports in his area of assignment and report the same to the Ministry;

(f)

Identify and investigate tariff and non-tariff barriers seriously impeding the entry of Philippine products into his area of assignment and recommend appropriate remedial measures for their elimination or liberalization;

(g)

Develop areas of cooperation on an institutional basis like the formation of chambers and associations between businessmen in his area of assignment and their Philippine counterparts;

(h)

Encourage companies and businessmen in his area of assignment to invest in the Philippines; and

(i)

Perform such other functions as may be assigned to him by the Minister or his immediate supervisor.

Sections 4. Duties and Functions of Trade Service Staff Officer

(a)

Provide general assistance to the head of the commercial office;

(b)

Under the supervision of the head of the commercial office, perform the following:

1)

Monitor and analyze trends of trade between the Philippines and his area of assignment;

2)

Evaluate the market performance of Philippine products in his area of assignment, including information on government policy, competition, prices and other factors that may affect their performance;

3)

Compile and analyze data and statistics needed for the formulation on government policy, competition, prices and other factors that may affect their performance;

4)

Collate trade opportunities for dissemination to manufactures, producers and exporters in the Philippines.

(c)

Perform such other functions as may be assigned to him by the head of the commercial office.

RULE IV: CONSTITUTION OF A FOREIGN TRADE SERVICE COMMITTEE -

Section 1. Foreign Trade Service Committee - The Minister shall constitute a Foreign Trade Service Committee to assist him in the administration, personnel management and career development of members of the corps.

Section 2. Members of the Committee - The members of the Foreign Trade Service Committee shall be the following: all Deputy Ministers of the Ministry, the Vice-Chairman of the Board of Investments and the Director of the Bureau of Foreign Trade. The Minister shall designate a Chairman from among the members of the Committee.

RULE V: SALARIES AND OTHER COMPENSATION -

Section 1. Salary and Compensation Scheme - The salary and compensation scheme for the Foreign Trade Service Corps shall be equivalent to the rates fixed for Foreign Service personnel under P.D. 905 as amended by P.D. 1285, Letter of Implementation 63 and 100, and such other orders and rules applicable to the Foreign Service, provided, that the assimilated ranks of the members of the Corps shall be as follow:

Designation

Assimilated Ranks

Class I

Special Trade Representative Career Counsellor

Class II

Trade Service Officer I Foreign Service Officer, Class I

Trade Service Officer II Foreign Service Officer, Class II

Trade Service Officer III Foreign Service Officer, Class III

Trade Service Officer IV Foreign Service Officer, Class IV

Class III

Trade Service Staff Officer I Foreign Service Officer, Class I

Trade Service Staff Officer II Foreign Service Officer, Class II

Trade Service Staff Officer III Foreign Service Officer, Class III

Provided, further, that the assimilated rank of Special Trade Representatives and Trade Service Officers shall confer upon them the corresponding diplomatic rank for purposes of protocol.

Special Trade Representatives and Trade Service Officers shall rank after the Foreign Service Officer of the same rank in the post, provided that no member of the Corps shall serve as Charge d' Affaires of an Embassy or act as principal officer of any consular establishment.

RULE IV. ADMISSION TO THE CORPS

Section 1. Admission to the Corps - No person shall be admitted to the Corps unless he possesses the required qualifications specified herein and has passed the Foreign Trade Service examination.

Section 2. Qualifications for Admission to the Corps - Any person possessing the following qualifications is eligible for admission to the Foreign Trade Service Corps:

(a)

A citizen of the Philippines of good moral character who is not less than 25 nor more than 35 years of age for Trade Service Officer and not less than 21 nor more than 30 years of age for Trade Service Staff Officer, except those who may otherwise qualify under existing Civil Service rules and regulations;

(b)

Holder of at least a Bachelor's degree preferably in the fields of laws, economics, accounting, marketing, management, banking and finance from a college or university of good standing;

(c)

Must have commercial experience of at least four (4) years for Trade Service Officer and one (1) year in the case of Trade Service Officer and one (1) year in the case of Trade Service Staff Officer, or must have actively engaged in the practice of their respective professions for the same period, either in the government or in the private sector;

(d)

Knowledgeable in the economic, political and social conditions of the Philippines;

(e)

Must have passed the examination appropriate to the position applied for; and

(f)

Willing and able to accept assignments anywhere in the world.

Section 3. Admission of Incumbent Commercial Attaches and Foreign Trade Analysts - In accordance with Executive Order 540, Commercial Attaches and Foreign Trade Analysts holding permanent appointments at the time of the approval of said Executive Order shall be properly screened and classified by the Foreign Trade Service Committee for recommendation to the Minister, according to the ranks prescribed under said Executive Order. In the case of Special Trade Representatives and Trade Service Officers, the Minister shall submit his recommendations to the President for decision.

The classification of incumbent Attaches and Analysts according to ranks shall be based on their qualifications, records of performance, length of service, potential, attitude, personality, physical fitness and such other criteria as the Foreign Trade Service Committee may deem appropriate; provided, however, that incumbent Attaches and Analysts shall not suffer any demotion in rank or diminution of salary and allowance.

Section 4. Foreign Trade Service Examination - The Ministry, in coordination with the Civil Service Commission, shall conduct separate examinations for Trade Service Officers and Trade Service Staff Officers in accordance with the following guidelines:

(a)

The holding of written examinations shall be announced four (4) months before the examinations are given;

(b)

The announcement shall state the date, place, scope of the examinations and published in at least three (3) newspapers of general circulation;

(c)

Applications for examination shall be submitted to the Ministry of Trade and Industry;

(d)

Applications who comply satisfactorily with the requirements will have to undergo a personal interview for preliminary assessment. Only those who pass the preliminary assessment will be admitted to the written examination;

(e)

Only those who obtain an average rating of at least 80 per cent in the written examination shall be qualified to take the oral examination. An average rating of 80 per cent is also required for the oral examination;

(f)

Final results shall be released not later than three (3) months from the date of the oral examinations; and

(g) The names of successful examinees shall be entered in the Register of Eligibles for the positions of Trade Service Officer and Trade Service Staff Officer, as the case may be.

RULE VII: ESTABLISHMENT OF COMMERCIAL POSTS -

Section 1. Opening of Commercial Posts Abroad - The Minister shall determine the number and location of commercial posts abroad. Upon the request of the Minister, the Ministry of Foreign Affairs shall facilitate the formal establishment of commercial posts.

Section 2. Location of Commercial Offices - Generally, commercial offices shall be strategically located in commercial centers and, as much as possible, within the premises of Philippine foreign service establishments.

Section 3. Staffing - The Minister shall designate the head of each commercial post and determine the staffing requirements thereof.

Section 4. Locally Hired Employees - The Minister may authorize the head of a commercial post to hire local employees depending on the need therefor, shall be duly informed of said employment.

RULE VIII: APPOINTMENTS -

Section 1. Appointments of Special Trade Representatives and Trade Service Officers - The President shall appoint Special Trade Representatives and Trade Service Officers, upon the recommendation of the Minister.

Section 2. Appointments of Trade Service Staff Officers - The Minister shall appoint Trade Service Staff Officers.

Section 3. Ranks at which Officers may be Appointed - Any person who qualified for the first time for appointment as a Trade Service Officer of a Trade Service Staff Officer shall be appointed to the lowest grade of the class to which he is appointed.

RULE IX: PROMOTIONS -

Section 1. Promotions of Members of the Corps - In accordance with Executive Order 540, promotions to positions of Special Trade Representative and Trade Service Officer shall be made by the President upon the recommendation of the Minister, who shall act upon the recommendations of the Foreign Trade Service Committee. Promotions to positions of Trade Service Staff Officers shall be made by the Minister, upon the recommendation of the Foreign Trade Service Committee.

Promotions shall be based on merit, performance, length of service and such other criteria as may be prescribed by the Minister.

Section 2. Promotions to Next Higher Grade Within the Same Class - A Trade Service Officer or Trade Service Staff Officer may be promoted to the next higher grade within the same class provided he has continuously obtained a performance rating of at least "satisfactory" in the position he is holding for a minimum period of three (3) years, unless recommended for earlier promotion by the Foreign Trade Service Committee in exceptional cases.

Section 3. Promotions to the Next Higher Class A Trade Service Staff Officer (Class III), irrespective of grade, who passes the examination for Trade Service Officer is qualified for promotional appointment to the position of Trade Service Officer IV (Class II), the requirements prescribed under Section 2 of this Rule notwithstanding.

Only deserving Trade Service Officers I may be considered for promotional appointment to the positions of Special Trade representative.

Section 1. Assignment Abroad - The Minister shall determine the assignment abroad of members of the Corps. He may assign as many members of the Corps to a commercial post as may be required by the peculiar needs of the post on the basis of area coverage, volume of trade, extent of programmed activities, presence of international trade organizations, sources of export financing and foreign investments, center for technology transfer, and other considerations.

Upon the request of the Minister, the Ministry of Foreign Affairs shall facilitate the accreditation of members of the Corps to the host government and shall confer upon them the appropriate designation as determined by the Minister in each particular case to enable them to perform their duties and functions effectively. Special Trade Representatives and Trade Officers shall be issued diplomatic passports in all cases where foreign service officer of similar rank are afforded the same treatment.

Section 2. Use of Titles "Senior Commercial Attache", "Commercial Attache" and "Assistant Commercial Attache" - Any member of the Corps may be designated by the Minister and allowed to use the titles "Senior Commercial Attache", "Commercial Attache" and "Assistant Commercial Attache". In general, the most senior ranking member of the Corps in a commercial post will be designated Senior Commercial Attache and the other members of the Corps in the post as Commercial Attaches or Assistant Commercial Attaches, as may be appropriate.

Section 3. Personal Consideration for Assignment - In the selection of members of the Corps for assignment to a particular post, the Minister shall consider their expertise, competence, experience and training, special skills and other personal circumstances such as personality, attitude, size of family, educational requirements of dependents, religion and age.

Section 4. Training and Orientation Prior to Assignment - Newly appointed members of the Corps shall undergo training and orientation in the Ministry for at least one (1) year before they may be assigned abroad.

Section 5. Turnover of Commercial Office - Any member of the Corps assigned to a new post must arrive thereat at least thirty (30) days prior to the departure of his predecessor for purposes of briefing and smooth turnover of the commercial officer.

Section 6. Home Consultation or Detail - The minister may call any member of the Corps for home consultation or detail in the Ministry as the exigencies of the service may require. The member concerned, while on home consultation or detail, shall be entitled to reimbursement of actual and necessary expenses for the duration of his stay in the country, subject to the usual accounting and auditing rules and regulations.

Section 7. Home Assignment - Members of the Corps may also be assigned by the Minister, between foreign posting, to any bureau or office within the Ministry and agencies attached to it, while on home assignment.

During periods of home assignment, Special Trade Representatives, Trade Service Officers and Trade Service Staff Officers shall be entitled to transportation and representation allowances similar to those enjoyed under existing laws by Career Executive Service Officers Rank IV, Career Executive Service Officers Rank V and Chiefs of Division, respectively, and such other allowances as may be authorized by the Minister including reimbursement of actual and necessary expenses incurred during official travels within the country, subject to the usual accounting and auditing rules and regulations.

Section 8. Administrative and Financial Arrangements Relative to Personnel Movements - All administrative and financial arrangements needed to effect the movements of members of the Corps including their legal dependents shall be completed at least sixty (60) days before their scheduled departure by the responsible unit or units of the Ministry.

However, immediate arrangements shall be made in cases of extraordinary circumstances such as, but not limited to:

(a)

Immediate recall or transfer of a member of the Corps arising out of an administrative or criminal complaint;

(b)

Closure of post;

(c)

Imminent danger of war, revolution, rebellion, outbreak of epidemic, etc.; and

(d)

Declaration of a member of the Corps as "persona non grata" by host government.

Section 9 Tour of Duty - In general, the tour of duty of members of the Corps shall be for a period of not less than two (2) years in any commercial post, provided that any member may be recalled for home assignment after having served continuously abroad for not less than eight (8) years.

The Minister, however, has discretion to make exceptions to the above general rule depending on the exigencies of the service.

RULE XI: SUPERVISION AND CONTROL -

Section 1. Supervision and Control Over Members of the Corps - The Minister shall exercise direct supervision and control over member of the Corps.

Section 2. Supervision and Control Over Members of the Staff - The head of a commercial post designated as such by the Minister shall have supervision and control over members of his staff, including locally hired employees.

Section 3. Relations with Chiefs of Mission Members of the Staff - Members of the Corps and/or their staff shall be under the administrative supervision of the Chief of Mission or Principal Officer of the foreign service establishment to which they are attached. Accordingly, they shall observe proper office decorum and social behaviour, inform their respective Chief of Mission or Principal Officer of all important matters related to their official activities, cooperative with them in projecting unity and a wholesome image of the Philippines, and assist the Chief of Mission or Principal Officer on other official matters.

In the performance of their functions, member of the Corps are authorized, upon prior notice to the Chief of Missions or Principal Officer concerned to travel outside the territorial limits of the city where the commercial office is situated but within the area of jurisdiction of the post and shall be entitled to reimbursement of actual and necessary expenses, subject to the usual accounting and auditing rules and regulations.

Section 4. Discipline - The Minister, at this own initiative or upon the recommendation of the Chief of Mission or Principal Officer concerned, shall investigate complaints and grievances against any member of the Corps and for

cause institute appropriate disciplinary action in accordance with Civil Service rules and regulations.

RULE XII: PERFORMANCE APPRAISAL -

Section 1. Performance Evaluation - The performance of members of the Corps shall be evaluated once every calendar year by their respective supervisors.

The performance evaluation report shall be submitted to the Minister not later than sixty (60) days after the preceding calendar year. Copies thereof shall be furnished the Chief of Mission or Principal Officer, the Director of the Bureau of Foreign Trade and the Administrative Service Chief of the Ministry.

Section 2. Annual Works Program The heads of regional commercial offices and commercial posts abroad shall submit an Annual Work Program for their respective areas of jurisdiction for approval by the Minister. The program shall be submitted not later than June 30 before the next calendar year and shall include project/activities, time frame, budget, strategies, problems and recommendations.

Section 3. Submission of Reports - A semi-annual report on the progress of the projects/activities targeted in the work program for the calendar year including other accomplishments shall be submitted to the Minister at the end of every six (6) months. The Chief of Mission or Principal Officer concerned and the Director of the Bureau of Foreign Trade must be furnished a copy of the report. Special reports on significant developments in the market area affecting the Philippines shall be submitted immediately.

Section 4. Evaluation of Reports - The Ministry shall evaluate all reports for consideration in the formulation of policies, plans and programs.

RULE XIII: CAREER DEVELOPMENT

Section 1. Careerism and Professionalism in the Corps - Professionalism, "Esprit de Corps" and strict observance of ethical standards of conduct and behaviour among members of the Corps shall be encouraged, Continuing efforts for professional growth through in-service training, seminars, workshops, scholarships and self-development programs shall be given Ministry support.

Section 2. The Foreign Trade Service Development Program - A Foreign Trade Service Development Program shall be develop and conducted by the Ministry to provide adequate training for members of the Corps. Language training shall form part of the development program.

Section 3. Scholarship Program - There shall be an appropriate scholarship program for deserving members of the Corps which may be availed of in the place of assignment or in any other place, subject to the approval of the Minister.

Section 4. Self-Development Program - Members of the Corps are encouraged to pursue self-development activities such as undertaking graduate studies in their places of assignment, provided that the same will be unduly interfere with their regular duties.

Section 5. Conferences, Seminars, Conventions - Members of the Corps may attend important trade conferences, seminars and conventions in their places of assignment upon prior authorization of the Minister which shall be considered part of the training efforts to improve the Corps.

Section 6. Home Assignment Re-Orientation - While on home assignment members of the Corps shall undergo re-orientation programs of the Ministry to keep them abreast of current developments in the country.

RULE XIV: GENERAL PROVISIONS -

Section 1. Supplementary Rules and Regulations - The Minister is authorized to issue supplementary rules and regulations for the effective implementation of Executive Order 540.

Section 2. Effectivity - These implementing rules and regulations shall take effect immediately.

Done in the City of Manila, this 29th day of December, in the year of Our Lord, nineteen hundred and eighty-one.

(Sgd.) FERDINAND E. MARCOS

President of the Philippines

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