RESOLUTION OPERATIONALIZING BARTER TRADE IN THE BANGSAMORO AUTONOMOUS REGION, ADOPTING IN PARTS SOME PROVISIONS OF EXECUTIVE ORDER NO. 64 SERIES OF 2018, WHICH PROVIDES FOR THE REVIVAL OF BARTER IN MINDANAO AND OTHER PERTINENT LAWS, POLICIES, AND GUIDELINES, CREATING FOR THE PURPOSE, AN ADHOC COMMITTEE TO AMEND, MODIFY, REVISE AND REVIEW SOME PERTINENT PROVISIONS THEREOF, PURSUANT TO SECTION 26 OF ARTICLE XIII AND SECTION 2 (e), ARTICLE V OF R.A. 11054, OTHERWISE KNOWN AS THE BANGSAMORO ORGANIC LAW, AND SECTION 8 OF EXECUTIVE ORDER. NO. 64.

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WHEREAS, by reason of geographical proximity, historical and social ties, it has been the tradition of the people of the island provinces to engage in commercial intercourse with neighboring countries of Indonesia, Malaysia and Brunei since time immemorial. The people in those areas depend upon such trade as principal means of their livelihood and source of income.(PD 93)

WHEREAS, at the peak of the secessionist war, the late President Edralin Marcos issued Presidential Decree no. 93, on January 9, 1973 establishing the Zamboanga and Sulu Barter trading Houses, providing guidelines for the liberalization of traditional trade in the Zamboanga-Sulu peninsula and other adjacent areas. The guidelines steered the first step for the transition of traditional barter trade to a formal and regulated mode of commerce. More significantly, PD 93 was a policy innovation providing for economic integration program and sustainable livelihood to entice the Moro rebels to return to the fold of the law. Such innovation can be replicated to address the issue of poverty and sustainable economic growth in the region.

WHEREAS, unfortunately, over the years, this type of maritime cross-border economic intercourse had evolved into frontier of illegal activities ranging from maritime transnational crime, terrorism, technical smuggling and corruptions owing to inadequate government maritime security, flawed custom enforcement system and policies, unsettled cross-border agreement issue between Indonesia, Malaysia and the Philippine. Aggravated by spates of kidnapping, victimizing Malaysian and Indonesian businessmen and fishermen, the three countries begun imposing strict entry conditions to Filipino traders. Today, a once traditionally dynamic cross-border conduit of import-export trade exchange had been brought to complete

halt depriving our region of cheap and culture-compliant products, export earnings, badly needed investments and revenues.

WHEREAS, President Rodrigo Roa Duterte, during summit talk with Malaysian Prime Minister Dr. Mahathir Mohammad, made a pitch for bilateral cooperation in barter trade with Malaysia. The President said, "that the establishment of barter trade would be an investment for peace and for inclusive, equitable, sustainable development especially in the newly established Bangsamoro Autonomous Region in Muslim Mindanao." "It will help address endemic poverty and avoid trigger of in stability and insecurity in these porous areas of the Bangsamoro Region."

WHEREAS, in 2018, President Rodrigo Roa Duterte signed Executive Order No. 64, reviving Barter trading system in Mindanao, promote its growth and development, and constitute the Mindanao Barter Trade Council.

WHEREAS, Article V, Section 2(e) of RA 11054 or the Organic Law for Bangsamoro Autonomous Region in Muslim Mindanao, provides that the "Bangsamoro Government shall exercise authority and regulate traditional barter trade with the Brunei Darussalam-Indonesia-Malaysia-Philippine East Asia Growth Area (BIMP-EAGA) member states and countertrade with the Association of South East Asian Nations (ASEAN) member states. Countertrade with ASEAN Member States shall be in accordance with the spirit, intent, goals, processes, modalities, and arrangement in the ASEAN economic integration agreements";

WHEREAS, barter trade is set to be included as one of the priority initiatives under the Special Economic and Freeport Zone programs and the Bagsamoro Development Corridor with a main goal of propelling economic activities, particularly in the Bangsamoro island provinces. A major import-export industry component of our Region's ECOZONE INITIATIVE is integrated to function as frontline facility in the transshipment and free trade zone operation, industrial and financial hub, investment connectivity and inward-outward supply channel for Halal food products;

WHEREFORE, there is a need to find the best operational model with a pragmatic set of guidelines on how to gradually transition from traditional barter system to formal trade, hence the need to create Ad Hoc Committee for such purpose;

RESOLVE THEREFORE AS IT IS HEREBY RESOLVED, to create Ad Hoc Committee to lay the framework of implementation and operationalization of the Barter Trade system covering the areas in the Bangsamoro Region with a Governance Board proposing applicable barter trade protocol, to be recommended for adoption, without prejudice to further review of E.O. 64 and other existing laws, policies and guidelines.

Hon. ALI B. SANGUL

NORIA Y. TAHA

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