

October 9, 2015

**IMPLEMENTING RULES AND REGULATIONS OF
REPUBLIC ACT NO. 10557,
AN ACT PROMOTING AND STRENGTHENING FILIPINO DESIGN, PROVIDING FOR
THE PURPOSE A NATIONAL DESIGN POLICY AND RENAMING THE PRODUCT
DEVELOPMENT AND DESIGN CENTER OF THE PHILIPPINES INTO THE DESIGN
CENTER OF THE PHILIPPINES AND FOR OTHER PURPOSES**

RULE I – GENERAL STATEMENT

Section 1. Purpose and Coverage. – This Implementing Rules and Regulations (IRR), herein after called “IRR,” is promulgated pursuant to Section 12 of [Republic Act No. 10557](#), otherwise known as the “Philippine Design Competitiveness Act of 2013” for the purpose of prescribing the necessary rules and regulations for promoting and strengthening Filipino Design.

Section 2. Construction. – All doubts in the interpretation and implementation of these rules shall be liberally construed and resolved in favor of this Act.

Section 3. Statement of Policy. – It is the declared policy of the State to:

- a) Enhance the competitive and innovative quality of Philippine products and design Services;
- b) Create market-responsive design services, while advocating for economic and environmental sustainability;
- c) Promote an economy and society driven by design and creativity responsive to our fast-changing times and reflective of the Filipino culture and identity;
- d) Advocate the protection of intellectual property rights to these ideas and innovations.

Section 4. Objectives. – The State shall promote and strengthen the Philippine design industry to achieve the following objectives:

- a) Create integrated, forward-thinking and long-range direction and strategy for the design industry;
- b) Provide long-term guidance to promote national awareness on the use of design as a strategic tool for economic competitiveness and/or social innovation;
- c) Integrate design into other industries and aspects of society in order to create a demand for good design, and to extend its impact economically, socially, culturally and environmentally;
- d) Incorporate design as a priority component in national planning and development; and
- e) Ultimately, encourage and drive innovation so that the Philippines may use as leverage our raw materials, natural resources and creativity to stay ahead of the curve.

Section 5. Definition of Terms – For the purposes of this IRR, the following terms or words and phrases shall mean or be understood as follows:

- a) **Advisory Board.** Shall refer to the Design Advisory Council herein referred to as the DAC under Rule IV Section 5 which shall be created to assist the DCP in the formulation and implementation of policies, and these Rules.
- b) **Design.** Shall refer to a way of thinking and a problem-solving process that is user- centered, collaborative, multi-disciplinary and makes ideas tangible, whether in the form of products, services or experiences.
- c) **Design Network.** Shall refer to a supportive system of sharing design-related information and services among individuals and groups.
- d) **Design Promotion.** Shall refer to promoting awareness regarding the benefits of design, drive up demand for design services and put design at the heart of economic growth.
- e) **Design Research.** Shall refer to the process of collecting, preserving and disseminating information by whatever means, for purposes of furthering the development of design skills and knowledge, and advancing the theory and practice of design.

f) **Intellectual Property Rights.** Shall refer to those rights recognized and protected in Republic Act No. 8293 or the “Intellectual Property Code of the Philippines,” as amended.

g) **National Design Policy.** Shall refer to the State’s strategy in promoting design as a driving force towards a sustainable economic growth and development and a catalyst for increasing the competitiveness of the country in the global market.

h) **Policy.** Refers to a principle or rule as chosen by a government or other authoritative body to direct the affairs or society towards the realization of predetermined goals or objectives.

i) **Design Development.** Shall refer to the creation of design with new or different characteristics that offer new or additional benefits. It may involve the processes such as but not limited to the following:

- 1) New Design Strategy Development
- 2) Idea Generation
- 3) Screening and Evaluation
- 4) Business Analysis
- 5) Development
- 6) Testing
- 7) Commercialization

j) **Public-private partnership.** Shall refer to the partnership between government and private entities that shall assist the DCP in the formulation and implementation of policies herein referred to as the DAC and such other functions as stated in these Rules.

k) **Stakeholders of DCP.** Industry associations, manufacturers, designers, design academe, design students, government offices and any other beneficiaries of the services of the DCP.

RULE II -REORGANIZATION OF PDDCP

Section 6. Renaming and Re-engineering PDDCP. – The Product Development and Design Center of the Philippines (PDDCP) is hereby reengineered and renamed into the Design Center of the Philippines, herein referred to as the DCP. It shall be attached to the Department of Trade and Industry (DTI).

For this purpose, the DCP shall have the authority to organize its current structure, to achieve greater efficiency, and economy in its operations.

Section 7. The Structure of the DCP.

a) The DCP shall be headed by an Executive Director.

b) The DCP shall be organized in accordance with the new mandates and functions, as provided by law:

1. Policy Making: National Design Policy

2. Design Awareness & Culture.

- i. Design Promotion (Local and global, online and offline)
- ii. Design Integration (Intra and inter-industry)
- iii. Design Protection (Innovation and Technology Support Office)

3. Design for Development.

- i. Design for Social Innovation (Design for Public Good)
- ii. Design for Government
- iii. Design for Sustainability

4. Design and Innovation.

- i. Research and Development
- ii. Skills Development and Mentoring for Competitiveness
- iii. Brand of Design Excellence

5. Design Education.

6. International Relations.

Section 8. DCP Mandates. – The DCP is mandated to:

a) Promote design as a creative tool for improving the quality and competitiveness and branding of Filipino products in the global market; as a strategic tool of value creation for sustainable economic growth and development; and as an innovative tool for enhancing the quality of human life.

b) It is further mandated to:

1. Develop and maintain a creative research and development program on product design, development and improvement of Philippine products and services, including those created by the small and medium enterprises (SMEs).

2. Conduct continuing research on product and product packaging design trends, materials and processing technologies.

3. Create, develop, promote and upgrade the design of all Philippine products and services, including those created by the SMEs.

4. Conduct seminars and workshops on product design and development.

5. Set up design exhibitions.

6. Publish design-related materials.

7. Ensure protection of Filipino design ideas, products and other outputs of creative talents.

8. Promote design education throughout the country to meet the needs of Philippine industries; and

9. Promote Philippine design here and all over the world.

Section 9. Power and Functions of the DCP.

National Design Policy.

a) Formulate the National Design Policy, herein referred to as the NDP, aligning it with the government's economic agenda.

b) Continuously formulate five (5)-year plans, that are in line with the general NDP, but reflective of the changing conditions in both the domestic and international environments, in accordance with the new mandates and functions, as provided by law.

c) Coordinate, monitor and assess the implementation of the NDP, and, when necessary, update the NDP in the light of changing market conditions in both the domestic and international environments.

To monitor the efficiency and effectiveness of policies, rules or other methods in policy statements or plans with the aid from design sectors and government agencies, the DCP shall:

1. Undertake a review of provisions of the NDP and plans at a frequency prescribed by the Executive Director.
2. Monitor environmental results expected from policy statements and plans to assess outcomes.
3. Collect data and supplementary information from industry sectors.
4. Combine council databases to include all useful existing information and feedback to policy and other plan provisions.

The DCP shall be responsible in updating the NDP with regards to both domestic and international market condition.

d) Establish an evaluation system through which the results of the NDP (as well as singular projects and programs) could be assessed and improved.

NDP evaluation should be coordinated and prioritized by senior management. Critical review is the cornerstone of learning, improved performance and accountability. The guidelines for evaluation of NDP are as follows:

1. Identify and describe the policy, program or set of actions to be evaluated.

2. Outline program objectives, targets and milestones.

3. Describe program performance to date, including any problems and opportunities or improvement.

4. Assess the impacts and achievements of the program (a summative evaluation).
5. Determine ways of improving the program (a formative evaluation).
- e) Collaborate internationally with similar design policy advisory bodies of other countries and gain insights and investigate on how successful design practices in other countries can be transferred and adapted in the context of Filipino creative and knowledge-based industries as well as transition to the conceptual-based economy.
- f) Establish dialogue with designers to encourage them to actively engage in the implementation of design policy.
- g) Provide a forum for design stakeholders on current and emerging issues in the design profession.

Design Awareness.

- h) The DCP shall promote the design profession and the value of design.
- i) Build awareness of the importance of design to the public, through local and international exhibitions, conferences, competitions, publications, community and school activities and other design-related events.
- j) Promote awareness on the protection of intellectual property rights.
- k) Establish more public creative zones and environments in Metro Manila and other central hubs in different regions across the country.

Design Integration.

- l) Create networks and establish venues where all industries could interact in design dialogues and workshops, thereby promoting knowledge exchange, capability development and collaborative content creation.
- m) Identify and encourage public and private collaborations regarding design, competitiveness, governance and innovation to promote networking, business and partnership opportunities.

Design for Development.

- n) Conduct design-led approaches and competitions for the design industry to help government solve socio-economic and environmental challenges.
- o) Actively push for the use of design and innovation in government offices and departments, with the objective of coming up with programs and processes that will enable the government to simplify and streamline systems, so it can deliver its services more effectively and efficiently.
- p) Maintain a standard of sustainable design in all projects that are undertaken by the DCP.
- q) Employ design as a fundamental tool for communicating a strong national identity of the country.

Design and Innovation.

- r) Create a skill development, mentoring, support system for individuals, corporations, partnerships or associations particularly SMEs, who want to benefit from the strategic use of good design in business administration, commerce, trade and other enterprises.
- s) Undertake research and development on the different design strengths and assets of the Philippines (i.e. manipulation and development of raw materials that are indigenous to the country) so we can be able to come up with globally relevant yet uniquely Filipino innovations.

RULE III – THE DESIGN ADVISORY COUNCIL

Section 10. *Creation of the Design Advisory Council.* – There shall be created a Design Advisory Council, herein referred to as the DAC, which shall be a public-private partnership that will serve as an Advisory Council to the DCP. The DAC shall advise the DCP in the formulation and implementation of policies that will enhance the quality and competitiveness of Philippine products and services and shall support the Philippine government in its efforts to enhance the level of innovation and creativity in Philippine industries.

Section 11. *Powers and Functions of the Design Advisory Council.* – The DAC shall advocate and promote the strategic role of design in strengthening sustainability of Philippine socioeconomic growth and competitiveness. It shall exercise the following powers and functions:

- a) Provide advice and insights imperative in pursuing the mandate of the DCP by effectively representing the collective views of both public and private sectors.
- b) Advocate for full consideration of design's contribution to program effectiveness and innovations in government policy decisions.
- c) Review and promote policies where design is a key component.
- d) Act as a liaison among the professional design, manufacturing SMEs, design education and government design stakeholders.
- e) Provide advice and guidance to design educational institutions on the development and standardization of curricula aligned to the objectives of the National Design Policy, ensuring the propagation of high quality education in design in all regions across the country.

Section 12. Power to Issue Advisory Opinions and Recommendations. – The DAC shall have the power to issue advisory opinions and recommendations on guidelines or policies for consideration of DCP, for the effective implementation of RA 10557.

Section 13. Composition of the Design Advisory Council. – The DAC shall be composed of fifteen (15) members, nine (9) of whom shall come from the government sector while the remaining six (6) shall come from the private sector.

The nine (9) representatives from the government sector shall be the heads of the following agencies, or their official designated representatives or alternates who shall be at least second ranking permanent officials of their respective agencies, and who shall be ex-officio members of the DAC, namely:

- a) Secretary of the Department of Trade and Industry (DTI);
- b) Chairman of the National Commission for Culture and the Arts (NCCA);
- c) Secretary of the Department of Tourism (DOT);
- d) Secretary of the Department of Education (DepED);
- e) Chairperson of the Commission on Higher Education (CHED);
- f) Secretary of the Department of Science and Technology (DOST);
- g) Executive Director of the Design Center of the Philippines (DCP) as an ex officio member;
- h) Executive Director of the Center for International Trade Expositions and Missions (CITEM); and
- i) Director General of the Intellectual Property Office (IPO).

The other six (6) remaining members of the DAC shall come from organized associations involved in the design and creative industries, academic community engaged in design courses and representatives of the private sector including, but not limited to, visual communications, architecture, industrial design, interior design, information design, new media and technology, fashion design, environmental design, packaging, and similar areas.

The Council shall be co-chaired by the Secretary of the DTI and the representative from the private sector who shall be appointed by the President from among the private sector appointees.

The presence of eight (8) members shall constitute a quorum, and all decisions of the Council shall require the concurrence of the majority of such quorum. The members of the DAC shall receive per diems for every meeting attended at rates allowed under existing rules and regulations. The DAC may meet not more than twice a month. However, the Chairman may call a special meeting when the need arises.

The National Economic Development Authority (NEDA) shall be consulted on the development of design policies to ensure alignment with the Government's economic agenda. In the same manner, the Professional Regulations Commission (PRC) shall be consulted in formulating policies relating to the professional practice of creative and design professionals.

The DCP shall act as the Secretariat of the Council.

Section 14. Selection Process and Term of Appointment for Private Sector Representatives. The six (6) members from the private sector shall be appointed by the President from the nominees submitted by organizations of various design and creative industries, who shall be pre-qualified and selected by the DCP and recommended by the Secretary of the DTI.

The following procedure shall be observed in the selection processes:

- a) Organizations from various design and creative industries will nominate their representatives to the DAC;
- b) Nomination letters shall be submitted to the DCP addressed to its Executive Director;
- c) DCP shall pre-qualify the nominees based on the following selection criteria:
 1. Impeccable integrity and high motivation to serve the country;
 2. Industry expertise, taking into account the professional design practice, local and international experience and recognitions;
 3. In-depth knowledge on design, business and technology.
- d) After the pre-qualification process, DCP shall submit the list of qualified nominees to the DTI Secretary who shall further qualify and select from the list of nominees submitted by the DCP based on the above-mentioned selection criteria;
- e) The DTI Secretary shall recommend and submit the final list of nominees to the President;
- f) The President shall select and appoint six (6) nominees from the list recommended by the DTI Secretary, based also on the above-mentioned selection criteria, who shall become the official representatives from the Private Sector. The President shall also appoint one (1) representative from the selected six (6) representatives from the Private Sector who shall serve as Co-Chair of the DAC. Private sector representatives shall be appointed by the President for a term of three (3) years. The appointment of the next succeeding private sector representatives of the Council shall come from nominees from other design and creative industries to ensure participation of all stakeholders.

In any event that any member of the Council fails to complete his/her term, the successor shall also be appointed by the President but only for the unexpired portion of term, and shall come from the list earlier recommended by the DTI Secretary.

Section 15. Collegiality. – The DAC is a collegial body where the Chairman and its members are entitled to one (1) vote each.

Section 16. Delegation of Authority. – Action on routinary administrative matters may be delegated to any member of the DAC or to any ranking official of the Secretariat under such guidelines as the DAC may determine.

Section 17. Other Inherent, Necessary, Implied or Incidental Powers. – The DAC shall perform and exercise such other functions and exercise such other powers as may be inherent, necessary, implied or incidental to the functions assigned, and powers granted, to it under RA 10557 for the purpose of carrying out the declared policy of the RA 10557.

Section 18. Alternates. – The ex-officio members of the DAC may designate their respective alternates and whose acts shall be considered as acts of the principal member.

Section 19. Per Diems and other expenses. – The amount of Two thousand Pesos (Php 2,000.00) shall be granted to members of the DAC per meeting actually attended, subject to the application of pertinent laws, rule and regulations.

RULE IV – POWERS AND FUNCTIONS OF THE EXECUTIVE DIRECTOR

Section 20. Power and Functions of the Executive Director of the DCP. – The DCP shall have an Executive Director who shall execute, administer and implement the policies, plans and measures approved by the DAC and perform such other functions as may be necessary to carry out specific responsibilities in connection with said plans and measures.

A quarterly report of the accomplishments of the DCP shall be submitted by the Executive Director to the DAC. The DAC shall submit an annual report to the President of the Philippines not later than one (1) month after the end of each year.

RULE V – NATIONAL DESIGN POLICY

Section 21. *The National Design Policy* – The NDP shall serve as the State’s strategy in promoting design as a driving force towards a sustainable economic growth and development and a catalyst for increasing the competitiveness of the country in the global market. The NDP shall be created to meet the following goals:

a) Global Competitiveness.

1. Elevate Philippine designs and innovation toward global standards through collaboration with international design entities.
2. Enhance the competitive and innovative quality of Philippine products and design services, making it more responsive to social needs while advocating for economic and environmental sustainability.
3. Create a distinctive and recognizable identity for Philippine products through global positioning and branding of Philippine designs.
4. Build the competitiveness and capabilities of Filipino designers through continuous trainings, seminars and workshops, and collaborations with Philippine manufacturers; Implement programs for design graduates and on-the-job trainees to upgrade their competencies in addressing design issues.
5. Provide opportunities for Filipino designers to showcase their talent locally and internationally.

b) Institutionalization and Promotion of Design Culture Nationwide.

1. Encourage the creation of original designs in Philippine-made products and services by blending native and heritage-based aesthetics, indigenous arts, crafts and materials and current global design trends.
2. Promote the understanding and appreciation of the diversity and extent of Philippine cultural heritage to develop a Filipino-focused attitude in design innovation.
3. Enhance the quality of the Philippine products and services and productivity of the Philippine manufacturers through design.
4. Create design awareness among manufacturers and service providers, particularly the SMEs, on the competitiveness brought about by original designs.
5. Conduct programs that will challenge designers, design students and ordinary citizens to actively engage in solving and mitigating socio-economic and environmental problems through design-led approaches.
6. Establish networks and resources for knowledge exchange and capability development leveraging on automation, computerized and web-based services.
7. Encourage the collaboration and partnerships among local stakeholders of the design industry such as industry associations, management of the SMEs, Filipino designers, the academe, government agencies and other private organizations.

c) Creation of an Environment to Cultivate a Constant Demand for Good Design.

1. Ensure the balance of supply (designers) and demand (private and public organizations, whether local or international) of the design industry.
2. Promote an appreciation for good design not only among citizens, but also within business organizations and government institutions.
3. Create linkages with the business sector, the educational sector, government institutions and the public in general to encourage them to employ and invest in good design.

d) Design Protection

1. Promote Philippine designs through registration of Intellectual Property Rights and through Technology Licensing Offices.
2. Encourage and facilitate a culture of creating and protecting intellectual property in the area of design.

e) Design Education and Professional Development.

1. Elevate design education and design research in the Philippines to global standards of excellence.
2. Interact with government education sectors in reviewing the curriculum of design.
3. Invest an appropriate infrastructure and technology to support design.
4. Establish an active collaboration among industry, professional designers and the academe towards the development of the design profession.
5. Inculcate among the youth the value of good design in enhancing the quality of human life by including design appreciation in the curriculum.

f) Institutionalization of Design as an Effective Problem-Solving Tool.

1. Conceptualize effective and sustainable design-related approaches to drive economic growth and development.
2. Seek design solutions for issues related to social innovation and environmental sustainability and protection.
3. Expand awareness on the benefits of the strategic use of good design in business and government administration, trade and commerce, as well as in the SMEs.
4. Encourage the government to invest on activities geared towards increasing the competitiveness of the Philippine design and creative industries.

RULE VI-DESIGN EDUCATION

Section 22. Design Industries Linkages with the Educational System. – To ensure a continuous supply of creative talents and to stimulate design creativity and innovation among students at all levels of education, the education sectors such as the DepEd, the CHED and the TESDA, in consultation with and assistance of the DCP, shall formulate measures to establish a stronger connection between arts, culture, education and training, and to harness the potentials of the youth. For this purpose, the DAC shall develop and submit to the education sectors Fundamental Principles that will upgrade the Design programs and subjects in school into a high status and rigorous discipline that it is in the profession sectors.

Considering the importance of science and technology in the design process, the DOST, as member of the DAC, shall play a primary role in the development of such Fundamental Principles.

RULE VII – FINAL PROVISIONS

Section 23. Appropriations. –The amount necessary to carry out the initial implementation of this Act shall be charged against the current year’s appropriations of the DCP. Thereafter, such amount or appropriation as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

Section 24. Amendment. – As the need arises, this IRR may be recommended for amendment by the Executive Director.

Section 25. Authority to Issue, Clarify and Amend the Rules and Regulations Implementing R.A. 10557. – The DTI Secretary is authorized under this IRR whenever necessary to promulgate as well as clarify and/or amend these Rules.

Section 26. Repealing Clause. – Executive Order No. 133, s. 1987 is hereby amended accordingly. All other laws, decrees, executive orders, rules and regulations, or parts thereof which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

Section 27. Separability Clause. – If any provision of this IRR is declared unconstitutional, the other provisions which are not affected thereby shall remain in force and effect.

Section 28. Effectivity. – This IRR shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national papers of general circulation in the country.

Done in the City of _____, this _____day of _____in the year of our Lord, Two Thousand and Fifteen.

RECOMMENDED BY:

MYRNA M. SUNICO

Executive Director

Design Center of the Philippines

PONCIANO C. MANALO, JR.

Undersecretary

Trade and Investment Promotion Group

APPROVED BY:

GREGORY L. DOMINGO

Secretary

Department of Trade and Industry

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