



HOUSE OF REPRESENTATIVES

H. No. 4595

BY REPRESENTATIVES VILLAR, AGLIPAY, ROMULO, ROMUALDEZ, HARESCO, ABELLANOSA, CASTELO, VARGAS, RODRIGUEZ (R.), RODRIGUEZ (M.), TAN (A.), UY (R.), UY (J.), UNABIA, ACOSTA-ALBA, MONTEJO, SY-ALVARADO, MERCADO, ALVAREZ (F.), AMATONG (I.), MACROHON-NUÑO, NAVA (P.), SUANSING, UNGAB, LOBREGAT, TINIO, NAVA (J.), KHO, ALMARIO, PIAMONTE, ACOP, MASONGSONG, ESPINA, GARCIA (G.), OCAMPO AND CALIXTO-RUBIANO, PER COMMITTEE REPORT NO. 308

AN ACT PROMOTING THE DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. *Title.* – This Act shall be known as the “Go Negosyo
2 Act”.

3 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the
4 State to foster national development, promote inclusive growth, and reduce
5 poverty by encouraging the establishment of micro, small and medium
6 enterprises (MSMEs). MSMEs increase income for poor households and build
7 both business equity and personal assets over a period of time. To this end, the
8 State shall develop plans and initiate means to ease the constraints on the
9 establishment of MSMEs in order to rationalize the existing bureaucratic
10 regulations, providing greater incentives and benefits to MSMEs, and

1 strengthening the Micro, Small and Medium Enterprise Development
2 (MSMED) Council.

3 SEC. 3. *Establishment of Negosyo Centers.* – There shall be established
4 under the supervision of the MSMED Council, a Negosyo Center in all
5 provinces, cities and municipalities. The MSMED Council shall encourage
6 public-private partnerships in the establishment and management of Negosyo
7 Centers. In applicable areas, the existing MSME Centers shall continue to
8 operate as Negosyo Centers subject to the provisions of this Act. The Negosyo
9 Centers shall be responsible for promoting ease of doing business and
10 facilitating access to services for MSMEs within its jurisdiction. The MSMED
11 Council through the regional offices of the Department of Trade and Industry
12 (DTI) shall perform oversight functions and shall assign personnel to fulfill the
13 functions of the Negosyo Centers.

14 SEC. 4. *Functions of Negosyo Centers.* – Negosyo Centers shall have
15 the following functions:

16 (a) Promote ease of doing business and access to services for MSMEs
17 within its jurisdiction;

18 (b) Coordinate and facilitate processes of government related to the
19 set-up and management of MSMEs;

20 (c) Accept and facilitate all registration application of MSMEs;

21 (d) Coordinate with the respective local government units (LGUs) and
22 liaise with concerned government agencies to process the duly accomplished
23 forms submitted by the MSMEs;

24 (e) Integrate a unified business process system for MSMEs;

25 (f) Monitor and recommend business-process improvement for
26 MSMEs;

- 1 (g) Encourage government institutions that are related to the business
2 application process to help disseminate information regarding the Negosyo
3 Center;
- 4 (h) Provide information and services in training, financing and
5 marketing;
- 6 (i) Support private sector activities relating to MSMEs development;
- 7 (j) Co-organize with the local chambers of commerce and other
8 business organizations a mentoring program for prospective and current
9 entrepreneurs and investors;
- 10 (k) Build local support networks and establish market linkages for
11 MSMEs development;
- 12 (l) Coordinate with schools and organizations on the development of
13 youth entrepreneurship program;
- 14 (m) Facilitate access to grants and other forms of financial
15 assistance, shared service facilities and equipment, and other support for
16 MSMEs;
- 17 (n) Ensure management guidance, assistance and improvement of the
18 working conditions of MSMEs;
- 19 (o) Establish a databank which shall be a source of all information
20 necessary for project monitoring, research and policy studies and information
21 dissemination campaigns;
- 22 (p) Map out all information and services essential to prospective
23 entrepreneurs and prospective investors especially in key value chains and
24 economic subsectors within its jurisdiction;
- 25 (q) Establish a feedback mechanism among the MSMEs in the
26 respective jurisdiction of Negosyo Centers; and
- 27 (r) Conduct other programs or projects for entrepreneurial
28 development in the country aligned with the MSMEs development plan.

1 SEC. 5. *Registration* --

2 (a) MSMEs

3 (1) A unified and simplified business registration form shall be
4 developed by the DTI and shall be made available in all Negosyo Centers. The
5 unified business registration form shall contain all necessary information for
6 the business application process of MSMEs. The DTI shall be responsible for
7 regularly updating and maintaining the unified business registration forms.

8 (2) The Negosyo Center of each city or municipality shall facilitate and
9 expedite the business application process of MSMEs in coordination with the
10 LGUs and other concerned agencies.

11 (3) Should the concerned business permits and licensing offices fail to
12 process the application within fifteen (15) days, the MSME shall be deemed
13 registered for a period of one (1) year: *Provided, however,* That within a
14 period of thirty (30) days from the date of application of an MSME, any
15 business permit or licensing office shall have the authority to revoke the permit
16 or license upon determination that an MSME has not met the requirements and
17 qualifications imposed by the office.

18 (4) Thereafter, MSMEs shall renew their registration annually.

19 (b) Certificate of Authority for Barangay Micro Business Enterprises
20 (BMBEs) – The Negosyo Center in the city or municipal level shall have the
21 sole power to issue the Certificate of Authority to BMBEs in accordance with
22 Republic Act No. 9178, otherwise known as the “Barangay Micro Business
23 Enterprises (BMBEs) Act of 2002”. Upon the approval of registration of the
24 BMBE, the Negosyo Center shall issue the Certificate of Authority. To defray
25 the administrative cost of registering and monitoring the microenterprise, the
26 Negosyo Centers may charge a fee which shall not be more than five hundred
27 pesos (P500.00).

1 (c) Philippine Business Registry Databank – A Philippine Business
2 Registry Databank (PBRD) shall be established under the DTI to serve as a
3 repository of information of all business enterprises in the Philippines.

4 SEC. 6. *Eligibility.* – Any person, natural or juridical, having the
5 qualifications as defined in Section 3(a) of Republic Act No. 9178 may apply
6 for registration as MSME.

7 SEC. 7. *Start-up Funds for MSMEs.* – Aside from the existing benefits
8 for MSMEs, the MSMED Council, through the DTI, the Department of
9 Finance (DOF) and the appropriate financing institutions, shall establish a
10 Start-up Fund for MSMEs to be sourced from the MSME Development Fund
11 and BMBE Fund to provide financing for the development and promotion of
12 MSMEs in priority sectors of the economy as specified in the MSMED Plan.

13 SEC. 8. *Composition of the Micro, Small and Medium Enterprises*
14 *Development (MSMED) Council* – To ensure greater representation by the
15 sectors involved, the members of the Council shall be the following:

- 16 (a) The Secretary of Trade and Industry as Chairperson;
17 (b) The Secretary of Agriculture;
18 (c) The Secretary of Environment and Natural Resources;
19 (d) The Secretary of the Interior and Local Government;
20 (e) The Secretary of Science and Technology;
21 (f) The Secretary of Tourism;
22 (g) The Director General of the National Economic and Development
23 Authority;
24 (h) The Governor of the Bangko Sentral ng Pilipinas;
25 (i) The Chairman of the Small Business Corporation;
26 (j) Three (3) representatives from the MSME sector to represent
27 Luzon, Visayas and Mindanao with at least one (1) representative from the

1 micro enterprise sector and at least one (1) representative from the youth sector
2 to focus on the promotion of youth entrepreneurship;

3 (k) One (1) representative from the labor sector, to be nominated by
4 accredited labor groups;

5 (l) A representative from the private banking sector to serve
6 alternatively between the chamber of thrift banks, and the Rural Banker's
7 Association of the Philippines (RBAP);

8 (m) A representative of microfinance nongovernment organizations
9 (NGOs);

10 (n) A representative of the University of the Philippines Institute for
11 Small Scale Industries (UP-ISSI)

12 (o) Chairperson of the Senate Committee on Trade, Commerce and
13 Entrepreneurship;

14 (p) Chairperson of the House Committee on Small Business and
15 Entrepreneurship Development; and

16 (q) Chairperson of the House Committee on Trade and Industry.

17 The members may elect from among themselves a Vice Chairman to
18 preside over the Council meetings in the absence of the Chairman. The
19 MSMED Council shall meet regularly on a quarterly basis. *Provided, That,*
20 the Council may call special meetings as may be necessary.

21 *SEC. 9. Additional Functions of the MSMED Council.* – Aside from
22 its existing functions as mentioned under Section 7-B of Republic Act No.
23 9501, otherwise known as the “Magna Carta for Micro, Small and Medium
24 Enterprises (MSMEs)”, the MSMED Council shall have the following
25 additional functions:

26 (a) Coordinating and Oversight Body for the Negosyo Center. –
27 MSMED Council, through the DTI, shall act as the coordinating and

1 supervising body for all the agencies involved in the establishment and
2 operation of the Negosyo Centers.

3 (b) Provision of a Compliance Guide. – For each rule or group of
4 related rules issued by any government agency for compliance by MSMEs, the
5 Council shall publish compliance guidelines which shall be written in plain
6 language or in the local dialect, if necessary.

7 The Council shall prepare separate compliance guides covering groups
8 or classes of similarly affected MSMEs and shall cooperate with industry
9 associations to develop and distribute such compliance guides. The
10 publication of each compliance guide shall include the posting of the guide in
11 an easily identified location on the website of the agency, and distribution of
12 the guide to known industry contacts, such as small entities, associations or
13 industry leaders affected by the rule. The issuing government agency shall
14 publish and disseminate the compliance rules within ninety (90) days from the
15 date of issuance.

16 SEC. 10. *Information Dissemination* – The Philippine Information
17 Agency (PIA), through the Office of Public Information in each city or
18 municipality, in coordination with the DTI, the Bangko Sentral ng Pilipinas
19 (BSP), the Department of Labor and Employment (DOLE) and the Department
20 of the Interior and Local Government (DILG) shall ensure the proper and
21 adequate information dissemination of the contents and benefits of this Act to
22 the general public especially to its intended beneficiaries specifically in the
23 barangay level.

24 SEC. 11. *Appropriations*. – The amount necessary to carry out the
25 initial implementation of this Act shall be sourced from the current budget of
26 the DTI. Thereafter, such sums as may be necessary for the continued
27 implementation of this Act shall be included in the succeeding General
28 Appropriations Act.

1 SEC. 12. *Implementing Rules and Regulations* – The Secretary of the
2 DTI, in consultation with the appropriate agencies as may be deemed
3 necessary, shall formulate the necessary rules and regulations to implement the
4 provisions of this Act within ninety (90) days after its approval. The rules and
5 regulations issued pursuant to this Section shall take effect fifteen (15) days
6 after its publication in a newspaper of general circulation.

7 SEC. 13. *Separability Clause* – If any provision of this Act shall be
8 held unconstitutional, the remainder of this Act not otherwise affected shall
9 remain in full force and effect.

10 SEC. 14. *Repealing Clause.* – Section 4 of Republic Act No. 9178 is
11 hereby repealed. Sections 7-A and 7-B of Republic Act No. 6977, as amended
12 by Republic Act No. 8289 and Republic Act No 9501, are hereby amended.
13 Section 12 of Republic Act No. 9178 is also hereby amended. All other
14 existing laws, presidential decrees, executive orders, proclamations or
15 administrative regulations that are inconsistent with the provisions of this Act
16 are hereby amended, modified or repealed accordingly.

17 SEC. 15. *Effectivity* – This Act shall take effect fifteen (15) days
18 after its publication in the *Official Gazette* or in a newspaper of general
19 circulation.

Approved,

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