

REPUBLIC ACT NO. 10644

The “GO NEGOSYO” Act

A BRIEFER



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January 2015


Republic Act No. 10644:
The “Go Negosyo Act”

*A copy of the Negosyo Act and its IRR can be downloaded at
www.dti.gov.ph on SME Laws and Incentives.*

Issued this 19th day of December 2014 in Makati City,
Philippines.


GREGORY L. DOMINGO
Secretary
Department of Trade and Industry

Recommended by:


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scheduled reconstitution of the MSMED Council.

Sec. 2. Constitution of the Advisory Unit. In order to ensure continuity in the support and assistance to the MSMEs, any current member of the MSMED Council whose representation has now been designated as being part of the Advisory Unit, will continue to be a member of the Advisory Unit until such time that the MSMED Council issues the relevant policy concerning the term of office of each Advisory Unit member which are not ex-officio in nature.

RULE 10 Final Provisions

SECTION 1. *Effectivity Clause.* Pursuant to Section 13 of RA 10644, these Implementing Rules and Regulations formulated by the Secretary of the Department of Trade and Industry, in consultation with the appropriate agencies as may be deemed necessary, shall prescribe the implementation of the Act. Upon approval of the Secretary of Trade and Industry, these rules shall take effect within fifteen (15) days from its publication in a newspaper of general circulation.

Sec. 2. Separability Clause. If, for any reason, any section or provision of the herein “IRR” or application of such rules and regulations or provision to any person or circumstances is declared unconstitutional or invalid, the remainder of this “IRR of the Go Negosyo Act”, or application of such provisions to other circumstances, shall not be affected by such declaration.

Sec. 3. Repealing Clause. Any provisions of the rules, regulations, codes, orders, resolutions, measures, and other policies or parts thereof issued and promulgated pursuant to RA 9178 and Republic Act No. 6977, as amended by Republic Act No. 8289 and Republic Act No. 9501, which are inconsistent with this “IRR of the Go Negosyo Act” are hereby superseded, repealed or amended accordingly.

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current budget of the DTI.

Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the succeeding General Appropriations Act. The amount to be allocated shall include, but not be limited to, support for the provincial, city and municipal operations of the Negosyo Centers.

RULE 8 Provision of Amendments to the IRR

SECTION 1. *Amendments to the IRR.* In the event that amendments may be needed to this IRR, the BSMED shall submit the proposed amendments to the Secretary of Trade and Industry for approval.

RULE 9 Transitory Provisions

SECTION 1. *Full Reconstitution of MSMED Council.* The Secretary of the Department of Trade and Industry, as Chair of the MSMED Council, shall ensure that the MSMED Council as presently constituted shall meet to deliberate and act appropriately on policy and program matters, until such time that the MSMED Council is fully reconstituted pursuant to RA 10644. The presently constituted MSMED Council shall be limited to matters with identified timeframes, and urgent concerns from consultations for the formulation of this IRR, to ensure that there is no gap in policy and program formulation for the MSMEs.

In this regard, the MSMED Council Chair shall ensure that the MSMED Council shall be reconstituted within sixty (60) days from the approval of this IRR. The Philippine Commission on Women (PCW) and the National Youth Commission (NYC) shall submit the names of their designated representatives before the

RULE 5

Micro, Small and Medium Enterprises Development Council

SECTION 1. *Composition of the Micro, Small and Medium Enterprises Development (MSMED) Council.* The composition of the Micro, Small and Medium Enterprises Development (MSMED) Council shall be in accordance with Section 9 of R.A. No. 10644.

Sec. 2. *Additional Functions of the MSMED Council.* The additional functions of the MSMED Council shall be in accordance with Sec. 10 of R.A. No. 10644.

The MSMED Council shall, through a resolution, identify the other functions of the Regional and Provincial MSMED Councils to pursue the function as coordination and oversight body for the Negosyo Centers.

RULE 6

Public Information Dissemination

SECTION 1. *Information Dissemination.* The Philippine Information Agency (PIA), in coordination with the DTI and the DILG, shall ensure the proper and adequate information dissemination of the contents and benefits of RA No. 10644 and this IRR to pertinent media entities and all cities, municipalities and barangays and widely to other stakeholders. To ensure wide dissemination to as many stakeholders as possible, the agencies concerned shall utilize electronic updates and posting in their respective websites and social media and provide leaflets or brochures which shall contain frequently asked questions.

RULE 7

Appropriations

SECTION 1. *Appropriations.* The amount necessary to carry out the initial implementation of this Act shall be sourced from the

INTRODUCTION

The Philippines is composed of a huge number of Micro, Small and Medium Enterprises (MSMEs), which account for more than 99% of all establishments in the country. These MSMEs also comprise 66% of the country's total employment in the private sector, making them veritable engines of growth that virtually spur the development of the country.

The approval of Republic Act No. 10644: An Act Promoting Job Generation and Inclusive Growth through the Development of Micro, Small and Medium Enterprises or the "Go Negosyo Act" authored by Senator Paolo Benigno "Bam" Aquino is targeted to bring government services closer to these MSMEs, particularly small businesses, through the establishment of Negosyo Centers in all provinces, cities and municipalities nationwide.

The Negosyo Centers shall be responsible for promoting ease of doing business and facilitating access to services for MSMEs. Aside from facilitating business registration through the Philippine Business Registry (PBR) System, the Centers shall provide assistance to MSMEs in the availment of technology transfer, production and management training programs and marketing assistance of the Department of Trade and Industry (DTI), Department of Science and Technology (DOST), University of the Philippines – Institute for Small-Scale Industries (UPISSI), Cooperative Development Authority (CDA), Technical Education and Skill Development Authority (TESDA) and other relevant agencies.

With the Go Negosyo Act, the DTI, with the support of Local Government Units (LGUs) and other government agencies, expects to further boost government's assistance to MSMEs for them to flourish, thereby intensifying the continued promotion of entrepreneurship in the Philippines. This will then redound to sustained growth particularly in the countryside, the creation of new entrepreneurs and the rapid expansion of existing ones, leading to more jobs and an improved standard of living for the Filipino.

FREQUENTLY ASKED QUESTIONS

What is Republic Act No. 10644?

Republic Act No. 10644, otherwise known as “Go Negosyo Act”, seeks to strengthen micro, small and medium enterprises (MSMEs) to create more job opportunities in the country. It was signed into law by President Benigno Simeon C. Aquino III on July 15, 2014. The Department of Trade and Industry (DTI) issued Department Administrative Order No. 14-5 Series of 2014: “Implementing Rules and Regulations for Republic Act No. 10644.

What is the basic policy of the “Go Negosyo Act”?

The basic policy of “Go Negosyo Act” is to foster national development, promote inclusive growth, and reduce poverty by encouraging the establishment of MSMEs that facilitate local job creation, production and trade in the country.

What are the salient features of the Act?

- Establishment of Negosyo Centers in all provinces, cities and municipalities nationwide;
- Establishment of a Start-up Fund for MSMEs to be sourced from the MSME Development Fund and BMBE Fund;
- Technology transfer, production and management training, and marketing assistance for SMEs;
- A unified and simplified business registration through automatic approval of business permits and licenses that are not approved for any reason within 15 days; and,
- Reconstitution of the MSME Development Council and its additional functions.

Who should establish the Negosyo Centers in the locality?

The MSME Development (MSMED) Council shall encourage public-private partnerships in the establishment and

(BMBEs)

The registration of Barangay Micro Business Enterprises (BMBEs) shall be in accordance with Section 5 (b) of R.A. No. 10644.

The MSMED Council shall, through a resolution, provide guidelines for the issuance of the Certificate of Authority for BMBEs.

- (c) Philippine Business Registry Databank - The establishment of the “Philippine Business Registry Databank” shall be in accordance with Section 5 (c) of R.A. No. 10644.

Sec. 2. *Eligibility.* The definition of eligibility under these IRR shall be in accordance with the definition provided in Sec. 3. (a) of R.A. No. 9178.

Sec. 3. *Start-up Funds for MSMEs.* The establishment of “Start-up Funds for MSMEs” shall be in accordance with Section 7 of R.A. 10644.

The amount to be allocated for the Start-Up Fund and the guidelines for its use must be identified by the MSMED Council through a resolution.

Sec. 4. *Technology Transfer, Production and Management Training, and Marketing Assistance.* The availment of technology transfer, production and management training and marketing assistance shall be done in accordance with Section 8 of RA 10644.

The MSMED Council may, upon consultation with the above-mentioned agencies, issue a resolution on a Manual of Operations for this section specifically identifying the individual and collective roles of the above-mentioned agencies.

RULE 4

Provisions on Micro, Small and Medium Enterprises

SECTION 1. *Registration.*

(a) Business Registration of MSMEs

i) Creation of a unified business registration form.

A unified and simplified business registration form shall be developed by the DTI, in coordination with the DILG and other relevant agencies, which shall have as basis the current form being used for the BPLS, and shall be made available in all Negosyo Centers and local government units. The DTI shall be responsible for regularly updating and maintaining the unified business registration forms which shall be made available electronically.

ii) Timelines.

Should the concerned business permits and licensing offices (BPLO) fail to process the application, within fifteen (15) calendar days upon receipt of the BPLO, the MSME shall be deemed registered for a period of one (1) year: *Provided, however,* That within a period of thirty (30) calendar days from the date of application of an MSME with the BPLO, any business permit and licensing office shall have the authority to revoke the permit or license upon determination that an MSME has not met the requirements and qualifications imposed by the office. *Provided, further,* that the BPLO shall immediately inform the applicant by way of a written notice of revocation.

(b) Registration of Barangay Micro Business Enterprises

management of Negosyo Centers. Coordination and collaboration with Local Government Units (LGUs) and other agencies and organizations are imperative to avoid duplication of efforts and to foster coordinated action.

Can an existing MSME Center or Business Assistance Center operate as a Negosyo Center?

Yes, existing Centers may continue to operate as Negosyo Centers subject to the provisions of the Go Negosyo Act and its Implementing Rules and Regulations.

Who can avail of the services offered by the Negosyo Centers?

MSMEs, as defined in Section 3 of R.A. No. 9501, may avail of the services of the Negosyo Center, to wit: "any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories:

Micro	:	not more than ₱ 3,000,000
Small	:	₱ 3,000,001 – ₱ 15,000,000
Medium	:	₱ 15,000,001 – ₱100,000,000

The above definitions shall be subject to review and adjustment by the Micro, Small and Medium Enterprises Development (MSMED) Council as mandated by R.A. No. 6977, as amended by R.A. No. 8289.

Who will supervise and man the Centers?

The MSMED Council, through the Department of Trade and Industry, is the coordinating and supervising body for all

agencies involved in the establishment and operation of Negosyo Centers. It shall perform oversight functions and shall assign personnel to fulfill the functions of the Negosyo Centers.

Who are the members of the Micro, Small and Medium Enterprises Development (MSMED) Council?

The members of the Council are Department of Trade and Industry (DTI), Department of Agriculture (DA), Department of the Interior and Local Government (DILG) and representatives from the MSMEs, women and youth sectors and the Small Business Corporation. There is an Advisory Unit whose members are government agencies, government and private financing institutions, labor and academe representatives.

What are the functions of the Negosyo Centers?

The Negosyo Centers will be responsible for promoting “ease of doing business and facilitating access to services for MSMEs within its jurisdiction.” The Centers shall have the following functions:

a) Business Registration Assistance

- i. Accept and facilitate all new registration and renewal of application of MSMEs, including application for Barangay Micro-Business Enterprise (BMBE);
- ii. Coordinate with the representative local government units (LGUs) and liaise with concerned government agencies to process the duly accomplished forms submitted by the MSMEs; and,
- iii. Implement a unified business registration process preferably through automated systems such as Philippine Business Registry (PBR).

b) Business Advisory Services

- i. Assist MSMEs in meeting regulatory requirements to start

other business organizations and government agencies, a mentoring program for prospective and current entrepreneurs and investors;

- vi) Conduct other programs or projects for entrepreneurial development in the country aligned with the MSMEs development plan.

(c) Business Information and Advocacy

- i) Provide information and services in training, financing, marketing and other areas as may be required by MSMEs;
- ii) Establish and maintain a databank which will support business information requirements of MSMEs;
- iii) Promote ease of doing business and access to services for MSMEs within its jurisdiction;
- iv) Support private sector activities relating to MSMEs development;
- v) Encourage government institutions that are related to the business application process to help promulgate information regarding the Negosyo Center;
- vi) Coordinate with schools and related organizations on the development of youth entrepreneurship program;
- vii) Encourage women entrepreneurship through access to information, training, credit facilities, and other forms of assistance.

(d) Monitoring and Evaluation

- i) Monitor and recommend business-process improvement for MSMEs;
- ii) Establish a feedback mechanism among the MSMEs in the respective jurisdiction of Negosyo Centers.

- (e) Perform such other functions that may be assigned by the MSMED Council as germane to RA 10644 and other related laws.**

(NERBAC). In applicable areas, the existing SME Centers and NERBAC, administered by the DTI in provinces, cities and municipalities, if any, may be converted to Negosyo Centers subject to the provisions of this Act. Existing Regional NERBACs or SME Centers may be utilized as Negosyo Centers for the Provinces and Cities where they are physically located.

Sec. 6. *Functions of the Negosyo Centers.* The Negosyo Centers shall have the following functions:

(a) Business Registration Assistance

- i) Accept and facilitate all new registration and renewal application of MSMEs, including application for Barangay Micro-Business Enterprise (BMBE);
- ii) Coordinate with the respective local government units (LGUs) and liaise with concerned government agencies to process the duly accomplished forms submitted by the MSMEs;
- iii) Implement a unified business registration process preferably through automated systems such as the Philippine Business Registry (PBR);

(b) Business Advisory Services

- i) Assist MSMEs in meeting regulatory requirements to start and maintain the business;
- ii) Build local support networks and establish market linkages for MSME development through the Micro, Small and Medium Enterprise Development (MSMED) Council and DTI;
- iii) Facilitate access to grants and other forms of financial assistance, shared service facilities and equipment, and other support for MSMEs through national government agencies (NGAs);
- iv) Ensure management guidance, assistance and improvement of the working conditions of MSMEs;
- v) Co-organize with the local chambers of commerce,

and sustain the business;

- ii. Build local support networks and establish market linkages for MSME development through the Micro, Small and Medium Enterprises Development (MSMED) Council and DTI;
- iii. Facilitate access to grants and other forms of financial assistance, shared service facilities and equipment, and other support for MSMEs through national government agencies (NGAs);
- iv. Ensure management guidance, assistance and improvement of the working conditions of MSMEs;
- v. Co-organize with the local chambers of commerce, other business organizations and government agencies, a mentoring program for prospective and current entrepreneurs and investors; and,
- vi. Conduct other programs or projects for entrepreneurial development in the country aligned with the MSMEs development plan.

c) *Business Information and Advocacy*

- i. Provide information and services in training, financing, marketing, and other areas as may be required by MSMEs;
- ii. Establish and maintain a databank which will support business information requirements of MSMEs;
- iii. Promote ease of doing business and access to services for MSMEs within its jurisdiction;
- iv. Support private sector activities relating to MSMEs development;
- v. Encourage government institutions that are related to the business application process to help promulgate information regarding the Negosyo Center;
- vi. Coordinate with schools and related organizations on the development of youth entrepreneurship program; and,
- vii. Encourage women entrepreneurship through access to information, training, credit facilities, and other forms of

assistance.

d) Monitoring and Evaluation

- i. Monitor and recommend business-process improvement for MSMEs; and,
- ii. Establish a feedback mechanism among the MSMEs in the respective jurisdiction of Negosyo Centers.

10644.

Sec. 2. Set-up and approval of a multi-phase plan for creation/ strengthening of Negosyo Center.

- (a) Within one hundred eighty (180) days from its reconstitution, the MSMED Council shall approve a multi-phase plan, for the establishment and management of the afore-mentioned Negosyo Centers.
- (b) The multi-phase plan shall consider the different modes of establishing the Negosyo Centers based on the needs of the MSMEs, as well as the capacities and capabilities of the LGUs and other necessary factors.
- (c) The multi-phase plan shall include the management structure and processes for the MSMED Council's supervision of the Negosyo Centers.
- (d) The creation and roll-out of the multi-phase plan, and as envisioned under paragraph (b) hereof, Negosyo Centers shall continue to be established and perform their mandates without prejudice to the MSMED Plan.

Sec. 3. Public-Private Partnerships. The MSMED Council, in the national and local levels, shall encourage public-private partnerships in the establishment and management of Negosyo Centers.

Section 4. Lead Role by LGU in creation of Negosyo Center. In cases where the province, city or municipality takes the lead role in the establishment and management of Negosyo Centers, the DTI, DILG and the LGA may offer assistance to the LGU in integrating this creation through the LGU's Local Development and Investment Plan, Annual Investment Plan and other relevant executive and legislative issuances.

Sec. 5. Operations of Existing SME Centers and National Economic Research and Business Assistance Center

- (a) Republic Act No. 9178, Barangay Micro Business Enterprises (BMBEs) Act of 2002;
- (b) Republic Act No. 6977, Magna Carta for Micro, Small and Medium Enterprises (MSMEs), as amended by Republic Act No. 8289 and Republic Act No. 9501; and
- (c) Other laws, insofar as their provisions have not been amended or repealed by R.A. No. 10644, the “Go Negosyo Act.”

RULE 2

Declaration of Policy and other General Policy Statements

SECTION 1. *Declaration of Policy.* These rules and regulations shall be in accordance with the Declaration of Policy set forth in Section 2 of R.A. No. 10644.

Sec. 2. *Local Economic Development.* In order to pursue the policies of the State as declared in Republic Act No. 10644, particularly with regard to inclusive growth and job generation, this IRR recognizes the imperatives of working with Local Government Units (LGUs) and other agencies and organizations, both in the public and private sectors towards Local Economic Development.

To avoid duplication of efforts and to foster coordinated actions, all initiatives towards this end must ensure coordination and collaboration with existing structural mechanisms promoting MSMEs and entrepreneurship.

RULE 3

Implementation of Provisions on Negosyo Centers

SECTION 1. *Establishment and Management of Negosyo Centers.* The establishment and management of Negosyo Centers shall be in accordance with Section 3 of R.A. No.

REPUBLIC ACT NO. 10644

AN ACT PROMOTING JOB GENERATION AND INCLUSIVE GROWTH THROUGH THE DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES

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

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

SEC. 2. Declaration of Policy. – It is hereby declared, the policy of the State to foster national development, promote inclusive growth, and reduce poverty by encouraging the establishment of micro, small and medium enterprises (MSMEs) that facilitate job creation, production and trade in the country. MSMEs increase income for poor households and build both business equity and personal assets over a period of time. To this end, the State shall develop plans and initiate means to ease the constraints on the establishment of MSMEs in order to rationalize the existing bureaucratic regulations, providing greater incentives and benefits to MSMEs, and strengthening the Micro, Small and Medium Enterprise Development (MSMED) Council.

SEC. 3. Establishment of Negosyo Centers. – There shall be established under the supervision of the Micro, Small and Medium Enterprise Development (MSMED) Council, a “Negosyo Center” in all provinces, cities and municipalities. The MSMED Council shall encourage public-private partnerships in the establishment and management of Negosyo Centers. In applicable areas, the existing MSME Centers shall continue to operate as Negosyo Centers subject to the provisions of this Act. The Negosyo Centers shall be responsible for promoting ease of doing business and facilitating access to services for MSMEs within its jurisdiction. The MSMED Council through the

regional offices of the Department of Trade and Industry (DTI) shall perform oversight functions and shall assign personnel to fulfill the functions of the Negosyo Centers.

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

- (a) Promote ease of doing business and access to services for MSMEs within its jurisdiction;
- (b) Coordinate and facilitate processes of government related to the set-up and management of MSMEs;
- (c) Accept and facilitate all registration application of MSMEs;
- (d) Coordinate with respective local government units (LGUs) and liaise with concerned government agencies to process the duly accomplished forms submitted by the MSMEs;
- (e) Integrate a unified business process system for MSMEs;
- (f) Monitor and recommend business-process improvement for MSMEs;
- (g) Encourage government institutions that are related to the business application process to help promulgate information regarding the Negosyo Center;
- (h) Provide information and services in training, financing and marketing;
- (i) Support private sector activities relating to MSMEs development;
- (j) Co-organize with the local chambers of commerce and other business organizations a mentoring program for prospective and current entrepreneurs and investors;
- (k) Build local support networks and establish market linkages



Department Administrative Order No. 14-5
Series of 2014

**IMPLEMENTING RULES AND REGULATIONS FOR
REPUBLIC ACT NO. 10644: AN ACT PROMOTING JOB
GENERATION AND INCLUSIVE GROWTH THROUGH THE
DEVELOPMENT OF MICRO, SMALL AND MEDIUM
ENTERPRISES, OTHERWISE KNOWN AS THE “GO
NEGOSYO ACT”**

The following rules and regulations implementing Republic Act No. 10644, otherwise known as the “Go Negosyo Act”, pursuant to Section 13 thereof, are hereby promulgated.

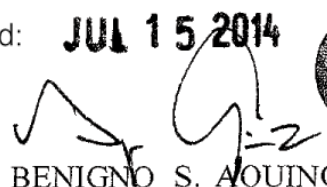
**RULE 1
Preliminary Provisions on Title and Construction and
Interpretation**

SECTION 1. Title. These Rules shall be referred to as the “Implementing Rules and Regulations for Republic Act No. 10644” otherwise known as the “Go Negosyo Act” and for brevity, may be referred to as the IRR of the “Go Negosyo Act”.

Sec. 2. Construction and Interpretation. These Rules shall be interpreted, construed and carried out pursuant to the intents and purposes of the Declaration of Policy of R.A. No. 10644 and which shall be made an integral part hereof.

Sec. 3. Relation to other Laws on Micro, Small and Medium Enterprises (MSMEs). This IRR recognizes the existing policies of the State on MSMEs insofar as their provisions have not been amended or repealed by RA No. 10644, “Go Negosyo Act,” under the following laws:

Approved: JUL 15 2014


BENIGNO S. AQUINO III
President of the Philippines



for MSME development;

- (l) Coordinate with schools and related organizations on the development of youth entrepreneurship program;
- (m) Encourage women entrepreneurship by giving women access to information, support, training, and credit facilities;
- (n) Facilitate access to grants and other forms of financial assistance, shared service facilities and equipment, and other support for MSMEs;
- (o) Ensure management guidance, assistance and improvement of the working conditions of MSMEs;
- (p) Establish a databank which shall be a source of all information necessary for project monitoring, research and policy studies and informal dissemination campaigns;
- (q) Map out all information and services essential to prospective entrepreneurs and prospective investors especially in key value chains and economic subsectors within its jurisdiction;
- (r) Establish a feedback mechanism among the MSMEs in the respective jurisdiction of Negosyo Centers, and
- (s) Conduct other programs or projects for entrepreneurial development in the country aligned with the MSMEs development plan.

SEC. 5. Registration. –

(a) Registration of MSMEs

- (1) A unified and simplified business registration form shall be developed by the DTI and shall be made available in all Negosyo Centers. The unified business registration

form shall contain all necessary information for the business application process of MSMEs. The DTI shall be responsible for regularly updating and maintaining the unified business registration forms.

- (2) The Negosyo Centers of each city or municipality shall facilitate and expedite the business application process of MSMEs in coordination with the LGUs and other concerned agencies.
- (3) Should the concerned business permits and licensing offices fail to process the application within fifteen (15) days, the MSME shall be deemed registered for a period of one (1) year: Provided, however, That within a period of thirty (30) days from the date of application of an MSME, any business permit or licensing office shall have the authority to revoke the permit or license upon determination that an MSME has not met the requirements and qualifications imposed by the office.
- (4) Thereafter, MSMEs shall renew their registration annually.
- (b) Certificate of Authority for Barangay Micro Business Enterprises (BMBEs) – The DTI, through the Negosyo Center in the city or municipal level, shall have the sole power to issue the Certificate of Authority for BMBEs to avail of the benefits provided by Republic Act No. 9178, otherwise known as “Barangay Micro Business Enterprises (BMBEs) Act of 2002”. Upon the approval of registration of the BMBE, the Negosyo Center shall issue the Certificate of Authority, renewable every two (2) years. The DTI, through the Negosyo Center may charge a fee which shall not be more than One thousand pesos (₱1,000.00) to be remitted to the National Government.
- (c) Philippine Business Registry Databank – A Philippine Business Registry Databank (PBRD) shall be established under the DTI to serve as a repository of information of all


fifteen (15) days after its publication in a newspaper of general circulation.


SEC. 14. Separability Clause. – If any provision of this Act shall be held unconstitutional, the remainder of this Act not otherwise affected shall remain in full force and effect.

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

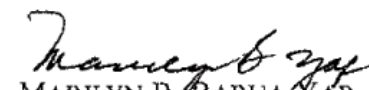
SEC. 16. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.


Approved,


FELICIANO BELMONTE JR.
*Speaker of the House
of Representatives*


FRANKLIN M. DRILON
President of the Senate

This Act which is a consolidation of Senate Bill No. 2046 and House Bill No. 4595 was finally passed by the Senate and the House of Representatives on June 11, 2014 and June 10, 2014, respectively.


MARILYN B. BARUA
*Secretary General
House of Representatives*


OSCAR G. YABES
Secretary of the Senate

entrepreneurial behavior, barriers, participation and cessation rates, discriminatory practices and contribution to the national economy and growth.

- (d) **Policy Formulation on Women Entrepreneurship.** – The Council shall provide policy direction towards recognizing women's propensity in doing business as well as establish linkages that will enable more opportunities for women to engage in entrepreneurship.
- (e) **Development of Entrepreneurial Education and Training.** – The MSMED Council shall develop, in coordination with the Department of Education, TESDA and CHED, a course curriculum or training program in entrepreneurship that will promote entrepreneurial culture and competence. Entrepreneurship shall be integrated in the curriculum of educational and training institutions in all levels.

SEC. 11. Information Dissemination. – The Philippine Information Agency, in coordination with the DTI and the Department of the Interior and Local Government (DILG), shall ensure the proper and adequate information dissemination of the contents and benefits of this Act to pertinent media entities and all cities, municipalities and barangays.

SEC. 12. Appropriations. – The amount necessary to carry out the initial implementation of this Act shall be sourced from the current budget of DTI. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the succeeding General Appropriations. Act.

SEC. 13. Implementing Rules and Regulations. – The Secretary of the DTI, in consultation with appropriate agencies as may be deemed necessary, shall formulate the necessary rules and regulations to implement the provisions of this Act within ninety (90) days after its approval. The rules and regulations issued pursuant to this Section shall take effect

business enterprises in the Philippines.

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

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

SEC. 8. Technology Transfer, Production and Management Training, and Marketing Assistance. – The Negosyo Centers shall provide assistance to MSMEs in the availment of technology transfer, production and management training programs and marketing assistance of the DTI, Department of Science and Technology (DOST), University of the Philippines-Institute for Small-Scale Industries (UP-ISSI), Cooperative Development Authority (CDA), Technical Education and Skills Development Authority (TESDA) and other agencies concerned.

SEC. 9. Composition of the Micro, Small and Medium Enterprises Development (MSMED) Council. – The members of the Council shall be the Following:

- (a) The Secretary of Trade and Industry as Chair;
- (b) The Secretary of Agriculture;
- (c) The Secretary of the Interior and Local Government;
- (d) Three (3) representatives from the MSME sector to represent Luzon, Visayas and Mindanao with at least one (1) representative from the microenterprise sector:

- (e) One (1) representative from the women sector designated by the Philippine Commission on Women;
 - (f) One (1) representative from the youth sector designated by the National Youth Commission; and
 - (g) The Chairman of Small Business Corporation.
- A. Advisory Unit. – There shall be an Advisory Unit to the Council, which shall consist of the following:
- (a) The Secretary of Science and Technology;
 - (b) The Governor of the Bangko Sentral ng Pilipinas;
 - (c) The President of the Land Bank of the Philippines;
 - (d) The President of the Development Bank of the Philippines;
 - (e) The Director General of the National Economic and Development Authority;
 - (f) One (1) representative from the labor sector, to be nominated by accredited labor groups;
 - (g) A representative from the private banking sector to serve alternatively between the chamber of thrift banks, and Rural Banker's Association of the Philippines (RBAP);
 - (h) A representative of the microfinance nongovernment organizations (NGOs);
 - (i) A representative of the University of the Philippines-Institute for Small Scale Industries (UP-ISSI); and
 - (j) The President of the Credit Information Corporation.

The MSMED Council may consult the Advisory Unit in its regular meeting and other activities of the Council. However, no voting

rights shall be granted to the members of the Advisory Unit.

SEC. 10. Additional Functions of the MSMED Council. – Aside from its existing functions as mentioned under Section 7-B of Republic Act No. 9501, otherwise known as the “Magna Carta for Micro, Small and Medium Enterprises (MSMEs)”, the MSMED Council shall have the following additional functions:

- (a) Coordinating and Oversight Body for the Negosyo Center. – The MSMED Council, through the DTI shall act as the coordinating and supervising body for all the agencies involved in the establishment and operation of the Negosyo Centers. Further, the MSMED Council shall monitor and assess the progress of the Negosyo Centers, which shall be included in its annual report submitted to the Congress.
- (b) Provision of a Compliance Guide. – For each rule or group of related rules issued by any government agencies for compliance by MSMEs, the Council shall publish compliance guidelines which shall be written in plain language or in the local dialect, if necessary.

The Council shall prepare separate compliance guides covering groups or classes of similarly affected MSMEs and shall cooperate with industry associations to develop and distribute such compliance guides. The publication of each compliance guide shall include the posting of the guide in an easily identified location on the website of the agency, and distribution of the guide to known industry contacts, such as small entities, associations or industry leaders affected by the rule. The issuing government agency shall publish and disseminate the compliance rules within ninety (90) days from the date of issuance.
- (c) Conduct of Research on Women Entrepreneurship. – The Council shall conduct research to support women entrepreneurship including, but not limited to