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(for publication)*

**DEPARTMENT ADMINISTRATIVE ORDER NO. 09-04**  
Series of 2009

**Subject : Operating Guidelines in the Implementation of Republic Act No. 7470, otherwise known as the "National Economic Research and Business Assistance Center of the Philippines Act of 1992"**

Pursuant to Section 16 of Republic Act No, 7470, entitled as the "Act Establishing the National Economic Research and Business Assistance Center of the Philippines, Appropriating Funds Therefore, And for Other Purposes" and after proper consultation with other concerned agencies, the following guidelines governing the operation of NERBAC are hereby prescribed and promulgated for the compliance, information and guidance of all concerned.

#### **RULE I. PRELIMINARY PROVISIONS**

**Section 1. Title.** These rules shall be referred to as the Operating Guidelines of the National Economic Research and Business Assistance Center (NERBAC) of the Philippines.

**Section 2. Declaration of Policy.** As stated in Section 2 of RA 7470, the State recognizes the need to enhance economic growth by providing necessary and strategic economic business information and research assistance, thereby expediting the process of business formation and encouraging the growth of entrepreneurship in the country.

#### **RULE II. DEFINITION OF TERMS**

**Section 3. Definition of Terms.** For the purposes of the Act and these Rules, the following terms are hereby operationally defined as follows:

- a) Center – shall refer to the National Economic Research and Business Assistance Center (NERBAC) which is created and to be placed under the Department of Trade and Industry (DTI).

- b) National Center – shall refer to the NERBAC's head office located in a convenient and accessible site in the National Capital Region as mandated under Section 14 of the law.
- c) Regional Centers – shall refer to the regional offices of the NERBAC.
- d) "Concerned Government Agencies" – this phrase includes, but not limited to the Department of Trade and Industry (DTI), National Economic Development Authority (NEDA), Department of Foreign Affairs (DFA), Department of Finance (DOF), Department of Agriculture (DA), Department of Environment and Natural Resources (DENR), and such other agencies as may be included by virtue of a Joint Administrative Order (JAO) to wit: Department of the Interior and Local Government (DILG), Department of Health (DOH), Securities and Exchange Commission (SEC), Department of Labor and Employment (DOLE), Department of Tourism (DOT), Social Security System (SSS), Philippine Health Insurance Corporation (PHIC), Home Development Mutual Fund (HDMF); and all their respective bureaus and offices relevant to the achievement of the objectives of the Act and its Operating Guidelines.
- e) Detail – is the mode of assignment to the Center of certain employees of concerned government agencies for a definite or indefinite period of time, at the discretion of the sponsoring agency, in which the detailed employee is physically present. However, in the future, when technology allows Virtual Registration, physical presence may not be required.
- f) Officer – refers to the Chairman and Members of the Board of Governors, the Director General and the Deputy Director General.
- g) Board of Governors- shall mean the national NERBAC board members.
- h) Board of Advisors – shall mean the regional NERBAC board members.

### **RULE III. Purpose/Functions**

**Section 4. Purpose.** The Center shall provide prospective entrepreneurs/investors with the basic information on various business options that are open to them in accordance with the investment priorities of the Government. The Center shall likewise provide a one-stop action center which shall facilitate the processing and documentation of all paper requirements necessary for the establishment of a business enterprise in the country, including credit services.

**Section 5. Functions.** The National Center shall perform the following functions:

- a) To provide information to prospective investors, both local and foreign, on the different kinds of business opportunities that are in accord with set investment priorities of the Government;
- b) To establish an updated data bank of all industries and business enterprises in the country;
- c) To prepare pre-feasibility studies of existing as well as possible industries in the Philippines that can help entrepreneurs decide on what business to venture into;
- d) To organize and maintain a centralized one-stop shop services or assistance center that shall expedite the processing of all government requirements necessary in establishing a business;
- e) To monitor technological advances relevant to business and economy, and disseminate such information to Filipino entrepreneurs and the public in general;
- f) To formulate and coordinate the conduct of relevant research projects to help attain the Center's goals;
- g) To monitor and collate economic, technical and industry research output of all government agencies that has reference to business enterprises, as well as to investors in the country;
- h) To collect and facilitate the gathering of information on the kind of technology/machinery needed their prices, specifications, and where they can be purchased or leased, as well as to help rehabilitate and modernize existing machinery and equipment of essential industries; and
- i) To facilitate the gathering of information on how to harness indigenous resources and technology required for our development efforts.

**Section 6. Handling of Clients.** All "government agencies concerned" as defined in Section 3 (d) of Rule III, and all other agencies which are or maybe in charge of business documentation and processing shall henceforth detail their appropriate representatives to the Center: *Provided*, That such government agencies shall provide for such personnel's salaries and other emoluments.

#### **RULE IV. STRUCTURAL ORGANIZATION**

**Section 7. Structural Organization of the National Center and the Regional Centers**

**Section 7.1. Structural Organization of the National Center.** The Center shall have a Board of Governors under which shall be the Office of the Director General and the Office of the Deputy Director General. Under the Office of the Director General shall be two (2) departments which shall be headed by their respective directors, namely on: Agriculture, Fishery, and Forestry, to handle all agricultural, agri-based, agri-business, marine and aquaculture, and forestry matters; and Industry, Utilities and Services, to handle all industrial, utilities and service-related matters. Under each department shall be three (3) divisions which shall be headed by their division chiefs, namely on: Technical Research Assistance, to handle production and related matters; and Trade and Marketing Assistance, to handle all pre-feasibility studies and related matters; Pre-feasibility Studies Assistance, to handle all market research and related matters, both for domestic and international: *Provided*, That a central documentation and information service headed by a Director, to handle all documentation, information and related matters, including public relations, shall be constituted to provide staff support to the Director General.

**Section 7.2. Structural Organization of the Regional Centers.** The Regional Centers shall have a full-time staff complement to undertake the NERBAC functions as mandated by law. For the purpose of establishing the Regional Center, all Government Agencies concerned with basic information on investment priorities, business documentation and processing such as but not limited to the Bureau of Internal Revenue (BIR), Social Security System (SSS), Home Development Mutual Fund (HDMF), Philippine Health Insurance Corporation (PHIC), Bureau of Food and Drugs Administration (BFAD), shall henceforth detail their appropriate representatives to the Center: *Provided*, That such government agencies shall provide for such detailed personnel their respective salaries and/or other emoluments.

## **Section 8. Powers and Functions of the National Board of Governors and Regional Board of Advisors**

### **Section 8.1. National Board of Governors:**

- a) To formulate policies, policy guidelines and programs to effectively implement the purposes of the Center;
- b) To approve the annual and supplemental budgets of the Center;
- c) To fix any service costs or similar fees the Center may charge the end-users of its services;
- d) To promulgate rules as maybe necessary for the proper, efficient and stable administration of the Center;
- e) To authorize any contract or agreement as maybe necessary for the proper efficient and stable administration of the Center;

- f) To prepare and submit periodic and/or special reports to the President;
- g) To determine and approve the appointment of other officers of the Center, with their corresponding qualification, duties and emoluments; and
- h) To appoint consultants and acknowledged experts in their respective fields as may be necessary for the realization of this Act.

**Section 8.2. Regional Board of Advisors.** The Regional Board of Advisors shall consist of the Heads of Regional Offices of the concerned government agencies, and the private sector representatives as may be identified by the Heads of Agencies signatory to the Joint Administrative Order (JAO) which will be issued by them. The Regional Board of Advisors shall possess and exercise the same powers similar to those of the Board of Governors, as stated in paragraphs a to h of the immediately preceding section

**Section 8.3. Board of Governors: Composition, Term and Compensation.** – The Center shall be governed and its activities and properties shall be managed by a Board of Governors which shall be chaired by the Secretary of Trade and Industry and ten (10) other Filipino citizens, five (5) of whom shall come from the government sector, namely, the Secretaries of the National Economic and Development Authority, the Department of Foreign Affairs, the Department of Finance, the Department of Agriculture, and the Department of Environment and Natural Resources; and such other agencies as may be later be legally included and five (5) of whom shall come from the private sector whose functions shall be related to the purposes of the Center, all of whom shall be appointed by the President: *Provided*, That a representative from the private sector shall be appointed as Vice-Chairman: *Provided, further*, That the ex officio Vice-Chairman shall be the Director General: *Provided, finally*, That all Board members shall have a broad experience in business, management or finance.

The term of office of the Board members from the government sector shall be for the duration of their public office while the term of office of the private sector Board members shall be three (3) years each until their successors shall have been appointed; *Provided*, That they shall be eligible for reappointment after the duration of their respective terms.

The Board members shall meet regularly at least once a month and as often as the exigencies of the service demand. The presence of at least six (6) members shall constitute a quorum, and the vote of a majority of the members present shall be necessary for the adoption of any resolution, rule or decision.

The Board members shall receive for every meeting attended a per diem to be fixed by the President of the Philippines.

**Section 8.4. Transitory Structure.** In the meantime that the National Board has not yet been constituted and to ensure swift regional implementation of the provisions of the NERBAC Law, the Secretary of the Department of Trade and Industry as Chairman, may designate members of the private sector in the NCC to act as PRIVATE SECTOR REPRESENTATIVES to the Board of Governors, until the President of the Philippines shall have appointed the initial set of Board of Governors. The government sector representatives to the Board of Governors, on the other hand, shall be composed of the Department of Trade and Industry (DTI), the National Economic and Development Authority (NEDA), the Department of Foreign Affairs (DFA), the Department of Finance (DOF), Department of Agriculture (DA), and the Department of Environment and Natural Resources (DENR). The Secretary of the Department of Trade and Industry or his alternate coming from the regional operations, shall act as Chairman of the Transition Board.

**Section 8.5.** The Transitory organization shall be functus officio when the President appoints the regular members of the NERBAC Board.

**Section 8.6. Reportorial Tasks.** The Board members shall meet regularly at least once a month and as often as the exigencies of the services demand. The Board shall prepare and submit periodic or special reports to the President.

**Section 8.7. Quorum.** The presence of least six (6) members of the Board of Governors/ Advisors constitute a quorum, and the vote of majority of the members present shall be necessary for the adoption of any resolution, rule or decision.

**Section. 8.8. Emoluments.** The members of the Board of the National and Regional levels shall receive for every meeting attended a per diem to be fixed by the President of the Philippines.

**Section 9. Office of the Director General.** In the national level, the chief operating officer and principal representatives of the Center shall be the Director General assisted by the Deputy Director General working full time, both to be appointed by the President.

**Section 10. Powers and Functions of the Regional Centers.** The Regional Centers which shall be known as NERBAC Ilocos Region, NERBAC Cagayan Valley, NERBAC Central Luzon; and so on and so forth shall have the following powers and functions, to wit:

- a) Provide information to prospective investors, both local and foreign, on the different kinds of business opportunities that are in accord with set investment priorities of the Government;
- b) Establish an updated data bank of all industries and business enterprises in the country;

- c) Prepare pre-feasibility studies of existing as well as possible industries in the Philippines that can help entrepreneurs decide on what business to venture into;
- d) Organize and maintain a centralized one-stop shop services or assistance center that shall expedite the processing of all government requirements necessary in establishing a business; *Provided*, That only start-up business within effective and efficient area of coverage of each Region Center shall be processed therein; *Provided, further*, That this is effected without unduly prejudicing the convenience of the clients. This function shall likewise include the provision of aftercare services to entrepreneurs/investors;
- e) Monitor technological advances relevant to business and economy, and disseminate such information to Filipino entrepreneurs and the public in general;
- f) Formulate and coordinate the conduct of relevant research projects to help attain the Center's goals;
- g) Collect and facilitate the gathering of information on the kind of technology/machinery needed, their prices, specifications and where they can be purchased or leased, as well as to help rehabilitate and modernize existing machinery and equipment of essential industries; and
- h) Improve processes and procedures, and recommend these to the National Board for adoption and replication.

## **RULE V. COORDINATION WITH OTHER AGENCIES IN THE NATIONAL AND LOCAL LEVELS**

**Section 11. Coordination with Government Agencies.** Government agencies concerned shall coordinate with the Center and are hereby obliged to give economic information and such other assistance not only for taxation purposes, matters relating to business registration of entrepreneurs/investors, matters relating to problems concerning the setting-up of business in the Philippines and others.

The Department of Foreign Affairs, through its commercial attachés worldwide, shall extend assistance to the National and the Regional Centers by disseminating economic data properly released by the concerned Center to the different countries wherein the commercial attachés are located. In turn, the concerned commercial attachés shall also furnish all the NERBACs with economic data from the country wherein they are currently located, for circulation in the Philippines.

**Section 12. Joint Administrative Order.** The concerned government agencies shall jointly promulgate an administrative order concerning detail of their respective employees to the Center, salaries, benefits and other emoluments.

**Section 13. Vacancy Before Expiration of Term.** Any private sector members appointed by the President to fill a vacancy in the Board of Governors occurring prior to the expiration of the term for which his predecessor was appointed shall serve only for the unexpired portion of the term of his predecessor.

**Section 14. Removal or Suspension for Cause.** An officer of the Center may be suspended or removed by the President for mismanagement, grave abuse of discretion, infidelity in the conduct of fiduciary relations, gross negligence in the performance of duties, dishonesty, corruption, or any act involving moral turpitude.

**Section 15. Appointment, Promotion, Terms and Conditions of Employment.** The Officers and employees of the Center shall be covered by the Civil Service Law, as well as the rules of the Office of Compensation and Position. Employees of the regional centers detailed from participating agencies shall draw their personnel salaries and remuneration from their respective mother unit.

**Section 16. Location.** The Head Office of NERBAC shall be located in a convenient and accessible place in the National Capital Region (NCR), preferably within the premises of the Department of Trade and Industry: *Provided, That the regional NERBACs may be integrated with the regional offices of the Department of Trade and Industry whenever feasible and shall obtain all its service functions under one roof, including the head office.*

**Section 17. Appropriation.** The budget for the initial implementation of this Act shall be provided with the amount of Fifteen Million Pesos (Php15,000,000.00) chargeable against Contingent Fund. The subsequent budget of the Center, both in the national and regional levels, shall be included in the General Appropriations Act which shall form part of the budget of the Department of Trade and Industry.

## **RULE VI. TRANSITORY PROVISIONS**

**Section 18. Establishment of the Regional Centers.** The Regional Centers shall be established and maintained in the regional offices of the DTI within three (3) years from date of effectivity of these guidelines. On the other hand, the functions of the National Center shall be assumed by the One-Stop-Action Center (OSAC) of the Board of Investment (BOI) until such time that the former becomes fully operational.

Pending the full operations of the National Center, a Regional Center shall be headed by the Regional Director of the region where the Center is located, under the

direct supervision and control of the DTI Undersecretary of the Regional Operations and Development Group (RODG).

### RULE VII. FINAL PROVISIONS

**Section 19. Repealing Clause.** All past issuances inconsistent with the operating guidelines are hereby repealed or modified accordingly.

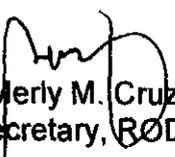
**Section 20. Separability Clause.** The provisions of these guidelines are hereby declared to be separable and in the event any provision or part hereof is declared to be unconstitutional, the other provisions or part herein, that are not affected thereby shall remain in full force and effect.

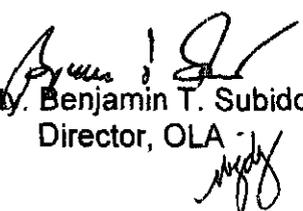
**Section 21. Effectivity.** These Operating Guidelines shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general circulation.

This \_\_\_\_ day of April 2009, in Makati City, Philippines.

  
PETER B. FAVILA  
Secretary 

**Recommending Approval:**

  
Eng. Merly M. Cruz  
Undersecretary, RODG

  
Atty. Benjamin T. Subido  
Director, OLA 