

S. No. 2046
H. No. 4595

Republic of the Philippines
Congress of the Philippines
Metro Manila

Sixteenth Congress

First Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day
of July, two thousand thirteen.



[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 local 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 the 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 for MSME development;

(l) Coordinate with schools and 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 Center 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 the "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 (P1,000.00) 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 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 the 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 meetings 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 agency 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 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 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.

SEC. 13. Implementing Rules and Regulations. - The Secretary of the DTI, in consultation with the 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 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.
FELICIANO BELMONTE JR.
Speaker of the House
of Representatives

Franklin M. Drilon
FRANKLIN M. DRILON
President of the Senate

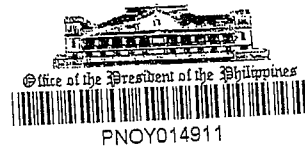
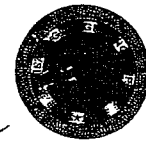
This Act which is a consolidation of Senate Bill No. 2046 and House Bill No. 4595 was finally passed by the Senate and the House of Representatives on June 11, 2014 and June 10, 2014, respectively.

Marilyn B. Barba-Yap
MARILYN B. BARBA-YAP
Secretary General
House of Representatives

Oscar G. Yabes
OSCAR G. YABES
Secretary of the Senate

Approved: JUL 15 2014

Benigno S. Aquino III
BENIGNO S. AQUINO III
President of the Philippines



CERTIFIED COPY:

MARIANITO M. DIMAANDAL
DIRECTOR IV
MALACANANG RECORDS OFFICE

7-18-2014