

S. No. 2046

H. No. 4595

Republic of the Philippines
Congress of the Philippines
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[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.