

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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SENATE
S. No. 271

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

One of the stumbling blocks in the entrepreneurial development in the country is the formidable array of processing and procedural requirements in setting up an enterprise, from name listing, proof of capitalization to tax paperwork requirements. This bureaucratic problem has discouraged many of our more enterprising people from setting up their own businesses or has provided a disincentive to existing entrepreneurs from coming out from the so-called "underground economy."

Many entrepreneurs, specifically small and medium-sized ones, are not aware of the advantages of going the legitimate way, such as access to cheaper and subsidized funds for entrepreneurs but which they cannot avail of unless they go through the formal channels. Formal registration and complying with official requirements, after all, would only exact from them minimal tax takes considering the existing tax incentives available to small and medium enterprises.

It is in response to this problem in our bureaucracy that this bill is filed. Specifically, this measure proposes the establishment of Business One-Stop Shop (BOSS) Centers around the country to help our entrepreneurs and would-be entrepreneurs handle the paperwork problem and at the same time give them the venue to know of existing government programs for entrepreneurs (For instance, only a very few know that there are 156 financing programs available to entrepreneurs today).

By considering all government agencies involved in one way or another with entrepreneurship, the BOSS Centers are envisioned to stimulate entrepreneurial development around the country.

For these reasons, approval of this bill is earnestly requested.


S. Osmeña III

SERGIO OSMEÑA III
Senator

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AN ACT
ESTABLISHING BUSINESS ONE-STOP SHOP (BOSS) CENTERS FOR SMALL
AND MEDIUM ENTERPRISES IN ALL REGIONAL AND PROVINCIAL CENTERS IN
THE COUNTRY.

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

1 **SECTION 1. Title.** - This Act shall be known as the "**Business**
2 **One-Stop Shop (BOSS) Center Act of 2004.**"

3 **SEC. 2. Declaration of Policy.** - The State recognizes the crucial
4 role of small and medium enterprises in employment generation, wealth
5 creation, technological advancement and entrepreneurship development in the
6 country. As such, the State shall establish the institutional framework to make
7 the economic environment conducive to business by raising government
8 efficiency and effectiveness in the delivery of services to small and medium
9 enterprises (SME's) throughout the country.

10 In the task of supporting small and medium enterprises, the State
11 recognizes the pivotal role of the private sector by making them a partner in
12 entrepreneurial development.

13 **SEC. 3. Creation of Business One-Stop Shop (BOSS) Centers for**
14 **Small and Medium Enterprises.** - In accordance with the foregoing policy,
15 Business One-Stop Shop (BOSS) Centers (hereinafter referred to as BOSS
16 Centers) shall be established in all regional and provincial centers of the country
17 under the supervision of the Small and Medium Enterprises Development

1 (SMED) Council created under Republic Act (RA) No. 6977. Each BOSS
2 Center, however, shall enjoy institutional autonomy and may be recognized as a
3 corporation, partnership, or non-stock, non-profit corporation under applicable
4 laws and regulations. The BOSS Center shall provide entrepreneurs and
5 aspiring entrepreneurs with all the basic and essential information in
6 establishing and running a business. It shall house all the necessary
7 government agencies from registration to the last requirement needs in setting
8 up a business, thereby facilitating the processing of all documentary
9 requirements for the establishment of a business enterprise in the country.

10 **SEC. 4. *Governing Principles.*** - BOSS Centers shall be organized
11 under the following principles:

- 12 1) Each BOSS Center shall be established and operated as a
13 self-sustaining corporate entity with full government support at
14 the local and national levels, subject to applicable laws and
15 regulations;
- 16 2) Each BOSS Center may be established initially by the SMED
17 Council or by a national government agency involved with
18 small and medium enterprises, a local government unit (LGU),
19 a private sector group, chamber or federation or a partnership
20 with any of the foregoing groups or entities, subject to approval
21 by the SMED Council;
- 22 3) To be self-sustaining, each BOSS Center shall be allowed to
23 charge reasonable fees for its services; and
- 24 4) The SMED Council shall formulate a criteria for selection and
25 prioritization of the establishment of each BOSS Center, taking
26 into consideration existing businesses and similar centers in
27 the area.

28 **SEC. 5. *Functions of the BOSS Centers.*** - Each BOSS Center shall
29 function as a one-stop-shop center offering the following services:

- 1) Accept and act on all registration applications of SMEs;
- 2) Provide all information and referral services it shall deem useful, necessary, or essential to small and medium entrepreneurs and prospective entrepreneurs;
- 3) Establish a databank which shall be the source of all information necessary for project monitoring, research and policy studies, and information dissemination campaigns;
- 4) Act as a coordinating center for activities and programs for SMEs;
- 5) Provide local and international networks and linkages for SME development;
- 6) Supply information and services in training, financing, marketing and technology transfer to SMEs; and
- 7) Conduct other programs or projects for entrepreneurial development in the country.

SEC. 6. Composition of BOSS Centers. - The following government agencies are mandated to detail representatives of appropriate rank, and sufficient authority and capacity to give information assistance as well as having discretion to act on pertinent applications at each BOSS Center:

- 1) Local Government Unit (LGU) in areas concerned;
- 2) Department of Trade and Industry (DTI);
- 3) Securities and Exchange Commission (SEC);
- 4) Bureau of Internal Revenue (BIR);
- 5) Department of Labor and Employment (DOLE);
- 6) Social Security System (SSS); and
- 7) Cooperatives Development Authority (CDA).
- 8) Department of Agriculture

When necessary, the SMED Council may require the detail of appropriate personnel of other government agencies which may support the purposes and

1 objectives of this Act. Government personnel assigned or detailed at each
2 BOSS Center shall receive reasonable honoraria, subject to existing laws and
3 regulations.

4 **SEC. 7. BOSS Secretariat.** - A Secretariat shall be organized by the
5 corporate entity organized to manage each BOSS Center. The Secretariat shall
6 have the following duties and functions:

- 7 1) Facilitate and administer the day-to-day operations of the
8 BOSS Center;
- 9 2) Act as information officers on matters relevant to the interests
10 of SMEs;
- 11 3) Act as coordinator for activities of the BOSS centers;
- 12 4) Render a yearly report and accounting of funds to the SMED
13 Council; and
- 14 5) Perform other duties and functions assigned to it by the SMED
15 Council.

16 **SEC. 8. Issuance of Implementing Rules and Regulations.** Within
17 ninety (90) days from the approval of this Act, the SMED Council in consultation
18 with appropriate agencies, shall promulgate the rules and regulations to
19 implement the provisions of this Act. Such rules and regulations shall take
20 effect fifteen (15) days after its publication in a newspaper of general circulation.

21 **SEC. 9. Pilot Project.** - To test feasibility of its corporate structure,
22 institutional linkages and arrangements, as well as funding needs and
23 requirements, the SMED Council is authorized to initiate a pilot BOSS Center
24 project in partnership with private sector groups, industries or associations, or
25 other government agencies or offices.

26 **SEC. 10. Separability Clause.** If any provision of this Act shall be held
27 unconstitutional, the remainder of the Act not otherwise affected shall remain in
28 full force and effect.

1 **SEC. 11. *Repealing Clause.*** All laws, orders, issuances, rules and
2 regulations, or parts thereof, inconsistent with this Act are hereby repealed or
3 modified accordingly.

4 **SEC. 12. *Effectivity.*** - This Act shall take effect fifteen (15) days after
5 its publication in two (2) national newspapers of general circulation.

6 Approved,