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SENATE  
S.B. No. **2046**

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(In substitution of Senate Bill Nos. 169, 253, 615, 1028, 1254 and 1593.)

Prepared by the Committee on Trade, Commerce and Entrepreneurship joint with the Committees on Local Government; Banks, Financial Institutions and Currencies; Ways and Means; Economic Affairs; & Finance with Senators Osmeña III, Recto, Aquino IV, Santiago, and Estrada as authors thereof.

*Poe and Villar jr*

**AN ACT**  
**PROMOTING THE REDUCTION OF POVERTY 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:*

1 **SECTION 1. Short Title.** -- This Act shall be known as the "Go Negosyo Act of 2013."  
2

3 **SECTION 2. Declaration of Policy.** -- It is hereby declared the policy of the State to foster  
4 national development, promote inclusive growth, and reduce poverty by encouraging the  
5 establishment of micro, small and medium enterprises (MSMEs) that facilitate local job creation  
6 and production in the country. MSMEs increase income for poor households and build both  
7 business equity and personal assets over a period of time. To this end, the State shall develop  
8 plans and initiate means to ease the constraints on the establishment of MSMEs in order to  
9 rationalize the existing bureaucratic regulations, providing greater incentives and benefits to  
10 MSMEs, and strengthening the Micro, Small and Medium Enterprise Development (MSMED)  
11 Council.  
12

13 **SECTION 3. Establishment of Negosyo Centers.** -- There shall be established under the  
14 supervision of the Micro, Small and Medium Enterprises Development (MSMED) Council a  
15 "Negosyo Center" in all provinces, cities and municipalities. The MSMED Council shall  
16 encourage public-private partnerships in the establishment and management of Negosyo Centers.

1 In applicable areas, the existing Micro, Small and Medium Enterprise (MSME) Centers shall  
2 continue to operate as Negosyo Centers subject to the provisions of this Act. The Negosyo  
3 Centers shall be responsible for promoting ease of doing business and facilitating access to  
4 services for MSMEs within its jurisdiction. The MSME Council, through the regional offices  
5 of the Department of Trade and Industry (DTI) shall perform oversight functions and shall assign  
6 personnel to fulfill the functions of the Negosyo Centers.

7

8 **SECTION 4. Functions of Negosyo Centers.** – Negosyo Centers shall have the following  
9 functions:

10 (a) Promote ease of doing business and access to services for MSMEs within its  
11 jurisdiction;

12 (b) Coordinate and facilitate processes of government related to the set-up and  
13 management of MSMEs;

14 (c) Accept and act on all registration applications of MSMEs;

15 (d) Coordinate with the respective local government units and liaise with concerned  
16 government agencies to process the duly accomplished forms submitted by the  
17 MSMEs;

18 (e) Integrate a unified business processing system for MSMEs;

19 (f) Encourage government institutions that are related to the business application process  
20 to help promulgate information regarding the Negosyo Center;

21 (g) Supply information and services in training, financing and marketing;

22 (h) Support private sector activities relating to MSME development;

23 (i) Co-organize with the local chambers of commerce and other business organizations a  
24 mentoring program for prospective and current entrepreneurs and investors;

- 1 (j) Build local support networks and establish market linkages for MSME development;
- 2 (k) Coordinate with schools and organizations on the development of a youth  
3 entrepreneurship training program;
- 4 (l) Facilitate access to grants and other forms of financial assistance, shared service  
5 facilities and equipment, and other support for MSMEs;
- 6 (m) Ensure labor-management guidance, assistance and improvement of the working  
7 conditions of MSMEs;
- 8 (n) Establish a databank which shall be a source of all information necessary for project  
9 monitoring, research and policy studies and information dissemination campaigns;
- 10 (o) Map out all information and services essential to prospective entrepreneurs and  
11 prospective investors especially in key value chains and economic subsectors within  
12 its jurisdiction;
- 13 (p) Establish a feedback mechanism among the MSMEs in the respective jurisdiction of  
14 the Negosyo Centers; and
- 15 (q) Conduct other programs or projects for entrepreneurial development in the country  
16 aligned with the MSME development plan.

17 **SECTION 5. Registration. –**

18 **(a) Micro, Small and Medium Enterprises**

- 19 1. A unified business registration form shall be created by the DTI and shall be made  
20 available in all Negosyo Centers. The unified business registration form shall  
21 contain all necessary information for the business application process of MSMEs.  
22 The DTI shall be responsible for regularly updating and maintaining the unified  
23 business registration form.
- 24 2. MSMEs shall undertake the business application process with the Negosyo Center  
25 of each city or municipality by submitting the necessary documentary

1 requirements. The Negosyo Center may deny the application of MSMEs that fail  
2 to submit completed requirements or meet the necessary criteria under Section 5  
3 of Republic Act No. 9178, otherwise known as the "Barangay Micro Business  
4 Enterprise (BMBE) Act of 2002," and Section 4 of Republic Act No. 9501,  
5 otherwise known as the "Magna Carta for Micro, Small and Medium Enterprises."

6 3. Should the Negosyo Center fail to process the application within fifteen (15) days,  
7 the MSME shall be deemed registered for a period of one (1) year. In this case,  
8 the Negosyo Center shall have the authority to revoke the registration within a  
9 period of thirty (30) days upon determination that the MSME has not met the  
10 necessary requirements and qualifications.

11 4. Thereafter, MSMEs shall renew its registration annually.

12 **(b) Ease of Registration for Micro Enterprises** -- The Negosyo Center in the city or  
13 municipal level shall have the sole power to issue the Certificate of Authority to  
14 micro enterprises in accordance with Republic Act No. 9178. To defray the  
15 administrative costs of registering and monitoring the micro enterprise, the Negosyo  
16 Center may charge a fee of not more than Five Hundred Pesos (Php 500.00)

17 **(c) Philippine Business Registry** -- The Philippine Business Registry (PBR) Kiosk shall  
18 be housed under the Negosyo Center, if available, for use of MSMEs to expedite  
19 registration with concerned licensing offices.

20  
21 **SECTION 6. Start-up Fund for MSMEs.** -- Aside from the existing benefits for MSMEs, the  
22 MSMEED Council, through DTI and the appropriate financing institutions, shall establish a Start-  
23 up Fund for MSMEs to provide financing for the development and promotion of MSMEs in  
24 priority sectors of the economy as specified in the MSMEED Plan.

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26 **SECTION 7. Composition of the Micro, Small and Medium Enterprise Development**  
27 **Council (MSMED).** -- To ensure greater representation by the sectors involved, the members of  
28 the Council shall be the following:

29 (a) Secretary of Trade and Industry as Chairman;

- 1 (b) Secretary of Agriculture;
- 2 (c) Secretary of the Environment and Natural Resources;
- 3 (d) Secretary of the Interior and Local Government;
- 4 (e) Secretary of Science and Technology;
- 5 (f) Secretary of Tourism;
- 6 (g) Director General of National Economic Development Authority;
- 7 (h) Governor of the Bangko Sentral ng Pilipinas;
- 8 (i) Chairman of Small Business Corporation;
- 9 (j) Three (3) representatives from the MSME sector to represent Luzon, Visayas, and  
10 Mindanao with at least one representative from the micro enterprise sector;
- 11 (k) One representative from the youth sector to focus on the promotion of youth  
12 entrepreneurship;
- 13 (l) One representative from the labor sector, to be nominated by accredited labor groups;
- 14 (m) A representative from the private banking sector: to serve alternately among the  
15 Chamber of Thrift Banks; the Rural Banker's Association of the Philippines (RBAP);  
16 and the Bankers' Association of the Philippines (BA);
- 17 (n) A representative of Microfinance Non-Government Organizations (NGOs);
- 18 (o) Chairperson of the Senate Committee on Trade, Commerce and Entrepreneurship;  
19 and
- 20 (p) Chairperson of the House Committee on Small Business and Entrepreneurship  
21 Development.

22 The members may elect from among themselves a Vice-chairman to preside over the Council  
23 meetings in the absence of the Chairman.

1 **SECTION 8. Functions of MSMED Council.** – The MSMED Council shall have the following  
2 additional functions:

3 (a) *Coordinating and Oversight Body for the Negosyo Center* – MSMED Council,  
4 through the DTI, shall act as the coordinating and supervising body for all the  
5 agencies involved in the establishment and operation of the Negosyo Centers.

6 (b) *Provision of a Compliance Guide* - For each rule or group of related rules issued by  
7 any government agency for compliance by MSMEs, the Council shall publish  
8 compliance guides entitled 'Micro, Small and Medium Enterprises Compliance  
9 Guide.' The Council shall ensure that the compliance guide shall be written in plain  
10 language or in the local dialect, if necessary.

11 The Council shall prepare separate compliance guides covering groups or classes of  
12 similarly affected MSMEs and shall cooperate with industry associations to develop  
13 and distribute such compliance guides. The publication of each compliance guide  
14 shall include the posting of the guide in an easily identified location on the website of  
15 the agency; and distribution of the guide to known industry contacts, such as small  
16 entities, associations, or industry leaders affected by the rule. The issuing government  
17 agencies shall publish and disseminate the compliance rules within ninety (90) days  
18 from the date of issuance.

19 **SECTION 9. Information Dissemination.** – The Philippine Information Agency, through the  
20 Office of Public Information in each city or municipality, in coordination with DTI, Bangko  
21 Sentral ng Pilipinas (BSP), Department of Labor and Employment (DOLE), and Department of  
22 Interior and Local Government (DILG) shall ensure the proper and adequate information  
23 dissemination of the contents and benefits of this Act to the general public especially to its  
24 intended beneficiaries specifically in the barangay level.

25 **SECTION 10. Appropriations.** – The amount necessary to carry out the initial implementation  
26 of this Act shall be charged to the DTI. Thereafter, such sums as may be necessary for the

1 continued implementation of this Act shall be included in the succeeding General Appropriations  
2 Act.

3 **SECTION 11. Implementing Rules and Regulations** -- The Secretary of the DfM, in  
4 consultation with the appropriate agencies as may be deemed necessary, shall formulate the  
5 necessary rules and regulations to implement the provisions of this Act within ninety (90) days  
6 after its approval. The rules and regulations issued pursuant to this Act shall take effect fifteen  
7 (15) days after its publication in a newspaper of general circulation.

8 **SECTION 12. Separability Clause.** -- If any provision of this Act shall be held unconstitutional,  
9 the remainder of the Act not otherwise affected shall remain in full force and effect.

10 **SECTION 13. Repealing Clause.** -- Section 4 of Republic Act No. 9178 is hereby repealed.  
11 Sections 7-A and 7-B of Republic Act No. 6977, as amended by Republic Act No. 8289 and  
12 Republic Act No. 9501, are hereby amended. Section 12 of Republic Act No. 9178 is also  
13 hereby amended. All other existing laws, presidential decrees, executive orders, proclamations or  
14 administrative regulations that are inconsistent with the provisions of this Act are hereby  
15 amended, modified or repealed accordingly.

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17 **SECTION 14. Effectivity.** -- This Act shall take effect fifteen (15) days after its publication in  
18 the Official Gazette or in at least two (2) newspapers of general circulation.

19 Approved,