

S E N A T E

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PREPARED AND SUBMITTED JOINTLY BY THE COMMITTEES
ON TRADE, COMMERCE AND ENTREPRENEURSHIP;
ECONOMIC AFFAIRS; AND FINANCE WITH
SENATORS ANGARA, REVILLA, JR., VILLAR (M.),
VILLANUEVA, ESTRADA, LEGARDA, CAYETANO (P.) AND
GO AS AUTHORS THEREOF

AN ACT TO INSTITUTIONALIZE THE SHARED
SERVICE FACILITIES (SSF) PROJECT FOR
MICRO, SMALL, AND MEDIUM ENTERPRISES
(MSMES) BY AMENDING REPUBLIC ACT
NO. 6977, OTHERWISE KNOWN AS THE MAGNA
CARTA FOR SMALL ENTERPRISES, AS
AMENDED BY REPUBLIC ACT NO. 9501,
OTHERWISE KNOWN AS THE MAGNA CARTA
FOR MICRO, SMALL AND MEDIUM
ENTERPRISES

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

1 SECTION 1. Republic Act No. 6977, as amended by
2 Republic Act No. 9501, is hereby further amended by
3 inserting new Sections 16 and 17 to read as follows, and
4 renumbering the succeeding sections accordingly:

1 “SEC. 16. *ESTABLISHMENT OF SHARED*
2 *SERVICE FACILITIES (SSF) FOR MSMES.* –
3 IN ORDER TO ADDRESS THE GAPS IN THE
4 PRODUCTION VALUE CHAIN, PROMOTE
5 INNOVATION AMONG MSMES AND
6 ENHANCE THEIR CAPACITIES TO
7 PRODUCE AND OFFER SOPHISTICATED
8 AND DIVERSE PRODUCTS AND SERVICES,
9 THE SHARED SERVICE FACILITIES (SSF)
10 PROGRAM OF DEPARTMENT OF TRADE
11 AND INDUSTRY (DTI) IS HEREBY
12 INSTITUTIONALIZED.

13 THE SSF PROGRAM SHALL ENTAIL
14 SETTING UP COMMON SERVICE
15 FACILITIES OR PRODUCTION CENTERS
16 FOR CERTAIN PROCESSES TO GIVE
17 MSMES ACCESS TO BETTER
18 TECHNOLOGY AND MORE
19 SOPHISTICATED EQUIPMENT TO
20 ACCELERATE THEIR BID FOR

1 COMPETITIVENESS AND HELP THEM
2 GRADUATE TO A NEXT LEVEL WHERE
3 THEY COULD TAP BETTER AND WIDER
4 MARKETS AND BE INTEGRATED IN THE
5 GLOBAL SUPPLY CHAIN. THE PROJECT
6 MAY BE IMPLEMENTED IN COOPERATION
7 WITH THE DEPARTMENT OF SCIENCE
8 AND TECHNOLOGY (DOST), AND OTHER
9 GOVERNMENT AGENCIES, THE ACADEME,
10 LOCAL GOVERNMENT UNITS (LGUS), AND
11 PRIVATE ORGANIZATIONS.

12 SHARED SERVICE FACILITIES REFER
13 TO MACHINERY, EQUIPMENT, TOOLS,
14 SYSTEMS, ACCESSORIES, AND OTHER
15 AUXILIARY ITEMS, SKILLS, AND
16 KNOWLEDGE THAT ARE BEING
17 PROVIDED BY THE DTI UNDER A
18 COMBINED AND COLLECTIVE SYSTEM TO
19 ITS TARGET BENEFICIARIES.

1 THE DTI, IN COORDINATION WITH
2 RELEVANT GOVERNMENT AGENCIES,
3 LGUS, PRIVATE INSTITUTIONS, AND
4 STAKEHOLDERS, SHALL ALSO ESTABLISH
5 SSF-FABRICATION LABORATORIES (SSF-
6 FAB LABS), WHICH REFER TO HIGH-END
7 SSFS EQUIPPED WITH AN ARRAY OF
8 FLEXIBLE COMPUTER-CONTROLLED TOOLS
9 THAT COVER SEVERAL DIFFERENT
10 LENGTHS AND SCALE AND VARIOUS
11 MATERIALS, IN AT LEAST ONE (1)
12 STRATEGIC LOCATION IN EVERY
13 PROVINCE TO ASSIST MSMES IN THE
14 MANUFACTURING OF NEEDED ASSETS
15 AND PRODUCTS. THE PRIORITY SHALL BE
16 PROVINCES WITHOUT EXISTING FAB
17 LABS.

18 THE SSF-FAB LABS SHALL BE
19 ATTACHED TO STATE UNIVERSITIES AND
20 COLLEGES (SUCS); LOCAL UNIVERSITIES

1 AND COLLEGES (LUCS); PRIVATE
2 SCHOOLS, COLLEGES AND
3 UNIVERSITIES; AND GOVERNMENT
4 ACADEMIC TRAINING INSTITUTIONS OF
5 THE PROVINCE AS DETERMINED BY DTI
6 FOR PROPER MONITORING AND
7 MAINTENANCE:

8 *PROVIDED*, THAT IN GRANTING SSFS
9 AND SSF-FAB LABS, THE DTI SHALL:

10 (A) TIMELY PROCESS THE APPLICATIONS
11 FOR THE GRANTING OF SSFS AND SSF-
12 FAB LABS IN COMPLIANCE WITH THE
13 PROVISIONS OF REPUBLIC ACT NO. 11032
14 OR THE “EASE OF DOING BUSINESS AND
15 EFFICIENT GOVERNMENT SERVICE
16 DELIVERY ACT OF 2018” ON THE
17 MAXIMUM PRESCRIBED PROCESSING
18 TIME DEPENDING ON THE COMPLEXITY
19 OF THE TRANSACTIONS: *PROVIDED*,
20 THAT THE APPLICATION HAS MET ALL

1 THE REQUIREMENTS INCLUDING AMONG
2 OTHERS THE CONDUCT OF MARKET
3 STUDY AND OTHER RECOMMENDATIONS
4 THAT MAY BE IDENTIFIED BY THE
5 NATIONAL TECHNICAL WORKING GROUP
6 (NTWG);

7 (B) CONSULT WITH THE COOPERATORS
8 ON THE APPROPRIATE PROJECTS TO BE
9 GRANTED TO THEM;

10 (C) ENSURE THAT THE MACHINERY,
11 EQUIPMENT, AND TOOLS ARE PROPER,
12 SUITABLE, USABLE, AND APT WITH THE
13 CAPABILITIES AND REQUIREMENTS OF
14 THE FACILITIES;

15 (D) COORDINATE WITH SUCS AND
16 LUCS WHERE THE SSF AND/OR SSF-FAB
17 LABS ARE ESTABLISHED IN SETTING
18 GUIDELINES FOR THE EQUITABLE
19 UTILIZATION OF SAID FACILITIES

1 AMONG USERS WITHIN AND OUTSIDE
2 THE EDUCATIONAL INSTITUTIONS;

3 (E) CLOSELY COORDINATE AND
4 IMMEDIATELY ASSIST THE COOPERATORS
5 WITH THEIR ISSUES OR CONCERNS
6 REGARDING THE IMPLEMENTATION OF
7 THEIR PROJECTS; AND

8 (F) PARTNER WITH OTHER GOVERNMENT
9 AGENCIES, IF NEEDED, TO HELP ENSURE
10 THE SUCCESS OF THE PROJECTS:

11 *PROVIDED, FURTHER,* THAT THE DTI
12 SHALL ENSURE THAT THE SSFS AND
13 SSF-FAB LABS CREATED UNDER THIS ACT
14 ARE CONSISTENT WITH THE NATIONAL
15 INNOVATION AGENDA AND STRATEGY
16 DOCUMENT.

17 SEC. 17. *MONITORING OF PRODUCTIVITY*
18 *OUTCOMES.* – THE DTI, IN COORDINATION
19 WITH THE CONCERNED COOPERATORS,
20 LGUS, SUCS, LUCS, PRIVATE SCHOOLS,

1 COLLEGES AND UNIVERSITIES, AND
2 GOVERNMENT ACADEMIC TRAINING
3 INSTITUTIONS IN WHICH THE SSFS AND
4 THE SSF-FAB LABS ARE SITUATED,
5 SHALL SUBMIT AN ANNUAL PROGRESS
6 REPORT TO CONGRESS DETAILING THE
7 EFFECTIVENESS AND/OR IMPACT OF THE
8 SSFS AND SSF-FAB LABS WHICH SHALL
9 INCLUDE THE BUDGET UTILIZATION OF
10 THE PROJECT, ADDITIONAL JOBS AND
11 INCOME GENERATED, INDUSTRY
12 ENGAGEMENT, TECHNOLOGY TRANSFER,
13 AND OVERALL GROWTH OF THE
14 BUSINESSES WHICH AVAILED OF THE
15 FACILITIES.”

16 SEC. 2. *Implementing Rules and Regulations.* –
17 Within three (3) months from the effectivity of this Act, the
18 DTI shall promulgate the necessary implementing rules
19 and regulations for the institutionalization and
20 establishment of the SSFs including the guidelines for the

1 partnership with the cooperators, SUCs, LUCs, private
2 schools, colleges and universities, and government
3 academic training institutions where the SSFs and SSF-
4 Fab Labs will be established.

5 SEC. 3. *Appropriations.* – The amounts necessary to
6 carry out the implementation of this Act shall be charged
7 against the current budget of DTI. Thereafter, the funds
8 necessary for the continuous implementation of this Act
9 shall be included in the annual General Appropriations Act
10 (GAA).

11 SEC. 4. *Separability Clause.* – If any portion or
12 provision of this Act is declared unconstitutional, the
13 remainder of this Act or any provision not affected thereby
14 shall remain in full force and effect.

15 SEC. 5. *Repealing Clause.* – All laws or parts thereof,
16 decrees, orders, rules and regulations inconsistent with the
17 provisions of this Act are hereby repealed or modified
18 accordingly.

1 SEC. 6. *Effectivity*. – This Act shall take effect fifteen
2 (15) days after its publication in the *Official Gazette* or in a
3 newspaper of general circulation.

Approved,