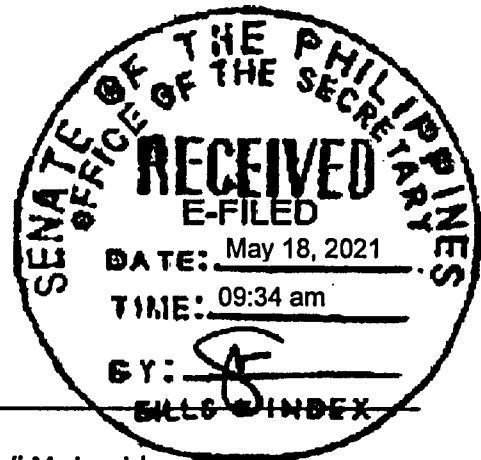


EIGHTEENTH CONGRESS OF THE)  
REPUBLIC OF THE PHILIPPINES )  
*Second Regular Session* )

SENATE

S. No. 2205



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Introduced by Senator Manuel "Lito" M. Lapid

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**AN ACT  
ESTABLISHING THE PHILIPPINE ENTREPRENEURS ACADEMY,  
AND APPROPRIATING FUNDS THEREFOR**

**EXPLANATORY NOTE**

Micro, Small, and Medium Enterprises (MSMEs) are considered to be the backbone of our economy for several reasons such as generation of employment to Filipinos, spearheading innovation, among others. In 2019, the Philippine Statistics Authority (PSA) reported that out of 1,000,506 business enterprises, 995,745 or 99.5% are MSMEs. These MSMEs generated a total of 5,510,760 jobs or 62.4% of the country's total employment. Further, the Department of Trade and Industry (DTI) reported that MSMEs contributed approximately 35.7% of the total value-added or gross domestic product in 2018.

Given the statistics mentioned above, it is but evident how significant the role of these MSMEs is in our economy. Yet, our country does not fully invest on these and capitalize on the potential of the same for economic growth. Thus, this bill aims to address such gap by establishing a learning institution to be known as the Philippine Entrepreneurs Academy. The Academy shall formalize and integrate the nonformal entrepreneurship programs and short-term technical-vocational courses in TESDA, DTI, and Department of Science and Technology, and other government agencies, under a school system. It seeks to enhance the core competencies of individuals on entrepreneurship and promote the relevance of entrepreneurship to job generation

and sustainable economic growth. The Academy Is the catalyst for change – it shall facilitate the growth of MSMEs which will stimulate our economy.

In view of this, early passage of this bill is sought.

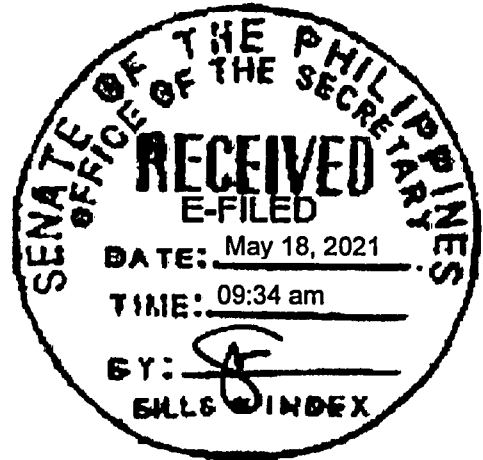


**MANUEL "LITO" M. LAPID**  
*Senator*

EIGHTEENTH CONGRESS OF THE )  
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**AN ACT  
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AND APPROPRIATING FUNDS THEREFOR**

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

1  
2       **Section 1. *Short Title.*** – This Act shall be known as "*Philippine Entrepreneurs*  
3 *Academy Act.*"

4  
5       **Section 2. *Establishment.*** – There is hereby established a learning institution  
6 under the supervision of the Commission on Higher Education (CHED), to be known  
7 as the "Philippine Entrepreneurs Academy", hereinafter referred to as the Academy.

8  
9       **Section 3. *General Mandate.*** – The Academy shall provide undergraduate  
10 and graduate degree programs, short-term technical-vocational nondegree courses  
11 and modular trainings that will enhance the core competencies of individuals on  
12 entrepreneurship. It shall cater to technical-vocational, college, and graduate  
13 students. It shall also promote the relevance of entrepreneurship to job generation  
14 and its significant role to the sustainable economic growth of the country.

15       The Academy shall formalize and integrate, under a school system, the  
16 nonformal entrepreneurship programs and short-term technical-vocational courses of

1 the Technical Education and Skills Development Authority (TESDA), Department of  
2 Trade and Industry (DTI), Department of Science and Technology (DOST), and other  
3 government agencies. It shall also administer education and consultancy, and  
4 supervise publication on entrepreneurship. It shall also conduct scientific and policy-  
5 oriented research and training.  
6

7 **Section 4. Curricular Offerings.** – The Academy shall offer undergraduate  
8 and graduate degree programs and short-term diploma or certificate courses on  
9 entrepreneurship, including entrepreneurship development in the fields of agriculture,  
10 trade, technology, and the manufacturing sector. The curriculum and modules of the  
11 programs shall be designed and developed following the competency-based  
12 curriculum model and in accordance with the mandate of this Act.  
13

14 **Section 5. School Sites.** – The Academy shall have two (2) campuses, with  
15 the main campus to be established in the Clark Freeport and Special Economic Zone  
16 located in the Provinces of Pampanga and Tarlac, to be known as the Entrepreneurs  
17 Academy-Clark Campus. The other campus shall be located in the City of Baguio, to  
18 be known as the Entrepreneurs Academy-Baguio City Campus.  
19

20 **Section 6. Governing Board.** – The governing board of the Academy shall  
21 be the Board of Trustees, hereinafter referred to as the Board, which shall be chaired  
22 and co-chaired by the Chairperson of the CHED, and the President of the Academy,  
23 respectively, with the following as members:

24 (a) Chairperson of the Committee on Higher, Technical and Vocational  
25 Education of the Senate;

26 (b) Chairperson of the Committee on Higher and Technical Education of the  
27 House of Representatives;

28 (c) Director General of the TESDA;

29 (d) Director General of the National Economic and Development Authority  
30 (NEDA);

31 (e) Secretary of the DOST;

32 (f) Secretary of the DTI;

- 1 (g) President of the federation of faculty associations of the Academy;  
2 (h) President of the federation of student councils of the Academy;  
3 (i) President of the federation of alumni associations of the Academy; and  
4 (j) Two (2) prominent citizens from the private sector who have distinguished  
5 themselves in their professions or fields of specialization.  
6

7 The members of the Board shall not receive any compensation or remuneration  
8 for their services as such, but may be reimbursed for actual and necessary expenses  
9 incurred in discharging the business of the Academy.  
10

11 **Section 7. Powers and Duties of the Board.** – The Board shall be the  
12 highest policymaking body of the Academy. In addition to its general powers of  
13 administration and the exercise of all the powers granted to the Board of a corporation  
14 under existing laws, the Board shall have the following specific powers and duties:

- 15 (a) Promulgate and implement policies in accordance with the declared State  
16 policies and pertinent provisions of the Philippine Constitution on education, as  
17 well as policies, standards and thrusts of the CHED under Republic Act No.  
18 7722, otherwise known as the "Higher Education Act of 1994";  
19 (b) Prepare, adopt and enact rules and regulations not contrary to law, as may be  
20 necessary to carry out the purposes and functions of the Academy, and to  
21 effectively discharge its responsibilities;  
22 (c) Receive assistance from any legitimate source to augment the internal sources  
23 of funds, as may be provided, for the support of the Academy in the manner it  
24 may determine, in its discretion, to carry out the purposes and functions of the  
25 Academy;  
26 (d) Constitute the Board, as herein defined;  
27 (e) Appoint the President and as many Vice-Presidents as may be necessary to  
28 assist the President in the administration of the affairs of the Academy;  
29 (f) Review periodically the administrative procedures and programs of the  
30 Academy;  
31 (g) Receive, in kind and in trust, legacies, gifts and donations of real and personal  
32 properties of all kinds, to administer and dispose the same when necessary for

1 the benefit of the Academy, subject to the limitations, discretions and  
2 instructions of the donors, if any;

3 (h) Fix the tuition fees and other school charges such as matriculation fees,  
4 graduation fees, laboratory fees, and other miscellaneous fees as the Board  
5 may deem proper to impose after due consultations with the involved sectors:  
6 *Provided*, That these fees shall not be prohibitive or unreasonable as to deviate  
7 from the purpose for which the Academy was created based on the guidelines  
8 of the CHED;

9  
10 Such fees and charges, including government subsidies and other incomes  
11 generated by the Academy, shall constitute its regular fund and shall be  
12 deposited in any authorized government depository bank, and all interests that  
13 shall accrue therefrom shall form part of the same fund for the use of the  
14 Academy.

15  
16 Any provision of existing laws, rules and regulations to the contrary  
17 notwithstanding, any income generated by the Academy from tuition fees and  
18 other charges, as well as from the operation of auxiliary services and land  
19 grants, shall be retained by the Academy, and may be disbursed by the Board  
20 for instruction, research, extension services, or other programs and projects of  
21 the Academy: *Provided*, That all fiduciary fees shall be disbursed for the specific  
22 purposes for which they were allocated.

23  
24 Of for reason beyond its control, the Academy shall not be able to pursue any  
25 project for which funds have been appropriated and allocated under its  
26 approved program of expenditures, the Board may authorize the use of said  
27 funds for any reasonable purpose which, in its discretion, may be necessary  
28 and urgent for the attainment of the objectives and goals of the Academy.

29  
30 (i) Adopt and implement a socialized tuition scheme for greater access of poor,  
31 but deserving students in accordance with Republic Act No. 10931 or the  
32 "Universal Access to Quality Tertiary Education Act";

- 1 (j) Authorize the construction or repair of its buildings, machineries, equipment,  
2 and other facilities, as well as the purchase and acquisition of real and personal  
3 properties, including the necessary supplies, materials, and equipment;
- 4 (k) Appoint, upon the recommendation of the President of the Academy, the deans,  
5 executive directors, heads of departments, faculty members, and other officials  
6 and employees;
- 7 (l) Prescribe the salaries of faculty members and administrative officials and  
8 employees, subject to the provisions of Republic Act No. 11466, otherwise  
9 known as the "Salary Standardization Law of 2019" and civil service rules and  
10 regulations governing hours of service and related concerns, and other  
11 pertinent laws;
- 12 (m) Formulate and implement the curricula and institutional programs of the  
13 Academy: *Provided*, That they comply with the minimum CHED requirements  
14 and guidelines;
- 15 (n) Formulate and promulgate the rules of discipline for the students of the  
16 Academy to ensure orderly and effective governance thereof;
- 17 (o) Set policies on admission and graduation of students: *Provided*, That they  
18 conform with the CHED guidelines;
- 19 (p) Award honorary degrees upon persons in recognition of outstanding  
20 contribution in the field of education, public service, arts, science and  
21 technology, or any field of specialization within the academic competence of  
22 the Academy and to authorize the issuance of certificates of completion of non-  
23 baccalaureate programs and nontraditional or innovative courses: *Provided*,  
24 That these conform with the applicable guidelines of the CHED and TESDA;
- 25 (q) Establish research and extension centers of the Academy where such will  
26 promote the development of the latter;
- 27 (r) Establish professional chairs in the Academy and provide fellowships for  
28 qualified faculty members and scholarships to deserving students;
- 29 (s) Enter into any agreements or joint ventures with business and industry for the  
30 profitable management of the economic and manpower assets of the Academy,  
31 the proceeds from which shall be used for upgrading of facilities and its  
32 development;

- 1 (t) Authorize an external management audit of the Academy, to be financed by  
2 the CHED, subject to the rules and regulation of the Commission on Audit and  
3 institute reforms, including academic and structural changes, on the basis of  
4 the audit results and recommendations;
- 5 (u) Import economic, technical and cultural books and publications;
- 6 (v) Develop consortia, academe-industry linkages and other forms of networks with  
7 other institutions and agencies, both public and private, local and foreign:  
8 *Provided*, That these comply with the applicable guidelines of the CHED in  
9 furtherance of the purposes and objectives of the institutions as well as develop  
10 academic arrangements for institution capacity and capability building with  
11 appropriate institutions and agencies, public and private;
- 12 (w) Appoint experts and specialists as consultants, or visiting or exchange  
13 professors, scholars, researchers, as the case may be: *Provided*, That the  
14 appointment shall conform to the CHED guidelines;
- 15 (x) Set up the adoption of modern and innovative modes of transmitting  
16 knowledge, such as the use of information technology, the dual training system,  
17 open distance learning, and community laboratory for the promotion of greater  
18 access to education;
- 19 (y) Outsource, where most advantageous to the institution, the management of  
20 non-academic services such as health, food, building or grounds or property  
21 maintenance and similar objectives;
- 22 (z) Delegate any of its powers and duties to the President or the other officials of  
23 the Academy, as it may deem appropriate, so as to expedite the administration  
24 of the affairs of the Academy;
- 25 (aa) Extend the term of the President of the Academy beyond the age of  
26 retirement, when deemed meritorious due to outstanding performance, but not  
27 later than the age of seventy (70) years old; and
- 28 (bb) Promulgate rules and regulations, as may be necessary, to carry out the  
29 purposes and functions of the Academy.
- 30

31 **Section 8. *President of the Academy.*** – The Academy shall be headed by  
32 a President, who shall render full-time service and shall be appointed by the Board



1 upon the recommendation of a duly constituted Search Committee. The President shall  
2 also be the chief executive officer of the Academy.

3  
4 The President shall have a term of four (4) years and shall be eligible for  
5 reappointment to another term. Within six (6) months before the expiration of the  
6 term of office of the Incumbent President of the Academy, the Board shall constitute  
7 the Search Committee for the Presidency.

8  
9 The President shall receive such compensation and remuneration in accordance  
10 with Republic Act No. 11466 or the "Salary Standardization Law of 2019", and by such  
11 other laws amendatory thereto, which may hereinafter be enacted, and shall be  
12 comparable to that being received by the Presidents of similar educational institutions.

13  
14 The President shall exercise the following powers and duties:

- 15 (a) Submit, for the consideration of the Board and Executive Committee, the  
16 policies and measures which are necessary to carry out the purposes of the  
17 Academy;
- 18 (b) Recommend, coordinate, and administer the programs and projects of the  
19 Academy;
- 20 (c) Direct and supervise the operations and internal administration of the Academy,  
21 and delegate administrative responsibilities in accordance with the rules and  
22 regulations of the Academy;
- 23 (d) Submit an annual report to the Board setting forth the accomplishments of the  
24 Academy during the year, its financial operations and status, and a program  
25 and budget for the ensuing year; and
- 26 (e) Exercise other powers and discharge other functions, as may be vested by the  
27 Board and the Executive Committee.

28  
29 The Board shall designate an Officer-In-Charge (OIC) of the Academy in case  
30 of vacancy in the Office of the President by reason of death, compulsory retirement,  
31 resignation, removal for cause or incapacity of the President to perform the functions  
32 of the office, pending the appointment of a new President: *Provided*, That the OIC

1 shall serve only during the unexpired portion of the term.

2  
3 The powers and duties of the President of the Academy, in addition to those  
4 provided in this Act, shall be those usually pertaining to the Office of the President of  
5 similar educational institutions, and those delegated by the Board.

6  
7 **Section 9. Executive Committee.** – There shall be an Executive Committee  
8 consisting of the President of the Academy and four (4) other members to be elected  
9 by the Board from its members. Each Member of the Executive Committee, other than  
10 the President of the Academy, shall hold office for a term of two (2) years, and shall  
11 be eligible for re-election, unless at the time of election, a short term is specified. The  
12 Board shall elect the Chairperson of the Executive Committee from the membership  
13 of the Board.

14  
15 **Section 10. Functions of the Executive Committee.** – The Executive  
16 Committee shall administer the affairs of the Academy in accordance with such  
17 functions, powers and responsibilities as may be delegated by the Board.

18  
19 **Section 11. Government Support and Coordination.** – The CHED  
20 Chairperson is hereby authorized to call upon any department, bureau, agency or  
21 instrumentality of the government for such assistance as may be necessary for the  
22 effective implementation of this Act.

23  
24 **Section 12. Tax Exemption.** – The importation of economic, technical and  
25 cultural books and publications, which are for economic, technical, vocational,  
26 scientific, philosophical, historical or cultural purposes made by the Academy, upon  
27 certification by the CHED, shall be exempt from customs duties in accordance with the  
28 provisions of Republic Act No. 10863, otherwise known as the "Customs Modernization  
29 and Tariff Act".

30  
31 All grants, bequest, endowments, donations and contributions made to the  
32 Academy, to be used actually, directly and exclusively by it, shall be exempt from

1 donor's tax and the same shall be considered as allowable deduction from the gross  
2 income in the computation of the income tax of the donor, in accordance with the  
3 provisions of the National Internal Revenue Code of 1997, as amended.

4  
5 **Section 13. Appropriations.** – The amount necessary for the immediate  
6 implementation of this Act shall be included in the annual General Appropriations Act.

7  
8 **Section 14. Implementing Rules and Regulations.** – Within ninety  
9 (90) days from the approval of this Act, the CHED, in coordination with the TESDA  
10 and the DTI, shall formulate the necessary rules and regulations to fully implement  
11 the provisions of this Act.

12  
13 **Section 15. Separability Clause.** – If, for any reason, any part or  
14 provision of this Act is declared invalid or unconstitutional, the remaining parts or  
15 provisions not affected shall remain in full force and effect.

16  
17 **Section 16. Repealing Clause.** – All laws, presidential decrees, executive  
18 orders, rules and regulations contrary to or inconsistent with the provisions of this Act  
19 are repealed or modified accordingly.

20  
21 **Section 17. Effectivity.** – This Act shall take effect fifteen (15) days after  
22 its publication in the *Official Gazette* or in a newspaper of general circulation.

23  
24 *Approved,*  
25