

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 1816

Introduced by **Representative Emmeline Y. Aglipay**

EXPLANATORY NOTE

This bill seeks to amend Republic Act No. 9178 (R.A. 9178) or the “Barangay Micro Business Enterprises Act of 2002” to include Barangay Micro Business Enterprises (BMBEs) within the coverage of the Minimum Wage Law upon the lapse of a reasonable number of years that are considered sufficient for the BMBEs to have developed a more stable and adapted enterprise which is capable of complying with the minimum wage requirement.

BMBEs are defined in R.A. 9178 as any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services, whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than Three Million Pesos (P3,000,000.00). All BMBEs are exempted from the coverage of the Minimum Wage Law, in accordance with Section 8 of R.A. 9178. There was no period of exemption given to the BMBEs for complying with the Minimum Wage Law, thus such exemption is perpetual—to the detriment of the workers.

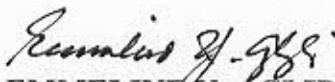
While there is a need to assist micro, small and medium scale business enterprises to sprout, survive and expand, the government should not interminably compromise the interest and constitutional right of the working man and woman to earn a fair “living wage” (as provided by the minimum wage set by Regional Tripartite Wages and Productivity Boards (RTWPBs)).

The vulnerability of the BMBEs should not be perpetually favored to the prejudice of the Filipino worker. It is recognized that the government must intervene in order to nurse BMBEs so that more employment is generated; however the protection given to the BMBEs must expire

after a certain number of years. A proper balance must be made between the rights of labor to protection and to a fair and decent living wage, and the corollary right of employers to reasonable returns on investment, expansion and growth. It is submitted that a maximum period of six (6) years is sufficient to financially sustain and stabilize BMBEs. Consequently, they must comply with the applicable minimum wage rates after that period.

Every laborer, no matter what he or she does, should be accorded the dignity and worth that is the very breath of labor rights.

Approval of this bill is earnestly sought.


EMMELINE Y. AGLIPAY
Representative, DIWA Party-list

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HOUSE BILL NO. 1816

Introduced by **Representative Emmeline Y. Aglipay**

AN ACT
LIMITING THE NUMBER OF YEARS OF EXEMPTION FROM THE COVERAGE OF
THE MINIMUM WAGE LAW GIVEN TO BARANGAY MICRO BUSINESS
ENTERPRISES (BMBEs) TO TWO (2) YEARS RENEWABLE FOR ANOTHER TWO
(2) YEARS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9178,
OTHERWISE KNOWN AS "THE BARANGAY MICRO BUSINESS ENTERPRISES
(BMBEs) ACT OF 2002"

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

SECTION 1. Section 8 of Republic Act No. 9178 is hereby amended to read as follows:

"SEC. 8. Exemption from the Coverage of the Minimum Wage Law. - The BMBEs shall be exempt from the coverage of the Minimum Wage Law **DURING THE FIRST ISSUANCE OF THE CERTIFICATE OF AUTHORITY, WHICH SHALL BE EFFECTIVE FOR A PERIOD OF TWO (2) YEARS, Provided, THAT THE EXEMPTION FROM THE COVERAGE OF THE MINIMUM WAGE LAW SHALL ONLY BE GRANTED UP TO THE NEXT TWO (2) RENEWALS OF THE CERTIFICATE OF AUTHORITY, EACH FOR A PERIOD OF TWO (2) YEARS.**

~~That [A]ll~~ employees covered under this Act, shall be entitled to the same benefits given to any regular employee such as social security and healthcare benefits, **AND OTHER BENEFITS, WHERE APPLICABLE, THAT THEY MAY BE ENTITLED TO UNDER THE LABOR CODE."**

SEC. 3. All laws, decrees, rules and regulations or parts thereof, which are contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 4. If any part or provision of this Act is declared unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 5. This Act shall take effect fifteen days from its publication in two national newspapers of general circulation after its approval by the President.

Approved.