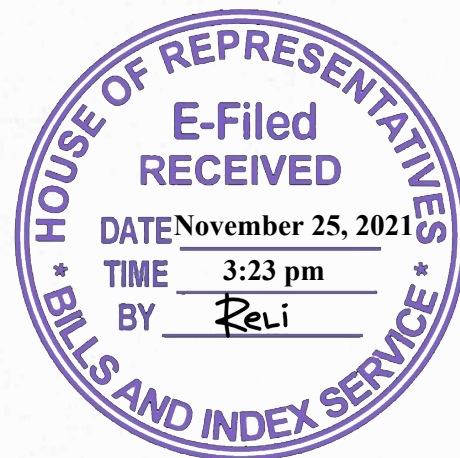


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
Third Regular Session

HOUSE BILL NO. **10550**



Introduced by: REP. Allan Benedict S. Reyes

EXPLANATORY NOTE

When it comes to promoting and supporting micro and small enterprises, Quezon City has a number of programs and best practices that other Local Government Units (LGUs) can adopt. For instance, the City has the Small Business and Cooperatives Development and Promotions Office (“QC-SBCDPO”) which aims “[t]o promote, support, strengthen and encourage the establishment, continuing viability, sustainable growth and development of innovative micro and small enterprises, entrepreneurs, and cooperatives.”¹ The said Office was created in 2014 under City Ordinance No. SP-2364, S-2014 which was enacted on 24 November 2014. Its mandate includes spurring “inclusive growth and development by stimulating entrepreneurship, growing micro and small enterprises and strengthening cooperatives through appropriate organizational and business development programs and service. The QC-SBCDPO also oversees and facilitates the planning, delivery, coordination, consolidation and convergence of all stakeholder efforts to develop and promote micro and small enterprises and entrepreneurship in the City. The said Office is also in charge of evaluating Micro Enterprises (ME) covered by Republic Act (R.A.) No. 9178² otherwise known as the Barangay Micro Business Enterprises (BMBE) Act of 2002. Pursuant to the implementing rules and regulations of the said law, Quezon City also has a Business One-Stop Shop (BOSS) under its Business Permits and Licensing Department that handles the efficient registration and processing of permits or licenses of BMBEs.

Quezon City also enacted Ordinance No. SP-2360, S-2014 or an Ordinance Adopting a Magna Carta for Micro and Small Business Enterprises in Quezon City. Seeing the vital role of the MSE sector in the economy and their potential to generate sustainable employment, the City Government upheld the declared policy of Republic Act 6977, as amended, or the Magna Carta for Micro, Small and Medium Enterprises (MSMEs). To maximize the potential of MSEs, the City Government found it imperative “to develop a measure that will provide for a holistic and comprehensive program and requisite support systems, mechanisms and infrastructures for the sustainable development and promotion” of MSEs. For this purpose, one of the development objectives of the Ordinance is to create “an enabling business environment that is conducive to the establishment, innovation, development and sustainable growth of MSEs. Furthermore, the Ordinance aims to enable MSEs to “conveniently access appropriate and affordable financial products, services and programs (i.e., savings, credit, insurance, remittance, transfers) from multiple sources and for various purposes. To

¹ <https://quezoncity.gov.ph/departments/small-business-and-cooperatives-devt-and-promotions-office/> (last accessed 20 November 2021).

² An Act to Promote the Establishment of Barangay Micro Business Enterprises (BMBEs), Providing Incentives and Benefits therefor, and for Other Purposes, 13 November 2002.

carry out the declared policy and principles in the said Ordinance, the Micro and Small Enterprise Development (MSED) Council was also created by the City Government. The QC-SBCDPO was also identified as the primary office in charge to implement the policies and programs of the Ordinance. The QC-SBDPO was also mandated to facilitate and assist all qualified MSEs to avail of the incentives, benefits and privileges granted under the Ordinance.

Similarly, during the COVID-19 pandemic, Quezon City launched *Kalingang QC Sa Negosyo* which aims to provide assistance to micro and small business enterprises by helping them meet ongoing business costs through wage subsidies that can help retain their employees and business operations. Eligible micro-business enterprise can apply for wage subsidy equivalent to fifty percent (50%) of an employee's minimum wage for a three-month period.³

While, admittedly, not all LGUs are similarly situated, it seems that the adoption as far as practicable by other LGUs of some of the best practices of Quezon City may help more MSEs nationwide. Consequently, this important sector in society can thus contribute further to the economic development of the country in general.

In view of the foregoing, passage of this bill is earnestly sought.


HON. ALLAN BENEDICT S. REYES
Representative, 3rd District, Quezon City

³ <https://sikap.com.ph/loans/kalingang-qc-para-sa-negosyo/> (last accessed 20 November 2021).

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HOUSE BILL NO. **10550**

Introduced by: REP. Allan Benedict S. Reyes

**AN ACT CREATING THE SMALL BUSINESS DEVELOPMENT AND
PROMOTIONS OFFICE (SBDPO) IN ALL CHARTERED CITIES IN THE
PHILIPPINES, PRESCRIBING ITS AUTHORITY AND DUTIES, AND FOR
OTHER PURPOSES**

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

SECTION 1. *Short Title.* - This Act shall be known as the ***“Small Business Development and Promotions Office Act of 2021.”***

SECTION 2. *Declaration of Policy.* - It is hereby declared a policy of the State to promote, support, strengthen and encourage the growth and development of micro and small enterprises (SMEs) in all productive sectors of the economy. To ensure that SMEs have better and more convenient access to requisite support systems, mechanisms and infrastructures, an Office that will develop and promote them is hereby created.

SECTION 3. *Coverage.* This Act shall apply to all chartered cities in the Philippines, except Quezon City and other cities which may already have the same or similar Office.

SECTION 4. *Creation of the Small Business Development and Promotions Office.* It is hereby created a Small Business Development and Promotions Office (SBDPO) under the executive supervision of the Department of Interior and Local Government (DILG) which shall promote, support, strengthen and encourage the establishment, continuing viability, sustainable growth and development of MSEs in all chartered cities nationwide.

SECTION 5. *Outright Subsidy.* To ensure fast and efficient facilitation, the SBDPO shall have the authority to give outright subsidy to all legitimate SMEs operating in their respective chartered cities. For this purpose, the SBDPO shall only require minimum eligibility and documentary requirements to prove the legitimacy of the SME. The amount of subsidy shall be decided in coordination with the DILG and concerned LGU.

SECTION 6. *Credit Facility.* Subject to a certain threshold that it may impose, the SBDPO shall also have the authority to extend loans to SMEs with no interest and payable in at least twelve (12) to eighteen (18) months. It shall only require minimum

eligibility and documentary requirements to ensure access to most number of MSEs within its jurisdiction.

SECTION 7. *Implementing Rules and Regulations and Standard Forms.* -

Within sixty (60) days from the promulgation of this Act, the necessary rules and regulations for the proper implementation of its provisions shall be formulated by the appropriate government office or agency in coordination with all the stakeholders and covered LGUs.

SECTION 8. *Repealing Clause.* - All laws, executive orders, administrative orders, rules, regulations, decrees, and other issuances or parts thereof, which are inconsistent with the provisions of this Act are hereby revoked, repealed, or modified accordingly.

SECTION 9. *Separability Clause.* - If any provision of this Act is held unconstitutional or invalid, the other provisions not affected thereby shall continue in operation and remain in full force and effect.

SECTION 10. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation or the Official Gazette.