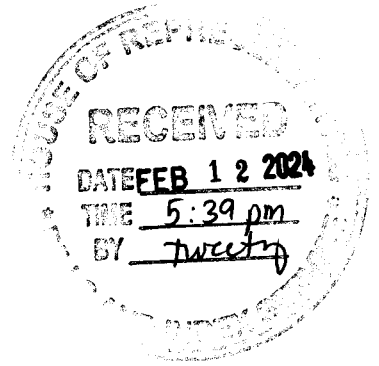




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
Second Regular Session

HOUSE BILL NO. **9917**



Introduced by Representative Lianda B. Bolilia

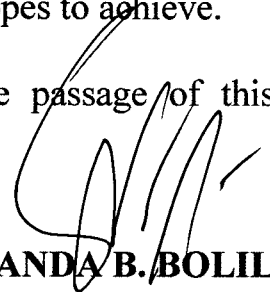
EXPLANATORY NOTE

In 1991, the Philippines enacted Republic Act No. 6977 known as the “Magna Carta for Small Enterprises” in recognition of the potential of Small and Medium Scale Enterprises (SMEs) as loci of employment generation, economic growth, and industrial development for the Philippines. The creation of the Micro, Small, and Medium Enterprise Development (MSMED) Council, and the Small Business Finance and Guarantee Corporation are products of this law, and both were created with the goal to contribute and coordinate efforts in boosting the growth and development of MSME’s as consistent with state policy. It is also through this law that MSMEs were granted improved access to credit by requiring lending institutions to set aside part of their loan portfolios for these enterprises. Republic Act No. 9501 amended the Magna Carta and further strengthened the development and assistance programs to Micro, Small, and Medium Scale Enterprises (MSMEs). This amendment also provided for the definition of MSMEs, and other regulations on the provision of grants and assistances.

Despite the successes of the law, its amendments, and the aforementioned instrumentalities, there is a need to update its provisions to address new issues, one of which is the outdated definitions of enterprises or businesses that belong to the MSME category. The asset value thresholds need to be adjusted in consideration of inflation, and other economic factors but no amendments have been made since the enactment of R.A 9501 thus limiting the number of MSMEs that can benefit from the said program.

As such, I file this bill and propose the redefinition of the asset value thresholds in order to extend the benefits and privileges of the law to more MSMEs. Further, this bill will help further the sectoral goals and outcomes which the Philippine Development Plan 2023-2028 hopes to achieve.

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



LIANDA B. BOLILIA



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
Second Regular Session

HOUSE BILL NO. 9917

Introduced by Representative Lianda B. Bolilia

1 **AN ACT**
2 **EXPANDING THE COVERAGE OF MICRO ENTERPRISES AS**
3 **BENEFICIARIES OF THE MAGNA CARTA FOR MICRO, SMALL,**
4 **AND MEDIUM ENTERPRISES, AMENDING FOR THE PURPOSE**
5 **REPUBLIC ACT NO. 6977, AS AMENDED**
6

7 *Be it enacted by the Senate and the House of the Representatives of the*
8 *Philippines in Congress assembled:*
9

10 SECTION 1. Section 3 of the Magna Carta for Micro, Small, and
11 Medium Enterprises or Republic Act No. 6977, as amended, is hereby further
12 amended to read as follows:

13 “Sec. 3. *Micro, Small, and Medium Enterprises (MSMEs) as*
14 *Beneficiaries.* – MSMEs shall be defined as any business activity
15 or enterprise engaged in industry, agribusiness and/or services,
16 whether single proprietorship, cooperative, partnership or
17 corporation whose total assets, inclusive of those arising from
18 loans but exclusive of the land on which the particular business

entity's office, plant, and equipment are situated, must have value falling under the following categories:

Micro: not more than ~~{P 3,000,000}~~ **P 7,500,000**

Small: ~~{P 3,000,001 — P 15,000,000}~~ **MORE THAN P7,500,000 to P15,000,000**

Medium: ~~{P15,000,001 — P100,000,000}~~ **MORE THAN P15,000,000 TO P100,000,000.**

“ x x x.

“ x x x.”

SEC. 2. *Implementing Rules and Regulations.* – Within thirty (30) days upon the approval of this Act, the Department of Trade and Industry shall, in coordination with the Micro, Small, and Medium Enterprise Development Council, promulgate the necessary implementing rules and regulations to effectively implement this Act.

SEC. 3. *Repealing Clause* – All laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 4. *Effectivity* - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,