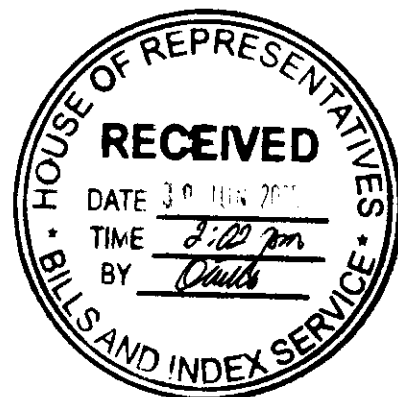




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 457



Introduced by Representative Crispin Diego “Ping” D. Remulla

AN ACT
INSTITUTIONALIZING 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

EXPLANATORY NOTE

Micro, small, and medium enterprises (MSMEs) play a massive role in the Philippine economy. In fact, almost all businesses in the country, specifically 99.63%, fall under this category, providing jobs for over 6 million Filipinos. This is nearly 67% of the entire workforce. Clearly, MSMEs are vital to helping families earn a living and keeping the country's economy running strong.

However, many small businesses face challenges because they lack access to modern equipment, tools, and technology that can help improve their products and services. To address this, the Department of Trade and Industry (DTI) established the Shared Service Facilities (SSF) Project, which enables MSMEs to utilize advanced equipment and facilities without incurring the costs of purchasing them individually. These shared centers also help small businesses grow, innovate, and become more competitive, both locally and globally.

This measure aims to make the SSF Project a permanent part of the government's support for MSMEs by officially institutionalizing it. It also requires the DTI to set up high-tech SSF Fabrication Laboratories, or Fab Labs, in every province, especially in areas that still do not have them. These labs will be located in schools or government training centers, where entrepreneurs can learn, develop, and improve their products. By providing small businesses with better tools and opportunities, this measure aims to create jobs, foster innovation, and promote long-term growth in communities nationwide.

In view of the foregoing, the approval of this measure is earnestly sought.

A handwritten signature in black ink, appearing to read 'CRISPIN D. REMULLA', positioned above the printed name.

CRISPIN DIEGO "PING" D. REMULLA



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MEDIUM ENTERPRISES

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

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

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

12 **THE SSF PROGRAM SHALL ENTAIL SETTING UP COMMON**
13 **SERVICE FACILITIES OR PRODUCTION CENTERS FOR CERTAIN**
14 **PROCESSES TO GIVE MSMES ACCESS TO BETTER TECHNOLOGY**

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

9 SHARED SERVICE FACILITIES REFER TO MACHINERY,
10 EQUIPMENT, TOOLS, SYSTEMS, ACCESSORIES, AND OTHER
11 AUXILIARY ITEMS, SKILLS, AND KNOWLEDGE THAT ARE BEING
12 PROVIDED BY THE DTI UNDER A COMBINED AND COLLECTIVE
13 SYSTEM TO ITS TARGET BENEFICIARIES.

14 THE DTI, IN COORDINATION WITH RELEVANT
15 GOVERNMENT AGENCIES, LGUS, PRIVATE INSTITUTIONS AND
16 STAKEHOLDERS, SHALL ALSO ESTABLISH SSF-FABRICATION
17 LABORATORIES (SSF-FAB LABS), WHICH REFER TO HIGH-END
18 SSFS EQUIPPED WITH AN ARRAY OF FLEXIBLE COMPUTER-
19 CONTROLLED TOOLS THAT COVER SEVERAL DIFFERENT
20 LENGTHS AND SCALE AND VARIOUS MATERIALS, IN AT LEAST
21 ONE (1) STRATEGIC LOCATION IN EVERY PROVINCE TO ASSIST
22 MSMES IN THE MANUFACTURING OF NEEDED ASSETS AND
23 PRODUCTS. THE PRIORITY SHALL BE PROVINCES WITHOUT
24 EXISTING FAB LABS.

25 THE SSF-FAB LABS SHALL BE ATTACHED TO STATE
26 UNIVERSITIES AND COLLEGES (SUCS); LOCAL UNIVERSITIES AND
27 COLLEGES (LUCS); PRIVATE SCHOOLS, COLLEGES AND
28 UNIVERSITIES; AND GOVERNMENT ACADEMIC TRAINING
29 INSTITUTIONS OF THE PROVINCE AS DETERMINED BY DTI FOR
30 PROPER MONITORING AND MAINTENANCE:

31 PROVIDED, THAT IN GRANTING SSFS AND SSF-FAB LABS,
32 THE DTI SHALL:

33 A) TIMELY PROCESS THE APPLICATIONS FOR THE
34 GRANTING OF SSFS AND SSF-FAB LABS IN COMPLIANCE

1 WITH THE PROVISIONS OF REPUBLIC ACT NO. 11032 OR
2 THE “EASE OF DOING BUSINESS AND EFFICIENT
3 GOVERNMENT SERVICE DELIVERY ACT OF 2018” ON
4 THE MAXIMUM PRESCRIBED PROCESSING TIME
5 DEPENDING ON THE COMPLEXITY OF THE
6 TRANSACTIONS: PROVIDED, THAT THE APPLICATION
7 HAS MET ALL THE REQUIREMENTS INCLUDING AMONG
8 OTHERS THE CONDUCT OF MARKET STUDY AND OTHER
9 RECOMMENDATIONS THAT MAY BE IDENTIFIED BY
10 THE NATIONAL TECHNICAL WORKING GROUP (NTWG);

11 B) CONSULT WITH THE COOPERATORS ON THE
12 APPROPRIATE PROJECTS TO BE GRANTED TO THEM;

13 C) ENSURE THAT THE MACHINERY, EQUIPMENT AND
14 TOOLS ARE PROPER, SUITABLE, USABLE, AND APT
15 WITH THE CAPABILITIES AND REQUIREMENTS OF THE
16 FACILITIES;

17 D) COORDINATE WITH SUCS AND LUCS WHERE THE SSF
18 AND/OR SSF-FAB LABS ARE ESTABLISHED IN SETTING
19 GUIDELINES FOR THE EQUITABLE UTILIZATION OF
20 SAID FACILITIES AMONG USERS WITHIN AND OUTSIDE
21 THE EDUCATIONAL INSTITUTIONS;

22 E) CLOSELY COORDINATE AND IMMEDIATELY ASSIST
23 THE COOPERATORS WITH THEIR ISSUES OR CONCERNS
24 REGARDING THE IMPLEMENTATION OF THEIR
25 PROJECTS; AND

26 F) PARTNER WITH OTHER GOVERNMENT AGENCIES, IF
27 NEEDED, TO HELP ENSURE THE SUCCESS OF THE
28 PROJECTS:

29 PROVIDED, FURTHER, THAT THE DTI SHALL ENSURE THAT
30 THE SSFS AND SSF-FAB LABS CREATED UNDER THIS ACT
31 ARE CONSISTENT WITH THE NATIONAL INNOVATION
32 AGENDA AND STRATEGY DOCUMENT.

33 SEC. 17. *MONITORING OF PRODUCTIVITY OUTCOMES.* – THE
34 DTI, IN COORDINATION WITH THE CONCERNED COOPERATORS,

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

11 **SEC. 2. *Implementing Rules and Regulations.*** – Within three (3) months from the
12 effectivity of this Act, the DTI shall promulgate the necessary implementing rules and
13 regulations for the institutionalization and establishment of the SSFs including the guidelines
14 for the partnership with the cooperators, SUCs, LUCs, private schools, colleges and
15 universities, and government academic training institutions where the SSFs and SSF-Fab labs
16 will be established.

17 **SEC. 3. *Appropriations.*** – The amounts necessary to carry out the implementation of
18 this Act shall be charged against the current budget of DTI. Thereafter, the funds necessary for
19 the continuous implementation of this Act shall be included in the annual General
20 Appropriations Act (GAA).

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

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

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

Approved,