Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 1830

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Introduced by Representative Jose Manuel F. Alba

AN ACT

ORDAINING THE PROMOTION OF SOCIAL ENTERPRISES TO ALLEVIATE POVERTY, ESTABLISHING FOR THE PURPOSE THE POVERTY REDUCTION THROUGH SOCIAL ENTREPRENEURSHIP (PRESENT) PROGRAM AND PROVIDING SUPPORT, BENEFITS, AND APPROPRIATIONS THEREFOR

EXPLANATORY NOTE

The Philippine Constitution mandates the promotion of social justice and self-reliance alongside creating economic opportunities. It also put emphasis to raise the quality of life for all, especially the under-privileged. The country, however, is continuously faced with poverty. Alongside the private sector, academe, and civil society organizations, the Philippine government is continuously looking for innovative means to ensure that this constitutional mandate is fulfilled.

Experiences in the past thought us that to address this perennial challenge, it requires appropriate systems, organization, structures, and resources. It also requires new social investment models and capacity building programs to help new breed entrepreneurs achieve significant positive impact.

There are many social enterprises able to prove its models to create wealth while performing its social mission. As a poverty reduction strategy, it creates social and economic value that benefits the poor as its primary stakeholders. These stakeholders are engaged as partners in the value chain (either as workers, suppliers, clients, co-developer, co-producer) and in social enterprise governance.

This bill provides the framework for planning and implementation of a National Poverty Reduction through Social Entrepreneurship (PRESENT) Program. It also seeks to provide incentives and benefits to promote the growth of social enterprises, and to integrate it into the overall poverty reduction strategy of the government.

The support and passage of this bill is also a means for the country to further contribute to the achievement of the national targets in conformance to the United Nations' 2030 Sustainable Development Goals, particularly Zero Hunger, Zero Poverty, Reduced Inequality, Decent Jobs, and Inclusive, Sustainable Communities.

It is important to note that amendments to the bill have been approved by the Committee on Micro, Small and Medium Enterprise Development on December 13, 2023 and recommendations of the Committee on Ways & Means on March 12, 2024, during the 19th Congress, were applied to the current bill.

For the foregoing reasons, the immediate consideration and approval of this bill is earnestly sought.

JOSE MANUEL F. ALBA
Representative, 1st District, Bukidnon

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

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title***.** – This Act shall be known as the "Poverty Reduction through Social Entrepreneurship (PRESENT) Act."

Sec. 2. *Statement of Policy***.** – As provided in the Constitution of the Republic of the Philippines, it is hereby declared the policy of the State:

a) To promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all;

b) To provide social justice in all phases of national development, value the dignity of every human person, and guarantee full respect for human rights;

c) To ensure that the national economy provides for a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged;

d) To affirm the role of women in nation building and ensure the fundamental equality of men and women before the law;

e) To promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets;

f) To protect Filipino enterprises against unfair foreign competition and trade practices;

g) To recognize the important role of enterprises in the economy as the major agent of development, creating off-farm employment opportunities and providing transitional means for improving people's livelihoods; and

h) To ensure the empowerment and self-reliance of Filipinos, emancipated from poverty towards economic independence.

Towards this end, the State shall pursue a poverty reduction program that promotes an environment conducive to the development and growth of a vibrant social enterprise sector engaged in poverty reduction, and economic and social development. The State shall likewise ensure the provision of free technical and financial assistance, incentives and other services that will enable them to develop into viable and vital anti-poverty agents, and a strong social entrepreneurship movement which will be instrumental in reducing poverty in the country.

Further, it shall empower the marginalized sectors as primary stakeholders in social enterprises, establish mechanisms essential to realizing their potential and achieving their full growth, and extend the assistance necessary for their advancement.

The State, through the creation of an enabling policy environment for social enterprises, affirms its commitment to the Sustainable Development Goals (SDGs). Social enterprises shall form part of national and local development plans toward accelerating the achievement of the SDGs, especially the targets of zero poverty; no hunger; gender equality; decent work and inclusive economic growth; reducing inequalities; and sustainable production and consumption.

The State shall pursue a low carbon development pathway to which social enterprises engaged in renewable energy, environmental protection, circular economy, and other such activities, can contribute. This is consistent with the commitment of the State to its Nationally Determined Contribution (NDC) under the global Paris Climate Agreement, which it ratified in 2017.

Sec. 3. *Definition of Terms.* – As used in this Act:

a) *Assets* refers to all kinds of properties, real or personal, owned by the social entrepreneur as defined in paragraph (w) of this section and used for the conduct of its business: *Provided,* That for the purpose of exemption from taxes and to benefit from other incentives under this Act, this term shall mean all kinds of properties, real or personal, owned, possessed or used by the social enterprise (SE) for the conduct of its business;

b) *Capability building* refers to the process of enhancing the viability and sustainability of social enterprises. It pertains to: 1) education, training, coaching and other learning events such as study tours; 2) technical, consultancy and advisory services; 3) assistance in organizational systems development; 4) technology incubation, development and dissemination; 5) value chain and subsector development; 6) conduct of SE trade fairs and missions; 7) networking and policy advocacy initiatives, and other such activities that enable SEs to be effective and efficient vehicles for poverty reduction. The term capability building precludes the grant of any loan or equity funds to the SE and shall in no way refer to the provision of equity investments, seed funding, partnership's seed funds, equity participation, start-up funds or any such activity that connotes the infusion of capital or funds from the government;

c) *Civil society organizations* refers to private, voluntary, and non-profit organizations of citizens that are established to pursue a mission, usually involving the interest of the public, marginalized groups or specific sectors of society. They include non-government organizations, socio-civic groups, foundations and people's organizations;

d) *Council* refers to the National Enterprise Development Council;

e) *Cooperative* refers to an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services, and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles as defined in Republic Act No. (RA) 6938, as amended by RA 9520, or the "Philippine Cooperative Code of 2008";

f) *Economic subsectors* refers to networks of related actors and enterprises performing various functions in value chains. These actors and enterprises transform raw materials into finished products, or develop services, and distribute or provide them through market channels to final consumers; they may be identified by key raw material source, by finished product or final service provided. An economic subsector may be comprised of several competing value chains. By understanding the dynamics of economic subsectors and using them as units of planning social entrepreneurship interventions, government agencies, support institutions, and SEs shall more effectively reach and benefit a greater number of poor in poverty reduction programs;

g) *Fair trade* refers to a trading partnership based on dialogue, transparency and respect, and which seeks greater equity in international trade and the transformation and adaptation of trading structures and practices in favor of the poor and disadvantaged by offering better trading conditions to, and securing the rights of, marginalized producers and workers;

h) *Foundation* refers to the categorization of a non-profit organization duly registered that typically either donates funds and support to other organizations or provides the source of funding for its own charitable purposes. Unlike a company, foundations have no shareholders though they may have a board, an assembly and voting members. A foundation may hold assets in its own name for the purposes set out in its constitutive documents, and its administration and operation are carried out in accordance with its statutes or articles of association rather than fiduciary principles;

i) *Gender and Development or GAD* refers to the development perspective and process that are participatory and empowering, equitable, sustainable, free from violence, respectful of human rights, and supportive of self-determination and actualization of human potentials. It seeks to achieve gender equality as a fundamental value that should be reflected in development choices; seeks to transform society's social, economic and political structures and questions the validity of the gender roles they ascribed to women and men; contends that women are active agents of development and not just passive recipients of development assistance; and stresses the need of women to organize themselves and participate in political processes to strengthen their legal rights;

j) *Marginalized* refers to basic sectors and disadvantaged or vulnerable persons or groups who are mostly living in poverty and have little to no access to: land and other resources; basic social and economic services, such as health care, education, water and sanitation, employment and livelihood opportunities, housing, social security, physical infrastructure; and the justice system.

As defined in RA 9710, or "The Magna Carta of Women", these include the following sectors, groups, and persons:

(1) "Small Farmers and Rural Workers" refers to those who are engaged directly or indirectly in small farms and forest areas, workers in commercial farms and plantations, whether paid or unpaid, regular or season-bound. These shall include, but are not limited to, (i) small farmers who own or are still amortizing for lands that is not more than three (3) hectares, tenants, leaseholders, and stewards; and (ii) rural workers who are either wage earners, self-employed, unpaid family workers directly and personally engaged in agriculture, small-scale mining, handicrafts, and other related farm and off-farm activities;

(2) "Fisherfolk" refers to those directly or indirectly engaged in taking, culturing, or processing fishery or aquatic resources. These include, but are not to be limited to, women engaged in

fishing in municipal waters, coastal and marine areas, women workers in commercial fishing and aquaculture, vendors and processors of fish and coastal products, and subsistence producers such as shell-gatherers, managers, and producers of mangrove resources, and other related producers;

(3) “Urban Poor” refers to those residing in urban and urbanizable slum or blighted areas, with or without the benefit of security of abode, where the income of the head of the family cannot afford in a sustained manner to provide for the family’s basic needs of food, health, education, housing, and other essentials in life;

(4) “Workers in the Formal Economy” refers to those who are employed by any person acting directly or indirectly in the interest of an employer in relation to an employee and shall include the government and all its branches, subdivisions, and instrumentalities, all government-owned and -controlled corporations and institutions, as well as non-profit private institutions or organizations;

(5) “Workers in the Informal Economy” refers to self-employed, occasionally or personally hired, subcontracted, paid and unpaid family workers in household incorporated and unincorporated enterprises, including home workers, micro-entrepreneurs and producers, and operators of sari-sari stores and all other categories who suffer from violation of workers’ rights;

(6) “Migrant Workers” refers to Filipinos who are to be engaged, are engaged, or have been engaged in a remunerated activity in a State of which they are not legal residents, whether documented or undocumented;

(7) “Indigenous Peoples” refers to a group of people or homogenous societies identified by self-ascription and ascription by other, who have continuously lived as organized community on communally bounded and defined territory, and who have, under claims of ownership since time immemorial, occupied, possessed customs, tradition, and other distinctive cultural traits, or who have, through resistance to political, social, and cultural inroads of colonization, non-indigenous religions and culture, became historically differentiated from the majority of Filipinos. They shall likewise include peoples who are regarded as indigenous on account of their descent from the populations which inhabited the country, at the time of conquest or colonization, or at the time of inroads of non-indigenous religions and cultures, or the establishment of present state boundaries, who retain some or all of their own social, economic, cultural, and political institutions, but who may have been displaced from their traditional domains or who may have resettled outside their ancestral domains as defined under Section 3 (h), Chapter II of RA 8371, or “The Indigenous Peoples Rights Act of 1997” (IPRA of 1997);

(8) “Children” refers to those who are below eighteen (18) years of age or over but are unable to fully take care of themselves or protect themselves from abuse, neglect, cruelty, exploitation, or discrimination because of a physical or mental disability or condition;

(9) “Senior Citizens” refers to those sixty (60) years of age and above;

(10) “Persons with Disabilities” refers to those who are suffering from restriction or different abilities, as a result of a mental, physical,

or sensory impairment to perform an activity in the manner or within the range considered normal for a human being;

(11)"Solo Parents" refers to those who fall under the category of a solo parent defined under RA 11861, or the "Expanded Solo Parents Welfare Act";

(12) Further, as defined in RA 11054, or the "Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao", marginalized groups shall include "Bangsamoro People", to wit: "Bangsamoro People" refers to those who, at the advent of the Spanish colonization, were considered natives or original inhabitants of Mindanao and the Sulu archipelago and its adjacent islands, whether of mixed or full blood, shall have the right identity themselves, their spouses and descendants, as Bangsamoro; and

(12)Further, as articulated in RA 9710, marginalized groups shall include women in all aforementioned sectors or groups.

k) *Microfinance* refers to the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance products to the poor and low-income households and their microenterprises and small businesses, to enable them to raise their income levels and improve their living standards;

l) *Minimum basic needs* refers to the needs of a Filipino family pertaining to survival (food and nutrition; health; water and sanitation), security (shelter; peace and order; public safety, income and livelihood); and enabling services (basic education and literacy, participation in community development, family and psycho-social care); and inclusion (assistive device/technology, personal assistance, sign language interpreter, accessibility);

m) *Non-Government Organization or NGO* refers to a duly registered non-stock, non-profit organization focusing on the upliftment of the basic or disadvantaged sectors of society by providing advocacy, training, community organizing, research, access to resources, and other similar activities and, as defined under Section 34 (H)(2)(c) of the National Internal Revenue Code of 1997, as amended, organized and operated exclusively for scientific, research, educational, character-building and youth and sports development, health, social welfare, cultural or charitable purposes, or a combination thereof, and no part of the net income of which, inures to the benefit of any private individual;

n) *People's Organization or PO* refers to a self-help group belonging to the basic sectors or disadvantaged groups composed of members having a common bond of interest who voluntarily join together to achieve a lawful common social or economic end;

o) *Persons with Disability* refers to those who have long-term physical, mental, intellectual, or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. Persons who may fall in this definition include the following: persons with psychosocial disability, persons with autism, persons with down syndrome, persons who are blind, persons with low vision, persons hard of hearing, the deaf, persons with rare diseases, and all other persons who will be certified under the disability assessment and determination system;

p) *Poor* refers to individuals and families whose income fall below the poverty threshold as defined by the National Economic and Development Authority (NEDA) or are deprived of the means to provide in a sustained manner their minimum basic needs of food, health, education, housing, and other essential amenities of life, as defined under RA 8425, or the "Social Reform and Poverty Alleviation Act"; it may also be the state of deprivation – such as poor health, lack of education, inadequate living standard, lack of income (as one of several factors considered), disempowerment, poor quality of work, and threat from violence;

q) *Poverty reduction/alleviation* refers to overcoming the income, resource, and capability deprivation among the poor as defined in the preceding paragraph and the marginalized sectors as defined in paragraph (j) hereof;

r) *Procuring Entity* refers to any branch, department, office, agency, or instrumentality of the government, including state universities and colleges, government-owned or -controlled corporations, government financial institutions, and local government units procuring Goods, Consulting Services and Infrastructure Projects;

s) *SEGFP* refers to the SE Guarantee Fund Pool created under this Act;

t) *Social development* refers to the continuing process of addressing the needs of society, beginning with the people's minimum basic needs, through a systematic implementation of socioeconomic programs or packages;

u) *Social Enterprise (SE)* refers to a social mission-driven organization that creates wealth while contributing to social well-being and ecological integrity, and seeks to operate in a sustainable manner.

In a developing country context, many social enterprises pursue poverty reduction or improving the quality of life of specific segments of the marginalized and vulnerable sectors as a major objective.

As such, social enterprises have two (2) core attributes that distinguish them from regular businesses:

1. Transformational engagement with marginalized sectors which is in contrast to a purely transactional approach

implemented by regular businesses. An SE does not only improve the condition of the marginalized as workers, suppliers and clients, but it also provides transformational services that improve the position and capacity of the poor to lift themselves out of poverty and marginalization. It also develops the poor and marginalized as partners in SE or value chain management/governance or in community, sectoral and societal transformation. Beyond partnership, SEs enable the poor and marginalized and the women of these sectors to become co-owners, supervisors, managers, and decision-makers or to become leaders and stakeholders of their social enterprises.

2. Adherence to a distributive enterprise philosophy, which is in contrast to the philosophy of creation and accumulation of wealth for the owners of a regular business. as such, a social enterprise undertakes a combination of practices that distribute wealth and create value among their poor and marginalized stakeholders including the following:
    - Purposively investing in the poor/marginalized to become effective worker-partners, supplier-partners, or client-partners, including transitioning workers in the informal economy to become stakeholders of the social enterprise;
    - Purposively investing in the women of these poor/marginalized sectors as co-equal stakeholders of the social enterprise;
    - Paying living wages to their workers;
    - Engaging in transparent negotiations with their supplier communities towards offering fair or above-market prices;
    - Distributing dividends, fair trade premiums, or implementing other forms of profit-sharing schemes; and
    - Reinvesting a significant percentage of its profits to the fulfillment of its social mission, including providing

transformational services to the poor and marginalized as stakeholders of sustainable development.

v) *Social Enterprise Resource Institution* refers to an organization that provides financial or other forms of assistance to social enterprises for them to become viable and sustainable including trainings, education and other capacity-building measures, research and development, advocacy and other support activities;

w) *Social entrepreneur* refers to an innovative individual or institution that promotes the creation and operationalization of enterprises or livelihood endeavors for those in need or which address social problems and improve societal well-being;

x) *Social entrepreneurship* refers to innovations designed to explicitly improve societal well-being, housed within entrepreneurial organizations, which initiate, guide or contribute to change in society;

y) *Social Investors* refers to individuals or institutions that choose to put in money to a business endeavor or activity not principally for financial profit but to fulfill a social mission which may include poverty reduction, concern for environmental protection, strong organizational governance, and a desire for a more economically just world;

z) *Social value* refers to the additional benefit to society of procuring a good or service, over and above the direct benefit and value of the good or service to the procuring entity. Additional benefits may include support for poor communities or marginalized groups, advancement of human rights and social justice, protection of the environment, and community development;

aa) *Transactional services* refers to enterprise-related assistance to the poor that involve an exchange of goods or services for money including being workers, suppliers, or clients;

bb) *Transformational services* refers to the assistance to the poor as conscious agents of change to lift their own selves from poverty and to participate in group efforts to improve the quality of life of their community, sector or society as a whole. This shall include building the leadership and management capacity and role of the poor in social enterprises;

cc) *Value chain* refers to value-adding economic activities that an enterprise is interlinked with in the process of producing goods or services to serve its chosen market. A value chain typically consists of: 1) inbound distribution or logistics, 2) manufacturing operations, 3) outbound distribution or logistics, 4) marketing and selling, and 5) after-sales service. These activities are supported by: 6) purchasing or procurement, 7) research and development, 8) human resource development, and 9) organizational development. An SE that understands and manages its value chain improves its capability to create economic, environmental and social values toward improving the position and benefits of the poor in the value chain and toward ensuring the viability and sustainability of the enterprise; and

dd) *Vulnerable sectors* refers to groups who are at risk of any potential event, loss or danger.

CHAPTER II
POVERTY REDUCTION THROUGH SOCIAL ENTERPRISE

Sec. 4. *Social Enterprise (SE); General Concept and Coverage.* – A social enterprise (SE), for purposes of this Act, refers to a S*ocial Enterprise with the Marginalized as Primary Stakeholders* (SEMPS).

An SE employs any of the following development strategies in the pursuit of its social mission:

a) Empowerment strategy which refers to a development strategy that enables the marginalized sectors to own, manage, and control SEs in order for them to reap maximum benefits from it and which acts as a channel for directly distributing income;
b) Social inclusion strategy which refers to the development strategy that assists marginalized groups of people in society who, for reasons of poverty, geographical inaccessibility, culture, language, age, sex, gender, migrant status, disability or other disadvantage, have not benefited from health, education, employment and other opportunities, and who are relegated to the sidelines of political persuasion, social negotiation, and economic bargaining in order to restore their dignity by not only removing the barriers that limit their access to the delivery of basic social services and employment, but more importantly, by nurturing work and other environments that create avenues for their participation as productive members of society;
c) Intermediation strategy which refers to a development strategy that provides financial, agricultural, business development and institutional development services to the entrepreneurial poor and employers of the poor and provides product development and marketing support using the principles of fair trade to marginalized producers. An SE engaged in intermediation strategy need not be owned by the marginalized stakeholders but provide immediate access to services among a critical mass of these marginalized stakeholders; and
d) Resource mobilization strategy which refers to a development strategy intended to generate income from the sale of products and services of an SE in order to finance or subsidize the operations of its core development program or development interventions among the marginalized sectors.

In the case of social enterprises organized as stock corporations, partnerships, or sole proprietorships, these social enterprises should invest at least 60% of their net revenues to sustain the fulfillment of their social mission and provide transformational services for the well-being of the marginalized sector they serve. They must not be a branch, subsidiary or division of a private business enterprise, regardless of the size of such private business enterprise, nor may its policies be determined by a private business enterprise: *Provided*, That this shall not preclude an SE from accepting subcontracts from large private business enterprises or firms or from joining in cooperative or joint-venture activities with other SEs or foundations.

Sec. 5. *Establishment of the Poverty Reduction Through Social Entrepreneurship (PRESENT) Program.* – To promote the development of the SE sector, a comprehensive and fully-integrated *Poverty Reduction Through Social Entrepreneurship (PRESENT)* Program is hereby established, and shall be guided by the following principles:

a) Incorporating the PRESENT Program in the government's poverty reduction drive as a major sustainable and comprehensive strategy;
b) Rationalizing poverty reduction programs by streamlining and coordinating the various anti-poverty programs of the government to reduce inefficiency and duplication and to improve the effectiveness of each program;
c) Ensuring people's participation, access to information, and empowerment by mobilizing civil society organizations and social movement groups working with the poor;
d) Promoting sustainable programs that reduce inequality in incomes across economic sectors and increase self-reliance among the poor;
e) Enabling SEs to overcome constraints and to take advantage of opportunities for enhancing the position and benefits of the poor in economic subsectors and value chains;
f) Upholding gender equality, disability, and social inclusion by ensuring access to social enterprise resources;

g) Promoting ecological soundness in the pursuit of sustainable and equitable development; and
h) Developing sustainable mechanisms for the provision of quality and accessible social services to the poor.

The planning framework of the PRESENT Program and its planning process shall ensure that the marginalized sectors are engaged as primary stakeholders. It shall add value and complement ecosystem-based, area-based, community-based tools and processes in local economic development by promoting and utilizing the economic subsector as a strategic unit of analysis and planning SE development interventions.

The PRESENT Program shall identify and develop key SEMPS and resource institutions as partners in strategic economic subsectors that have the potential for growth and where large numbers of the poor are concentrated. SEMPS shall be developed as vehicles to ensure that the marginalized sectors benefit the most from sustainable subsector development.

PRESENT medium-term and annual development plans shall be formulated in synchrony with the medium-term development plan of the national government.

Sec. 6. *Eligibility for Benefits and Incentives***.** – To be eligible for the benefits and incentives provided for in this Act, the SE shall:

a) Provide or facilitate the provision of a combination of transactional or transformational services to improve the position and benefits derived by the poor from the SE and the value chain or economic subsector where the SE is located, including becoming worker-owners, supplier-owners, supervisors and managers, active members and leaders in governing bodies of the SE or its allied organizations;
b) Invest a substantive part of its surplus, profits or mobilize other resources to assist the poor to become partners in SE or value chain

management/governance or to become partners in community, sectoral and societal transformation;

c) Pursue a pro-active contribution to resolving social and environmental problems and generate profit or surplus with due regard to social and environmental costs;
d) Be engaged in an economic activity within the sectors of agriculture and fisheries, industry and services which, for purposes of this Act, shall refer to an activity in any of the economic subsectors;
e) Distribute a substantive part of the wealth created by the enterprise to the poor in the form of services, dividends and other forms of benefits, and payments and incentives for products or services rendered consistent with the principles of fair trade;
f) Be duly registered with the appropriate agencies as provided under RA 11232, or the "Revised Corporation Code of the Philippines"; RA 9520; RA 9501, as amended**,** or the "Magna Carta for Micro, Small and Medium Enterprises (MSMEs)"; RA 9178, or the "Barangay Micro Business Enterprises (BMBEs) Act of 2002"; RA 10693, or the "Microfinance NGOs Act"; and other relevant laws; and
g) Be financially sustainable: *Provided,* That social enterprises that have not achieved financial sustainability may be eligible to avail of the services, assistance and incentives set forth in this Act by presenting a workable strategy to achieve financial sustainability over a reasonable period.

Social enterprise resource institutions may also avail of support from government as partners for building the capability and sustainability as well as developing an enabling environment for social enterprises to flourish: *Provided*, That they have:

a) a registration as a legal entity in the Philippines;
b) a dedicated program supporting social enterprises;
c) a track record of at least three (3) years of implementation of a dedicated SE program; and
d) at least three (3) qualified social enterprises vouching for their them.

International social enterprise resource institutions and their subsidiaries operating in the Philippines must partner with a qualified local social enterprise resource institution to avail of government support.

Financial sustainability shall not be a prerequisite for the availment of incentives and benefits under this Act: *Provided,* That social enterprises that have not achieved financial sustainability may be eligible to avail of the services, assistance and incentives set forth in this Act by presenting a workable strategy to achieve financial sustainability over a reasonable period.

Sec. 7. *Additional Eligibility for Benefits and Incentives in case of Stock Corporations, Partnerships or Sole Proprietorships***.** — In the case of social enterprises organized as stock corporations, partnerships, or sole proprietorships, the SE shall:

a) Invest at least 60% of its net revenues to sustain the fulfillment of their social mission and provide transformational services for the well-being of the marginalized sector they serve; and
b) Not be a branch, subsidiary or division of a private business enterprise, regardless of the size of such private business enterprise, nor may its policies be determined by a private business enterprise: *Provided,* That this shall not preclude an SE from accepting subcontracts from large private business enterprises or firms, or from joining in cooperative or joint-venture activities with other SEs or foundations.

CHAPTER III
NATIONAL ENTERPRISE DEVELOPMENT COUNCIL

Sec. 8. *National Enterprise Development Council.* – The existing Micro, Small and Medium Enterprise Development (MSMED) Council, which is an attached agency of the Department of Trade and Industry (DTI), shall be strengthened and expanded to effectively spur the growth and development of MSMEs and SEs throughout the country, and to carry out the policy declared under this Act. It shall now be known as the National Enterprise Development Council (NEDC), hereinafter referred to as the Council.

The members of the Council shall be the existing members of the MSMED Council, and an additional one (1) representative to be designated from the social enterprise sector.

In addition to the existing functions of the MSMED Council as provided under RA 9501, the Council shall serve as the primary agency tasked to carry out the promotion, growth and development of social enterprises in the country.

Sec. 9. *SE Committee*. - To ensure that the Council is able to fulfill its additional mandate, there shall be an SE Committee under the Council that shall perform the following specific duties:

a) Promote social enterprise as a key strategy for reducing poverty and enabling inclusive growth;
b) Provide oversight for the implementation of the PRESENT Program and activities for SEs of the Bureau of Small and Medium Enterprise Development (BSMED);
c) Establish policies, plans, programs and projects to develop and promote SE as a tool for poverty reduction as part of a comprehensive Social Enterprise Development Plan fully integrated and consistent with national development objectives and plans;
d) Monitor and evaluate the performance of programs and projects for SEs of BSMED for appropriate incentives;
e) Submit annual and other periodic reports to the Council;
f) Promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out the purposes of this Act; and

g) Perform such other functions as may be necessary for its effective operations and the continued enhancement, growth and development of the SE sector.

To realize these powers and functions, the SE Committee shall be composed of the DTI, Department of Social Welfare and Development (DSWD), National Anti-Poverty Commission (NAPC), relevant Council members and the following representatives from the SE sector and SE resource institutions:

a) Nine (9) representatives from SEs, three (3) representatives each from the main island groupings of Luzon, Visayas, and Mindanao;
b) Three (3) representatives from SE service institutions; and
c) Three (3) representatives from SE advocacy groups.

The SE Committee shall issue a certificate of qualification based on the guidelines provided by the Council for this purpose: *Provided,* That the certificate of qualification shall be valid only for such period as may be prescribed under the implementing rules and regulations of this Act.

Sec. 10. *Powers and Functions.* – Aside from the existing functions of the MSMED Council under RA 9501, the Council shall have the following powers and functions:

a) Formulate policies and plans to develop and promote, coordinate, synergize, integrate, and ensure compatibility and complementation of policies and programs for SEs as well as other anti-poverty reduction initiatives consistent with national development objectives;
b) Formulate policies and plans to ensure the resilience and preparedness of social enterprises for disaster risk reduction and management as well as develop capacities of social enterprises to respond, recover and build back better in the face disasters and pandemics;
c) Oversee the successful implementation of the PRESENT Program and other SE programs;

d) Identify and access sources of financing to expand the SE sector;

e) Monitor and evaluate the performance of programs and projects for appropriate incentives;

f) Call upon any government agency to carry out and implement programs and projects identified by the Council and to assist in clarifying issues and finding resolution to problems that concern their respective offices with respect to the implementation of the PRESENT Program enunciated under this Act or any development program for SEs;

g) Call upon people's organizations, non-government organizations, the academe and other sectors to provide advice on matters pertaining to SEs and the conduct of transactional and transformational services to farmers, producers, workers, consumers and other stakeholders;

h) Submit annual and other periodic reports to the President and the Congress of the Philippines through the Congressional Oversight Committee;

i) Promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out the purposes of this Act, including guidelines for the administration of grant windows provided for in Section 24 of this Act;

j) Put in place mechanisms for accountability to marginalized stakeholders being served;

k) Align and synchronize the provision of support programs, benefits and incentives for SEs provided for in this Act; and

l) Perform such other functions as may be necessary for its effective operations and the continued enhancement, growth and development of the SE sector.

Sec. 11. *Term and Appointment of SE Sector Representatives***. –** Within ninety (90) days from the approval of this Act, the Council shall confirm representatives of social enterprises and social enterprise resource institutions. Said SE and SE resource institution representatives must have been screened and pre-selected by the SE sector convened by the DTI, the Department of Agriculture (DA), and the DSWD, in consultation with established social enterprises and networks of SEs.

The islands of Luzon, Visayas, and Mindanao shall each have two (2) representatives who will be appointed for a term of three (3) years. While another three (3) representatives each representing Luzon, Visayas, and Mindanao shall be appointed for a term of two (2) years to ensure continuity. Upon the expiration of all the terms of these first set of officers, all terms of SE sector representatives shall be for three (3) years. No person shall be appointed to serve as an SE representative in the Council for more than a period of two (2) terms or more than six (6) years.

Any vacancy in the Council arising from the death, incapacity, resignation, or termination of the term of an appointed SE representative shall be filled up within ninety (90) days from the occurrence of the said vacancy. All nominations to the vacancy shall be submitted within sixty (60) days from the occurrence of such. This process shall be consistent with the previous appointment process. In the case of a vacancy arising from death, incapacity or resignation, the representative appointed to the vacancy shall serve only for the remaining period of the term for the vacated office.

Sec. 12. *Lead Agency.* – The DTI shall serve as the central planning, coordinating, implementing, and monitoring body of the Program.

The BSMED of the DTI shall undertake the programs for the SE sector. In addition to its existing functions, the BSMED shall perform the following functions:

a) Provide SEMPS with capability-training and education through the Social Enterprise Capability Building and Sustainability Program created under Section 15 of this Act;
b) Develop and enhance a research and development system which shall equip every SE with innovative and sustainable approaches

that ensure improvement in the access to basic social services by the poor pursuant to Section 19 of this Act;

c) Manage a Social Enterprise Marketing Assistance Program (SMAP) that will ensure the generation of the highest possible income for the SEs pursuant to Section 20 of this Act;
d) Implement capability building projects approved by the Council;
e) Supervise capability-building projects approved by the Council implemented through reputable Social Enterprise Resource Institutions contracted for the purpose; and
f) Research on existing policies and programs of other countries for benchmarking purposes, such as support system, ecosystem, programs, and regulations.

The BSMED shall be strengthened and expanded to ensure the effective implementation of all SE programs. The necessary plantilla positions shall be submitted to the Department of Budget and Management (DBM) for evaluation and approval.

In implementing the programs for the SE sector, the BSMED shall coordinate with the University of the Philippines Institute for Small Scale Industries (UP-ISSI), the Technical Education and Skills Development Authority (TESDA), the Department of Information and Communications Technology (DICT), the Department of Science and Technology (DOST), the NAPC, the Philippine Commission on Women (PCW), civil society organizations, including women's organizations, and other relevant agencies, state universities and colleges.

Sec. 13. *Role of LGUs in SE Development.* – Local government units (LGUs) shall incorporate viable SE Development Plans in their local development planning and to collaborate with SEMPS. The Gender and Development (GAD) Fund of LGUs may be used toward the design and implementation of SE development plans at the local level.

Grants from government agencies, such as the Department of the Interior and Local Government (DILG), for civil society toward local development may also be used to support social enterprises.

Sec. 14. *Social Entrepreneurship Education in Schools.* – Toward strategically developing the nation's human resource capability in social entrepreneurship, the Department of Education (DepEd), TESDA**,** and the Commission on Higher Education (CHED) shall cause the integration of SE content and inclusion of SE courses in the curricula to the extent applicable at all levels, especially in the secondary and tertiary levels. This shall be part of the SE Capability and Sustainability Program stated in this Act.

A continuing social enterprise education program for out-of-school youth and adults shall likewise be developed and undertaken. The social entrepreneurship education program for primary and secondary education shall include information regarding:

a) Social issues and civic ways of addressing them;
b) The producer as a steward of natural resources;
c) The consumer as a responsible member of society and their responsibility to develop critical awareness which is the responsibility to be alert and questioning about environmental and social impacts of the goods and services they use;
d) Social concern which is the responsibility to be aware of the impact of their consumption to society, especially to the disadvantaged;
e) Environmental awareness which is the responsibility to understand the consequences of their use of natural resources, consumption, recognizing their individual and social responsibility to conserve natural resources for future generations; and
f) Gender justice, or the full equality and equity between men and women in all spheres of life, resulting in women jointly, and on an equal basis with men, defining and shaping the policies, structures, and decisions that affect their lives and society as a whole.

All higher learning institutions and vocational schools shall integrate the SE content to the extent applicable to include a subject on social entrepreneurship in their social studies program or in their business, commerce, or economics courses.

CHAPTER IV
DEVELOPMENT OF SOCIAL ENTERPRISES

Sec. 15. *SE Capability Building and Sustainability Program.* – There is hereby established a SE Capability Building and Sustainability Program**,** the primary objective of which is to guarantee the viability and sustainability of SEMPS through activities that advance, in general, both transformational services and transactional services. This program shall include training in social entrepreneurship development, institutional strengthening, human resource competency and skills training, business planning and advisory services, upgrading of accounting and auditing systems, technical assistance for the installation or improvement of management information systems, technology intervention, technology incubation/commercialization, market studies, product development competitiveness, business matching activities, trade fairs and missions, policy advocacy, gender and development, resiliency, and other related activities.

The SE Capability Building and Sustainability Program shall likewise include the establishment of an insurance system for SEs affected by natural calamities in line with the National Framework Strategy on Climate Change 2010-2022 as provided for under RA 9729, or the “Climate Change Act of 2009”, and RA 10121, or the “Philippine Disaster Risk Reduction and Management Act of 2010.”

Sec. 16. *Creation of SE Guarantee Fund Pool.* – Within five (5) years from the effectivity of this Act, subject to the availability of funds, and upon determination by the Council, a Social Enterprise Guarantee Fund Pool

(SEGFP) shall be created. It shall be taken from the five percent (5%) of the preceding year budget surplus of the government-owned and -controlled corporations and government financial institutions as contribution to the SEGFP in accordance with relevant laws, charters and by-laws, in addition to voluntary contributions, grants and gifts from both local and foreign sources as may be accepted by the Council.

The SEGFP shall be administered by the Council and shall be used to mitigate the risks involved in SE sector lending, facilitating the provision of credit therefor. The fund shall be placed in a trust account with the Land Bank of the Philippines (LBP), the Development Bank of the Philippines (DBP) and the Philippine Guarantee Corporation (PHILGUARANTEE) for the purpose of providing guarantee cover to participating financial institutions and other parties in extending financing to SEs: *Provided*, That the fund may also be used to cover the performance bond of SEs in government procurement.

The Council, in coordination with the LBP, the DBP and the PHILGUARANTEE, shall draw up the mechanics and administrative arrangements and issue the implementing guidelines for the fund pool.

Sec. 17. *Cash Incentives for Persons with Disabilities (PWD)*. **- S**ubject to the availability of funds, this Act shall provide a cash incentive for every PWD, in accordance with RA 7277, or the "Magna Carta for Disabled Persons", and other marginalized sectors as may be provided by this law, representing at least twenty-five percent (25%) of the daily minimum wage.

Sec. 18. *Social Enterprise Recovery and Rehabilitation Fund***.** - To prepare for or respond to climate risks and impacts, disaster vulnerabilities and hazards, humanitarian emergencies (including those arising from armed conflict), epidemics, financial crises or economic shocks, and other such events, a Social Enterprise Recovery and Rehabilitation Fund is hereby established to build the resilience of social enterprises. This shall include stimulus grants, climate adaptation initiatives, risk insurance, and other such facilities and products to improve the ability of SEs to withstand shocks and stresses. The Fund shall be lodged with the DTI.

Sec. 19. *Social Enterprise Research and Development System.* - The Council, in coordination with the DOST, the NEDA, the DTI, and other appropriate agencies and research institutions, shall develop and enhance a research and development system that:

a) Provides studies on opportunities for poverty reduction and SE development in key economic subsectors, and other inputs for the Council to undertake strategic planning for its PRESENT Program;
b) Equips SEs and support institutions with technologies that are appropriate for enhancing the participation and benefits of the poor in various economic subsectors; and
c) Equips SEs and support institutions with innovative and sustainable approaches to improve grassroots innovation and access of the poor to quality basic social services.

This system must incorporate gender analysis, a systematic analytical process based on sex-disaggregated and gender information, which is used to identify, understand, and describe gender differences and the relevance of gender roles and power dynamics in a particular context.

Sec. 20. *Social Enterprise Marketing Infrastructure Development.* - The Council shall promote the development and expansion of local and foreign markets for the products and services of SEMPS, guided by the principles of fair trade. Consistent with this, the Council shall:

a) establish an SE Marketing Assistance Program (SMAP) that will assist SEs match supply with demand in both domestic and foreign markets, as well as promote SE products and services through tri-media, trade fairs and trade missions; and
b) develop, install and sustain an SE market information system (SMIN) with the assistance of the DTI and the DICT which shall be

called the SE Marketing Information Network (SMIN).

Within five (5) years from the approval of this Act, the SMIN shall be set up from the level of the municipal, city and provincial LGUs, the regional and up to the Council level, taking into account existing information networks such as the internet and using a dedicated website for the purpose, to ensure linkage of the SEs with the government and its various departments, agencies, bureaus and instrumentalities, the local and domestic markets, as well as research institutions. The Council shall provide technical assistance in setting up the SMIN at the local and regional levels.

All government departments, agencies, bureaus, research institutions, as well as the LGUs, shall consolidate and continuously update all relevant information and data that would be of use to SEs on a periodic basis and make such data available on a dedicated website on the internet. Data shall be gender-disaggregated as far as possible. Compliance with the relevant laws, rules, and regulations concerning data privacy shall be ensured.

The SMAP shall include a program to build the capability and improve the access of social enterprises and their stakeholders among the poor to ICT infrastructure to effectively participate in the SMIN.

The SMIN shall provide information and marketing services related to products of SEs which shall include the following:

a) Supply data;
b) Demand data;
c) Price and price trends;
d) Product standards;
e) Directory of, but not limited to SEs, traders, key market centers, processors and business institutions both at the national and local levels;
f) Information and technology generated from research institutions;

g) International, regional and local market forecasts; and

h) Resource accounting data.

CHAPTER V
FINANCING AND BENEFITS

Sec. 21. *Hybrid Financing***.** – Social enterprises shall be supported through hybrid financing to enable them to provide a combination of transactional and transformational services to the marginalized sectors, groups or persons they serve. Given the unique nature of SEs as wealth-creating organizations that pursue their social mission to improve societal well-being in ways that are ecologically and financially sustainable, they need to be supported through hybrid financing that entails a combination of grants or loans and other financial instruments.

Sec. 22. *Special Credit Windows.* – In addition to the special credit windows as provided under SECTION 16 of RA 8425, banks and other lending institutions are encouraged to provide concessional financial packages for qualified social enterprises, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws.

Credit to qualified social enterprises that meet the eligibilty requirements of other mandated credit under RA 11901, or "The Agriculture, Fisheries, and Rural Development Financing Enhancement Act of 2022", RA 11293, or the "Philippine Innovation Act", RA 10878, or "An Act Strengthening and Institutionalizing Direct Credit Support of the Land Bank of the Philippines to Agrarian Reform Beneficiaries, Small Farmers and Fisherfolk, Further Amending Republic Act No. 3844, otherwise Known as the 'Agricultural Land Reform Code', as amended", and RA 9178, among others, shall be considered as compliance with this requirement. Notwithstanding compliance with the foregoing mandated credit, banks and other lending institutions shall not be precluded from providing further credit to qualified social enterprises.

The Small Business Corporation (SB Corp.) shall be mandated to provide loans to qualified social enterprises, subject to the SB Corp.'s existing principles and standards of granting loans.

The Council shall establish a system to monitor all loan applications of SEs in order to account for the absorptive capacity of the SE sector.

Lending institutions covered by this Act are required to furnish the Council on a quarterly basis a regular report on their loans to social enterprises.

Sec. 23. *Special Credit Window Purposes.* – The special credit window provided under Section 22 of this Act may be used for the following purposes:

a) Credit line for business development loan or working capital loan to cover the operational and management expenses of a start-up or existing business or income generating project, including receivable financing or purchase of additional inventory, soft or intangible investments such as trade fair participation or acquisition of software or franchise development packages;
b) Fixed assets financing to cover acquisition of fixed assets like machineries and equipment, motor vehicle, or acquisition of lot for project site or construction of a plant and building and the improvement thereof;
c) Value chain financing to cover any of the value chain activities such as production, processing and marketing;
d) Domestic letter of credit or trust receipt to provide a stand-by credit facility for the SE borrower for the purchase of product inputs, equipment, machinery, implements, and spare parts, whereby payment of which is guaranteed and to be made to the seller by the lending institution, provided all documents conform with the terms

and conditions of the credit;

e) Revolving Credit Line for re-lending to finance the livelihood project requirements of end-borrowers for qualified social enterprises;

f) A special credit line for women-led SEs or SEs that support women, particularly those in the agricultural and informal sectors. Women shall have no barriers to economic participation as provided for in RA 7192, or the "Women in Development and Nation Building Act"; and

g) Multi-purpose loans.

Sec. 24. *Grant facility.* - Within five (5) years from the effectivity of this Act, and subject to the availability of funds, the Council shall work with the appropriate government agencies to establish grant facilities for social enterprises in accordance with their respective mandates.

The grants to qualified social enterprises and resource institutions shall be used for the performance and conduct of their mission toward poverty reduction, sustainable development, promotion of gender and social justice, environmental conservation, climate action, improvement in economic welfare of the poor and marginalized sectors, and for post-graduate scholarship programs.

There shall be three (3) windows under this fund facility, namely: capacity-building grant; start-up enterprise grant; and ecosystem-building grant. The Council shall formulate the guidelines for the management and implementation of grant assistance.

Sec. 25. *Tax Deduction.* – Social enterprises that hire employees from the database under Republic Act No. 11315, otherwise known as "The Community-Based Monitoring System Act," shall be entitled to an additional deduction from gross income, equivalent to twenty-five percent (25%) of the total amount paid as salaries and wages to the said employees, subject to Section 34 of the National Internal Revenue Code of 1997, as amended.

The Department of Social Welfare and Development, in consultation with the Bureau of Internal Revenue, shall issue the necessary guidelines for the implementation of this provision.

Sec. 26. *Preferential Rights***. –** Without prejudice to preferential rights already available to specific enterprises or organizations under other laws, qualified SEMPS shall be accorded a preferential right in the procurement process and in the implementation of procurement contracts by the government in all its branches, departments, agencies, subdivisions, and instrumentalities, including in the government-owned and -controlled corporations and local government units.

Such a preferential right is anchored not just in economic efficiency but in social values which provide long-term benefits to society. As defined in this bill, social value refers to the additional benefit to society of procuring a good or service, over and above the direct benefit and value of the good or service to the procuring entity.

These social values include, *inter alia*, poverty reduction, sustainable development, environmental conservation, climate action, community development, and gender and social justice. As such, the determination of government procurement shall factor in social values.

Such a preferential right, however, shall not be prejudicial to the interests of the government and the public.

The government of the Philippines, its bureaus, offices, and agencies shall allocate at least twenty percent (20%) of the total procurement value of goods and services supplied to procuring entities annually or the allocation by line agencies of at least ten percent (10%) of their annual budget for Maintenance and Other Operating Expenses (MOOE) and Capital Outlay (CO) specifically for goods procured and services contracted from social enterprises, using either of the following negotiated procurement in accordance with RA 9184, or the "Government Procurement Reform Act" and its implementing rules and regulations:

a) Negotiated Procurement for NGOs. - When an appropriation law or ordinance earmarks an amount to be specifically contracted out to NGOs, the procuring entity may enter into a Memorandum of Agreement with an NGO, subject to the guidelines issued by the Government Procurement Policy Board (GPPB) for the purpose;
b) Negotiated Procurement for Community Participation. - In the interest of project sustainability or to achieve certain specific social objectives, it is desirable in selected projects, or its components, to call for the participation of local communities through community or social groups, or members thereof in the delivery of goods and simple infrastructure projects, subject to the guidelines issued by the GPPB; and
c) Other procurement modalities deemed appropriate for social enterprises.

Should an enterprise be both an MSME and an SE, the allocation shall be limited to twenty percent (20%) of the total procurement value of goods and services supplied to procuring entities annually.

Furthermore, on government procurement process, the Council shall coordinate with the GPPB in the issuance of appropriate public procurement guidelines for social enterprises, consistent with RA 9184 and its IRR.

Sec. 27. *Insurance for Social Enterprises*. - The Insurance Commission shall issue the necessary rules and regulations and implement measures to ensure that the insurance industry shall provide insurance products, both life and non-life, for social enterprises and their stakeholders among the poor. Furthermore, SEMPS shall be assisted to become eligible and effective insurance providers to their clients and constituents.

Sec. 28. *Support for Social Investors and SE Resource Institutions***.** – The Council shall develop an incentive program that fosters a community of social investors and resource institutions supportive of social enterprises.

CHAPTER VI
APPROPRIATIONS AND OTHER PROVISIONS

Sec. 29. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the DTI and the concerned agencies. Thereafter, such sum as may be necessary for the continued implementation shall be included in the annual General Appropriations Act.

Sec. 30. *Penal Clause.* – Any person who, intentionally or by gross negligence, fails to provide the benefits, rights and incentives granted to SEs in violation of this Act**,** or performs any act in violation of its provisions, shall be imposed the penalty of imprisonment of not less than six (6) months but not more than two (2) years, or a fine of not less than Two hundred fifty thousand pesos (P250,000), or both, at the discretion of the court.

If a corporation or any juridical entity is found to have violated the provisions of this Act, the officers, directors, members or trustees thereof shall be held liable, in accordance with the Revised Corporation Code, and other applicable laws.

Corporations and other juridical entities, financial or otherwise, found misrepresenting themselves as an SE shall be caused to pay double the benefits it reaped from this program through the taxes it was able to save when it misrepresented itself as an SE. In addition, the officers of the juridical entity who misrepresented itself as an SE shall be liable for a fine of Five hundred thousand pesos (P500,000.00), or imprisonment of not less than two (2) years, or both, at the discretion of the court.

If the violation was committed by a government official or employee, such official or employee shall be terminated from the service with forfeiture of all the benefits due him, in addition to the fine or imprisonment mentioned above.

Sec. 31. *Joint Congressional Oversight Committee.* **–** Upon the effectivity of this Act, a Congressional Oversight Committee, hereinafter referred to as the PRESENT Oversight Committee, is hereby constituted. This Committee shall set the guidelines and overall framework for the monitoring of the implementation of this Act. It shall likewise determine inherent weaknesses in the law and recommend necessary remedial legislation or executive measures.

The PRESENT Oversight Committee shall be composed of fourteen (14) members, with the chairpersons of the Committee on Micro, Small and Medium Enterprise Development of the House of Representatives, and the Committee on Trade, Commerce and Entrepreneurship of the Senate as Co-Chairpersons; and six (6) members from each House, to be designated by the Speaker of the House of Representatives, and the Senate President, respectively.

For purposes of determining remedial legislation, the PRESENT Oversight Committee shall, within six (6) years after the effectivity of this Act, conduct a sunset review which shall include a systematic evaluation of the impact of this Act, accomplishments of the program, and the performance of its implementing agencies.

Sec. 32. *Implementing Rules and Regulations.* – Within ninety (90) days from the approval of this Act, the DTI shall, in consultation and coordination with the concerned government agencies and social enterprise sector, formulate the necessary rules and regulations for the effective implementation of this Act.

Sec. 33. *Separability.* – The provisions of this Act are hereby declared to be separable. If any provision of this Act shall be held unconstitutional, the remainder of this Act not otherwise affected shall remain in full force and effect.

Sec. 34. *Repealing Clause***.** – All laws, executive orders, rules and regulations, or parts thereof, inconsistent herewith are hereby repealed or modified accordingly.

Sec. 35. *Effectivity***.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,