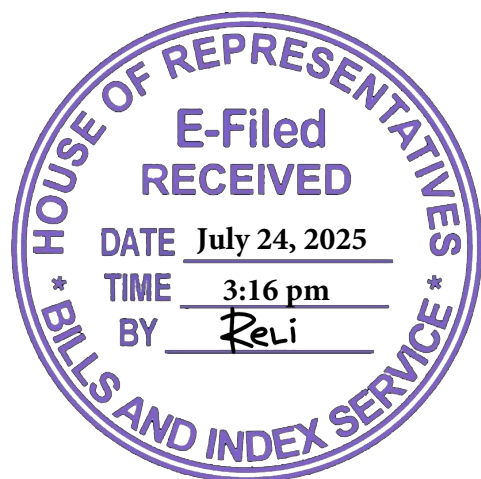


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2268**



INTRODUCED BY REPRESENTATIVE PM VARGAS

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

The Philippine Statistics Authority (PSA) reports that as of 2022, Micro, Small and Medium Enterprises (MSMEs) comprise 99.6% of the total 1.08 million registered businesses in the country. Of these, almost 90% are micro enterprises, about 10% are small and less than 1% are medium enterprises. Collectively, MSMEs account for 65% of total employment in the Philippines.

Although MSMEs serve as the backbone of the country’s economy, they remain vulnerable to crisis and external shocks due to limited access to finance, technology, as well as the market to expand their business operations and upscale their digital capabilities.

An essential form of support for this sector is the provision of shared service facilities (SSF) which can provide MSMEs with the machinery, equipment, tools, systems, and knowledge under a shared system.

In 2013, the Department of Trade and Industry (DTI) pioneered SSF to address the gaps in the innovation capacities of MSMEs. Since its implementation, there have been more than 3,000 SSFs established across the country benefitting over 200,000 MSMEs.

This measure proposes the institutionalization of SSF as one of the flagship programs of DTI. Additionally, it seeks to create Fabrication Labs in every province to provide support to MSMEs in adopting new technologies in their production process.

By institutionalizing SSFs, the measure hopes to ensure that MSMEs will have the support they need to keep their businesses sustainable and profitable, and continuously fueling the country's economy.

In view of the foregoing, immediate passage of the bill is immediately sought.

A handwritten signature in blue ink, appearing to be 'PM Vargas', is positioned above the printed name.

REP. PM VARGAS

Fifth District, Quezon City

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

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

SECTION 1. A new section is hereby inserted after Section 15 of the Republic Act 6977, as amended, to read as follows:

“SEC. 16. ESTABLISHMENT OF SHARED SERVICE FACILITIES (SSF) FOR MSMES. – IN ORDER TO ADDRESS THE GAPS IN THE PRODUCTION VALUE CHAIN, PROMOTE INNOVATION AMONG MSMES AND ENHANCE THEIR CAPACITIES TO PRODUCE AND OFFER FAST, EFFICIENT AND DIVERSIFIED PRODUCTS AND SERVICES THAT ARE PROUDLY FILIPINO-MADE AND EXPORT QUALITY, THE SHARED SERVICE FACILITIES (SSFS) PROGRAM OF DTI IS HEREBY INSTITUTIONALIZED.

THE DTI SHALL ALSO ESTABLISH SSF-FABRICATION LABORATORIES (FAB LABS), WHICH REFERS TO HIGH-END SSFS EQUIPPED WITH AN ARRAY OF FLEXIBLE COMPUTER-CONTROLLED TOOLS SUCH AS 3D PRINTERS THAT COVER SEVERAL DIFFERENT LENGTH SCALE AND VARIOUS MATERIALS, IN AT LEAST ONE (1) STRATEGIC LOCATIONS IN EVERY PROVINCE TO ASSIST MSMES IN THE MANUFACTURING OF NEEDED ASSETS

AND PRODUCTS. THE PRIORITY SHALL BE PROVINCES WITHOUT EXISTING FAB LABS.

THE SSF-FAB LABS SHALL BE ATTACHED TO STATE UNIVERSITIES AND COLLEGES (SUCS) OR LOCAL UNIVERSITIES AND COLLEGES (LUCS) IN PROVINCES WITHOUT SUCS AS DETERMINED BY DTI, IN COORDINATION WITH THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG), FOR PROPER MONITORING AND MAINTENANCE.”

SECTION 2. *Implementing Rules and Regulations (IRR).* – The Department of Trade, in consultation with the DILG, shall formulate and implement the IRR for the establishment of the SSFs including the guidelines for the partnership with the establishment of the SSFs including the guidelines for the partnership with the SUCs and LUCs where the Fab Lab will be established.

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

SECTION 4. *Repealing Clause.* – All laws, orders, decrees, rules and regulations, and other parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 5. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or two (2) newspapers of general circulation.

Approved,