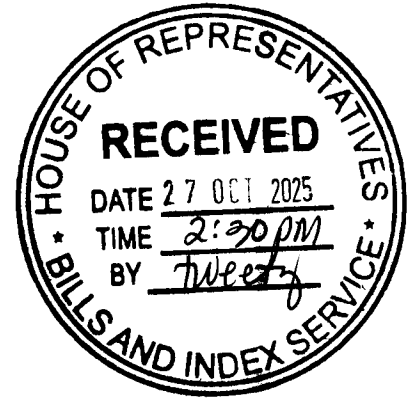




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 5695

Introduced by Representative Howard A. Guintu

EXPLANATORY NOTE

Section 9, Article XII of the 1987 Constitution provides that “The State shall 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.” Guided by this constitutional mandate, the State acknowledges the indispensable role of Micro, Small, and Medium Enterprises (MSMEs) as vital partners in nation-building and as key drivers of innovation, job creation, and inclusive growth in every community across the country.

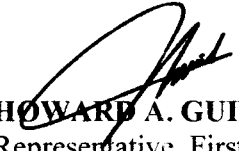
Yet, despite their invaluable contribution to the economy, many MSMEs continue to face persistent challenges in accessing modern equipment, technology, and shared production facilities that are essential for scaling up operations and improving competitiveness. The lack of sustained institutional mechanisms often prevents MSMEs from innovating, meeting quality standards, and expanding into broader markets. The Shared Service Facilities (SSF) Project has been instrumental in addressing some of these barriers, but its dependence on annual appropriations has limited its reach, continuity, and long-term impact.

This bill therefore seeks to institutionalize the Shared Service Facilities (SSF) Project to ensure that MSMEs consistently benefit from access to appropriate technologies, quality assurance systems, and market linkages that enhance their productivity and competitiveness. It aims to strengthen the innovation capacity of MSMEs by ensuring continuous access to advanced production technologies, promote regional innovation ecosystems by establishing SSFs and Fabrication Laboratories (Fab Labs) in partnership with State and Local Universities and Colleges (SUCs/LUCs), and foster inclusive economic growth by expanding opportunities for entrepreneurship, job generation, and local manufacturing development. Furthermore, it ensures the stability and continuity of the SSF Program through its integration into the General Appropriations Act (GAA), making it a permanent and predictable support mechanism for MSME development.

In this light, the proposed measure seeks to create a sustainable framework that empowers Filipino entrepreneurs to thrive in a technology-driven economy, while reinforcing our collective commitment to building a more inclusive, innovative, and resilient future for all

Filipinos, in close coordination with the Department of Trade and Industry (DTI), the Department of Science and Technology (DOST), the Commission on Higher Education (CHED), the Department of the Interior and Local Government (DILG), and relevant partner institutions.

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


HOWARD A. GUINTU
Representative, First District of Capiz



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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5695

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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 SMALL ENTERPRISES", AMENDED BY REPUBLIC ACT NO. 9501, OTHERWISE KNOWN AS "MAGNA CARTA FOR MICRO, SMALL AND MEDIUM ENTERPRISES"

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

SECTION 1. *Declaration of Policy.* - It is hereby declared the policy of the State to foster innovation, productivity, and inclusive growth by enabling micro, small, and medium enterprises (MSMEs) to participate meaningfully in the global and digital economy. Toward this end, the State shall strengthen the capacity of MSMEs through access to modern production technologies, shared equipment, and fabrication laboratories that enhance efficiency, competitiveness, and the creation of quality Filipino products and services.

SEC 2. A new section is hereby inserted after Section 15 of Republic Act No. 6977, as amended, to read as follows:

“SEC. 16. Institutionalization of the Shared Service Facilities (SSF) Program and Establishment of Fabrication Laboratories (Fab Labs). To address critical gaps in the production value chain and to accelerate innovation among MSMEs, the Shared Service Facilities (SSF) Program of the Department of Trade and Industry (DTI) is hereby institutionalized as a continuing strategy for enterprise development and competitiveness.

The DTI shall establish SSF–Fabrication Laboratories (Fab Labs) in strategic locations nationwide. These shall serve as innovation hubs and digital fabrication centers, equipped with flexible computer-controlled tools such as 3D printers, laser cutters, and other digital equipment that enable MSMEs to design, prototype, and produce high-value products.

Each province shall have at least one (1) Fab Lab, with priority given to areas without existing fabrication facilities.

The SSF–Fab Labs shall be hosted and maintained by State Universities and Colleges (SUCs), or by Local Universities and Colleges (LUCs) in provinces without SUCs, in coordination with the Department of the Interior and Local Government (DILG), local government units (LGUs), and relevant industry partners.

The DTI shall ensure the proper operation, monitoring, and sustainability of these facilities through collaborative agreements and the development of local innovation ecosystems.”

SEC 3. *Implementing Rules and Regulations (IRR).* - Within ninety (90) days from the effectivity of this Act, the DTI, in consultation with the DILG, Department of Science and Technology (DOST), Commission on Higher Education (CHED), and relevant stakeholders, shall promulgate the necessary rules and regulations to effectively implement the provisions of this Act, including the standards for partnership with SUCs, LUCs, and private sector collaborators.

SEC 4. *Appropriations.* - The initial funding required for the implementation of this Act shall be charged against the existing appropriations of the DTI. Thereafter, the necessary funds for its continued implementation shall be included in the annual General Appropriations Act (GAA).

SEC 5. *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.

SEC 6. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or two (2) newspapers of general circulation.

Approved,