

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

TWENTIETH CONGRESS
First Regular Session

House Bill No. **5806**



Introduced by Representatives ERIC G. YAP and EDVIC G. YAP

EXPLANATORY NOTE

This bill seeks to institutionalize the Shared Service Facilities (SSF) Project for Micro, Small, and Medium Enterprises (MSMEs) to strengthen their capacity for innovation, production, and competitiveness. The measure amends Republic Act (RA) No. 6977, as amended by RA No. 9501, otherwise known as the “*Magna Carta for MSMEs*”, to formally establish the SSF Program under the Department of Trade and Industry (DTI).

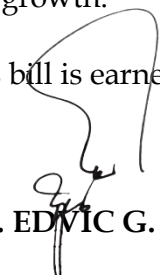
Micro, Small, and Medium Enterprises are the backbone of the Philippine economy, comprising 99.63% of all business establishments and employing around 66% of the labor force, according to the Philippine Statistics Authority (PSA). Despite their significant role, many MSMEs continue to face challenges that hinder productivity and global market integration.

To address these gaps, the DTI launched the SSF Program in 2013 to provide MSMEs with shared access to equipment, tools, and facilities through cooperators such as local government units, academic institutions, and private organizations. As of 2024, a total of 3,651 SSF projects have been established nationwide, with ₱2.91 billion in funds disbursed, benefitting 699,770 enterprises and individuals and generating 386,285 jobs.¹

Institutionalizing the SSF Program will ensure its sustainability, strengthen coordination and monitoring, and align it with the National Innovation Agenda. It will also promote collaboration among MSMEs, schools, researchers, and local governments to advance inclusive industrialization and sustainable economic growth.

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


HON. ERIC G. YAP


HON. EDVIC G. YAP

¹ Department of Trade and Industry. (2024). *Shared Service Facilities*. Department of Trade and Industry. <https://www.dti.gov.ph/dti-business-center/dti-programs-projects/dti-shared-service-facilities>

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House Bill No. **5806**

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AN ACT
INSTITUTIONALIZING THE SHARED SERVICE FACILITIES PROJECT FOR MICRO, SMALL, AND MEDIUM ENTERPRISES, 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”

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

Section 1. Republic Act (RA) No. 6977, as amended by RA No. 9501, is hereby further amended by inserting new Sections 16 and 17 to read as follows, and renumbering the succeeding sections accordingly:

“SEC. 16. ESTABLISHMENT OF SHARED SERVICE FACILITIES (SSF) FOR MSMES. – TO ADDRESS PRODUCTION VALUE CHAIN GAPS, FOSTER INNOVATION, AND STRENGTHEN THE CAPACITY OF MSMES TO DEVELOP AND DELIVER SOPHISTICATED AND DIVERSE PRODUCTS AND SERVICES, THE SHARED SERVICE FACILITIES (SSF) PROGRAM OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IS HEREBY INSTITUTIONALIZED.

THE SSF PROGRAM SHALL INVOLVE THE CREATION OF COMMON SERVICE FACILITIES OR PRODUCTION CENTERS FOR SPECIFIC PROCESSES, ENABLING MSMES TO ACCESS ADVANCED TECHNOLOGIES AND EQUIPMENT THAT WILL ENHANCE COMPETITIVENESS, EXPAND MARKET REACH, AND INTEGRATE THEM INTO THE GLOBAL SUPPLY CHAIN. THE PROGRAM MAY BE IMPLEMENTED IN PARTNERSHIP WITH THE DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST), OTHER GOVERNMENT AGENCIES, ACADEMIC INSTITUTIONS, LOCAL GOVERNMENT UNITS (LGUS), AND PRIVATE ORGANIZATIONS.

FOR PURPOSES OF THIS ACT, “SHARED SERVICE FACILITIES” REFER TO MACHINERY, EQUIPMENT, TOOLS, SYSTEMS, ACCESSORIES, AND OTHER AUXILIARY ITEMS, AS WELL AS SKILLS AND TECHNICAL

KNOWLEDGE, PROVIDED BY THE DTI UNDER A COLLECTIVE SYSTEM TO TARGET BENEFICIARIES.

THE DTI, IN COORDINATION WITH RELEVANT AGENCIES, LGUS, PRIVATE INSTITUTIONS, AND STAKEHOLDERS, SHALL ALSO ESTABLISH SSF-FABRICATION LABORATORIES (SSF-FAB LABS), DEFINED AS ADVANCED SSFS EQUIPPED WITH FLEXIBLE, COMPUTER-CONTROLLED TOOLS FOR A RANGE OF MATERIALS AND SCALES, IN AT LEAST ONE (1) STRATEGIC LOCATION IN EVERY PROVINCE, PRIORITIZING THOSE WITHOUT EXISTING FAB LABS.

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

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

A) TIMELY PROCESS APPLICATIONS FOR THE GRANTING OF SSFS AND SSF-FAB LABS IN COMPLIANCE WITH THE PROVISIONS OF RA NO. 11032 OR THE *"EASE OF DOING BUSINESS AND EFFICIENT GOVERNMENT SERVICE DELIVERY ACT OF 2018"* ON THE MAXIMUM PRESCRIBED PROCESSING TIME DEPENDING ON THE COMPLEXITY OF THE TRANSACTIONS: PROVIDED, THAT THE APPLICATIONS HAS MET ALL THE REQUIREMENTS INCLUDING AMONG OTHERS THE CONDUCT OF MARKET STUDIES AND OTHER RECOMMENDATIONS THAT MAY BE IDENTIFIED BY THE NATIONAL TECHNICAL WORKING GROUP (NTWG);

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

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

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

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

F) PARTNER WITH OTHER GOVERNMENT AGENCIES, IF NEEDED, TO HELP ENSURE THE SUCCESS OF THE PROJECTS: PROVIDED, FURTHER, THAT THE DTI SHALL ENSURE THAT THE SSFS AND SSF-FAB LABS CREATED UNDER THIS ACT ARE CONSISTENT WITH THE NATIONAL INNOVATION AGENDA AND STRATEGY DOCUMENT.

“SEC. 17. MONITORING OF PRODUCTIVITY OUTCOMES. – THE DTI, IN COORDINATION WITH THE CONCERNED COOPERATORS, LGUS, SUCS, LUCS, PRIVATE SCHOOLS, COLLEGES AND UNIVERSITIES, AND GOVERNMENT ACADEMIC TRAINING INSTITUTIONS IN WHICH THE SSFS AND THE SSF-FAB LABS ARE SITUATED, SHALL SUBMIT AN ANNUAL PROGRESS REPORT TO CONGRESS DETAILING THE EFFECTIVENESS AND/OR IMPACT OF THE SSFS AND SSF-FAB LABS WHICH SHALL INCLUDE THE BUDGET UTILIZATION OF THE PROJECT, ADDITIONAL JOBS AND INCOME GENERATED, INDUSTRY ENGAGEMENT, TECHNOLOGY TRANSFER, AND OVERALL GROWTH OF THE BUSINESSES WHICH AVAILED OF THE FACILITIES.”

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

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

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

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

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

Approved,