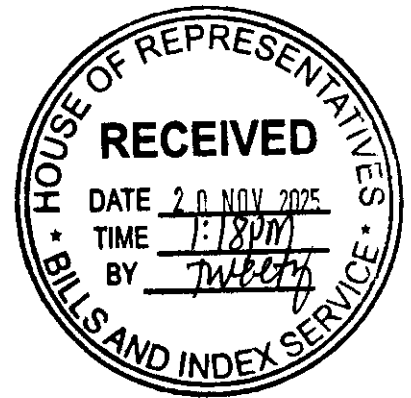


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 6245



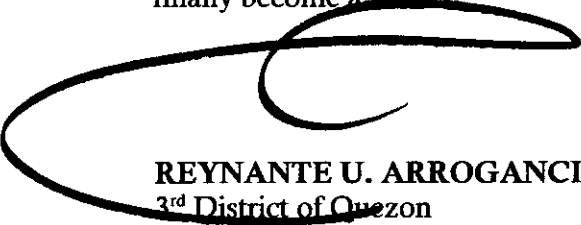
Introduced by Representative Reynante U. Arrogancia

EXPLANATORY NOTE

Micro, Small and Medium enterprises (MSME) account for the 90% of businesses worldwide, 60%-70% of employment and 50% of GDP in the world.¹ In the Philippines, 99.6% of the registered businesses are MSME and 63.0% of the labor force come from MSME.² MSMEs are the growth engine of the economy and a driving force for inclusive progress. However, MSMEs face challenges including poor infrastructures and access to appropriate equipment to enhance their production capabilities.

This bill seeks to institutionalize the Shared Services Facilities (SSF) project of the Department of Trade and Industry (DTI), a program designed to improve the capability of the MSMEs through a network of facilities of equipment, machineries, tools and knowledge under a shared use system. The SSF will address the gaps in the production value chain and enhance the capacities of the MSMEs to produce products and services. The bill proposes to include the Department of Science and Technology, local government units, the academe and the private organizations in the setting up of common service facilities or production centers.

The success of the micro, small and medium enterprises is important in achieving the sustainable development goals of decent work and economic growth of SDG 8 and the SDG 9 on industry, innovation and infrastructure. This bill has seen its success in the legislative process in the previous Congress, and it is hoped that this Congress, this bill will finally become a law.


REYNANTE U. ARROGANCIA
3rd District of Quezon

¹ <https://www.un.org/en/observances/micro-small-medium-businesses-day>

² <https://youtu.be/hAn4U9bm95w>

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House Bill No. 6245

Introduced by Representative Reynante U. Arrogancia

AN ACT
INSTITUTIONALIZING THE SHARED SERVICE FACILITIES PROJECT FOR
MICRO, SMALL, AND MEDIUM ENTERPRISES, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 6977, AS AMENDED, 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:

1 **SECTION 1.** Republic Act no. 6977, as amended, is hereby further amended by inserting
2 new Sections 16 and 17 to read as follows, and renumbering the succeeding sections
3 accordingly:
4

5 **“SEC. 16. ESTABLISHMENT OF SHARED SERVICES FACILITIES (SSF) FOR**
6 **MSMEs. - IN ORDER TO ADDRESS THE GAPS IN THE PRODUCTION VALUE**
7 **CHAIN, PROMOTE INNOVATION AND ENHANCE THE CAPACITIES OF**
8 **MSMEs, TO PRODUCE AND OFFER SOPHISTICATED AND DIVERSE**
9 **PRODUCTS AND SERVICES, THE SHARED SERVICES FACILITIES (SSFs)**
10 **PROJECT OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) IS**
11 **HEREBY INSTITUTIONALIZED.**
12

13 **THE SSF PROJECT SHALL ENTAIL SETTING UP COMMON SERVICE**
14 **FACILITIES OR PRODUCTION CENTERS FOR CERTAIN PROCESSES TO**
15 **GIVE MSMEs ACCESS TO BETTER TECHNOLOGY AND MORE**
16 **SOPHISTICATED EQUIPMENT TO ACCELERATE THEIR BID FOR**
17 **COMPETITIVENESS AND HELP THEM GRADUATE TO A NEXT LEVEL**

18 WHERE THEY COULD TAP BETTER AND WIDER MARKETS AND BE
19 INTEGRATED IN THE GLOBAL SUPPLY CHAIN. THE PROJECT MAY BE
20 IMPLEMENTED IN COOPERATION WITH THE DEPARTMENT OF SCIENCE
21 AND TECHNOLOGY (DOST) AND OTHER GOVERNMENT AGENCIES,
22 ACADEME, LOCAL GOVERNMENT UNITS (LGUs), AND PRIVATE
23 ORGANIZATIONS.

24
25 FOR THE PURPOSE OF THIS ACT, SSFs REFER TO MACHINERY,
26 EQUIPMENT, TOOLS, SYSTEMS, ACCESSORIES, AND OTHER AUXILIARY
27 ITEMS, SKILLS AND KNOWLEDGE THAT ARE BEING PROVIDED BY THE
28 DTI UNDER A COMBINED AND COLLECTIVE SYSTEM TO ITS TARGET
29 BENEFICIARIES.

30
31 THE DTI, IN COORDINATION WITH RELEVANT GOVERNMENT
32 AGENICES, LGUS, PRIVATE INSTITUTIONS AND STAKEHOLDERS, SHALL
33 ALSO ESTABLISH SSF – FABRICATION LABORATORIES (SSF-FAB LABS)
34 WHICH ARE HIGH-END SSFs, EQUIPPED WITH AN ARRAY OF FLEXIBLE
35 COMPUTER-CONTROLLED TOOLS THAT COVER SEVERAL DIFFERENT
36 LENGTHS AND SCALE AND VARIOUS MATERIALS, IN AT LEAST ONE (1)
37 STRATEGIC LOCATION IN EVERY PROVINCE TO ASSIST MSMEs IN THE
38 MANUFACTURING OF NEEDED ASSETS AND PRODUCTS. THE PRIORITY
39 SHALL BE PROVINCES WITHOUT EXISTING SSF-FAB LABS.

40
41 THE SSF-FAB LABS SHALL BE ATTACHED TO STATE UNIVERSITIES
42 AND COLLEGES (SUCs); LOCAL UNIVERSITIES AND COLLEGES (LUCs);
43 PRIVATE SCHOOLS, COLLEGES AND UNIVERSITIES; OR GOVERNMENT
44 ACADEMIC TRAINING INSTITUTIONS IN THE PROVINCE AS DETERMINED
45 BY THE DTI FOR PROPER MONITORING AND MAINTENANCE: *PROVIDED*,
46 THAT, IN GRANTING SSFs AND SSF-FAB LABS, THE DTI SHALL:

- 47
48 a) TIMELY PROCESS THE APPLICATIONS FOR THE GRANTING OF SSFs
49 AND SSF-FAB LABS IN COMPLIANCE WITH THE PROVISIONS OF
50 REPUBLIC ACT NO. 11032 OR THE “EASE OF DOING BUSINESS AND

51 EFFICIENT GOVERNMENT SERVICE DELIVERY ACT OF 2018” ON THE
52 MAXIMUM PRESCRIBED PROCESSING TIME DEPENDING ON THE
53 COMPLEXITY OF THE TRANSACTIONS: *PROVIDED*, THAT THE
54 APPLICATION HAS MET ALL THE REQUIREMENTS INCLUDING THE
55 CONDUCT OF MARKET STUDY AND OTHER RECOMMENDATIONS
56 THAT MAY BE IDENTIFIED BY THE NATIONAL TECHNICAL WORKING
57 GROUP (NTWG);

58 b) CONSULT WITH THE COOPERATORS ON THE APPROPRIATE
59 PROJECTS TO BE GRANTED TO THEM:

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

63 d) COORDINATE WITH THE SUCs AND LUCs WHERE THE SSF or SSF-
64 FAB LABS ARE ESTABLISHED IN SETTING GUIDELIENS FOR THE
65 EQUITABLE UTILIZATION OF SAID FACILITIES AMONG USERS
66 WITHIN AND OUTSIDE THE EDUCATION INSTITUTIONS;

67 e) CLOSELY COORDINATE AND IMMEDIATELY ASSIST THE
68 COOPERATORS WITH THEIR ISSUES OR CONCERNS REGARDING
69 THE IMPLEMENTAITON OF THEIR PROJECTS; AND

70 f) PARTNER WITH OTHER GOVERNMENT AGENCIES, IF NEEDED, TO
71 HELP ENSURE THE SUCCESS OF THE PROJECTS:

72 *PROVIDED, FURTHER*, THAT THE DTI SHALL ENSURE THAT THE SSFs
73 AND SSF-FAB LABS CREATED UNDER THIS ACT ARE CONSISTENT
74 WITH THE NATIONAL INNOVATION AGENDA AND STRATEGY
75 DOCUMENT.”

76
77 “SEC. 17. *MONITORING OF PRODUCTIVITY OUTCOMES.* – THE DTI, IN
78 COORDINATION WITH THE CONCERNED COOPERATORS. LGUS, SUCs,
79 LUCs, PRIVATE SCHOOLS, COLLEGES AND UNIVERSITIES, AND
80 GOVERNMENT ACADEMIC TRAINING INSTITUTIONS IN WHICH THE SSFs
81 AND THE SSF-FAB LABS ARE SITUATED, SHALL SUBMIT AN ANNUAL
82 PROGRESS REPORT TO CONGRESS DETAILING THE EFFECTIVENESS OR
83 IMPACT OF THE SSFs AND SSF-FAB LABS WHICH SHALL INCLUDE THE

84 BUDGET UTILIZATION OF THE PROJECT, ADDITIONAL JOBS AND
85 INCOME GENERATED, INDUSTRY ENGAGEMENT, TECHNOLOGY
86 TRANSFER, AND OVERALL GROWTH OF THE BUSINESS WHICH AWAILED
87 OF THE FACILITIES.”

88
89 *SEC. 2. Implementing Rules and Regulations.* -Within three (3) months from the effectivity
90 of this Act, the DTI shall promulgate the necessary implementing rules and regulations for
91 the institutionalization and establishment of the SSFs including the guidelines for the
92 partnership with the cooperators, SUCs, LUCs, private schools, colleges and universities,
93 and government academic training institutions where the SSFs and SSF-Fab Labs shall be
94 established.

95
96 *SEC. 3. Appropriations.* – The amount necessary for the implementation of this Act shall
97 be charged against the current year’s appropriations of the DTI. Thereafter, such as
98 amount shall be included in the annual General Appropriations Act.

99
100 *SEC. 4. Separability Clause.* – If any portion or provision of this Act is declared
101 unconstitutional, the remainder of this act or any provision not affected thereby shall
102 remain in full force and effect.

103
104 *SEC. 5. Repealing Clause.* - All laws or parts thereof, decrees, orders, rules and regulations
105 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

106
107 *SEC. 6. Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication
108 in the Official Gazette or in a newspaper of general circulation.

109
110 Approved,