



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 6754



Introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Andrew Julian K. Romualdez and Jude A. Acidre

AN ACT
INSTITUTIONALIZING POST-DISASTER AND PANDEMIC RECOVERY
AID FOR MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs),
ESTABLISHING THE SMALL BUSINESS RECOVERY AND RESILIENCE
PROGRAM, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Micro, small, and medium enterprises (MSMEs) play a significant role in the Philippine economy due to their impact on employment, income, and overall economic development. According to the Philippine Statistics Authority, MSMEs comprised 99.5 percent of all registered business establishments in 2019. They generate 62.4 percent of the country's total employment, contribute 36 percent of gross value added, and account for 25 percent of total exports¹.

During the COVID-19 Pandemic, strict lockdown measures ran in the national capital region and high-risk provinces, causing huge economic losses. Even after the lockdown, although the Philippine economy has moved to the recovery stage, it

¹ Socio-Economic Research Portal for the Philippines. "Micro, Small, and Medium Enterprises". Retrieved from https://serp-p.pids.gov.ph/feature/public/index-view?featuredtype_id=1&slug=micro-small-and-medium-enterprises last 30 October 2025

cannot be denied that micro, small, and medium-sized enterprises (MSMEs) continued to confront a sharp drop in demand and revenue².

Thus, this bill seeks to create a Small Business Recovery and Resilience Program (SBRRP) under the Department of Trade and Industry, which shall develop and administer financial and technical assistance programs, establish a streamlined application system for accessing aid, maintain a digital MSME Resilience Registry and create risk assessments and preparedness modules specific to small businesses.

Through this bill, the State will be able to fulfill its mandate under the Constitution 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”³.

In view of the foregoing, approval of this bill is earnestly requested.



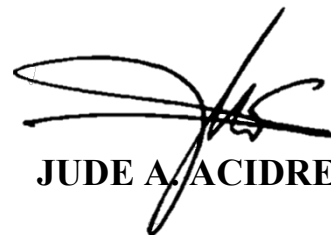
FERDINAND MARTIN G. ROMUALDEZ



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² Shinozaki, S., & Rao, L. (2021). Covid-19 Impact on Micro, Small, and Medium-Sized Enterprises under the Lockdown: Evidence from a Rapid Survey in the Philippines. *Asian Development Bank Institute*, (No. 1216 February 2021). <https://www.adb.org/sites/default/files/publication/677321/adbi-wp1216.pdf>

³ 1987 Constitution, Article II, Sec. 9



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

SECTION 1. Short Title. - This Act shall be known as the “Small Business Recovery and Resilience Act.”

SECTION 2. Declaration of Policy. - It is the policy of the State to strengthen the resilience and continuity of Micro, Small, and Medium Enterprises (MSMEs) during and after disasters, public health emergencies, or other extraordinary crises. The

State shall institutionalize mechanisms for the timely, efficient, and sustainable recovery of MSMEs to protect jobs, stimulate local economies, and ensure inclusive growth.

SECTION 3. Definition of Terms. - For purposes of this Act:

- a. MSMEs – Refer to Micro, Small, and Medium Enterprises as defined by Republic Act No. 9501, otherwise known as the *Magna Carta for Micro, Small and Medium Enterprises (MSMEs)*, as amended;
- b. Disaster – Refers to any natural or man-made hazard declared by competent authorities under Republic Act No. 10121, otherwise known as the *Philippine Disaster Risk Reduction and Management Act of 2010* and other relevant laws;
- c. Pandemic/Public Health Emergency – Refers to any disease outbreak declared as a public health emergency by the Department of Health (DOH) or the World Health Organization (WHO); and
- d. Recovery Aid – Refers to grants, low-interest loans, tax relief, subsidies, wage support, training, and other forms of financial or technical assistance for MSMEs.

SECTION 4. Creation of the Small Business Recovery and Resilience Program (SBRRP). - There is hereby created the Small Business Recovery and Resilience Program (SBRRP) under the Department of Trade and Industry (DTI), in coordination with the Department of Finance (DOF), Department of Budget and Management (DBM), and the Department of Economy, Planning, and Development (DEPDev), with the following functions:

- a) Develop and administer financial and technical assistance programs for MSMEs affected by disasters or emergencies;
- b) Establish a streamlined application system for accessing aid;
- c) Maintain a digital MSME Resilience Registry; and
- d) Create risk assessments and preparedness modules specific to small businesses.

SECTION 5. Post-Disaster and Pandemic Aid Package. - The SBRRP shall offer a standard menu of interventions to affected MSMEs, including but not limited to:

- a) Recovery Grants – Targeted cash assistance for qualified micro and small enterprises;
- b) Zero or Low-Interest Loans – With flexible payment terms and grace periods;
- c) Wage Subsidies – For affected employees during business recovery;
- d) Tax Relief Measures – Including deferred VAT payments, income tax holidays, and local business tax moratoriums;
- e) Business Continuity Training – To build long-term resilience and disaster planning capacity;
- f) Market Reintegration Assistance – Including e-commerce onboarding, logistics support, and digital transformation vouchers.

SECTION 6. Eligibility. - To qualify for SBRRP aid, an MSME must:

- a) Be duly registered and in operation for at least six (6) months prior to the onset of the disaster/emergency;

- b) Demonstrate adverse impact (e.g., income loss, inventory damage, closure);
- c) Have no pending tax evasion or fraudulent activity cases; and
- d) Comply with the implementing rules and monitoring guidelines set by the DTI.

SECTION 7. MSME Recovery and Resilience Fund (MRRF). - There is hereby created a Micro, Small, and Medium Enterprise Recovery and Resilience Fund (MRRF), which shall be charged against the current year's appropriation of the DTI and replenished through the annual General Appropriations Act (GAA), Official Development Assistance (ODA), private sector partnerships, and other lawful sources.

SECTION 8. Local Government Unit (LGU) Coordination. – The DTI shall coordinate with LGUs to:

- a) Validate affected MSMEs;
- b) Assist in local information campaigns;
- c) Facilitate LGU-led business support centers; and
- d) Allocate counterpart support from LGU disaster funds.

SECTION 9. Monitoring, Evaluation, and Reporting. - DTI shall submit an annual SBRRP Report to Congress detailing the number of beneficiaries, types of assistance given, fund utilization, and program impact. Independent audit and performance reviews shall be conducted by the Commission on Audit (COA).

SECTION 10. Implementing Rules and Regulations (IRR). - Within sixty (60) days from the effectivity of this Act, the DTI, in coordination with DOF, DBM,

DepDev, and other relevant agencies, shall promulgate the necessary rules and regulations.

SECTION 11. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 12. Repealing Clause. - All laws, decrees, orders, and rules inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SECTION 13. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,