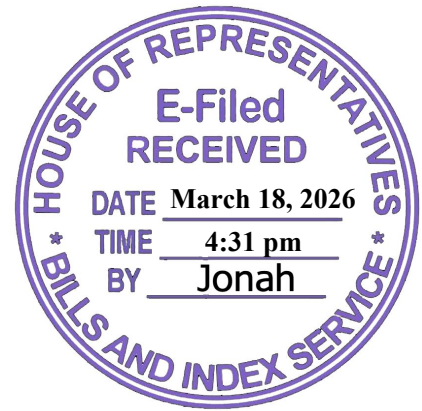


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 8667



Introduced by **Hon. Bernadette S. Barbers**

EXPLANATORY NOTE

Republic Act No. 9178, also known as the “Barangay Micro Business Enterprises (BMBEs) Act of 2002,” was enacted to support and encourage the growth of microenterprises by providing incentives, including tax exemption and financing opportunities to small business owners.

The law currently defines Barangay Micro Business Enterprises (BMBEs) as business with total assets not exceeding Three Million Pesos (P3,000,000.00), excluding the value of land.

Since the enactment of the law in 2002, inflation, economic growth, and the rising costs of goods, services, and capita have rendered the present threshold outdated and less inclusive for today's emerging micro and small entrepreneurs. As a result, many local enterprises that remain micro in scale are no longer able to qualify for BMBE incentives.

This measure therefore seeks to amend the Barangay Micro Business Enterprises (BMBEs) Act of 2002 by increasing the asset threshold for BMBE qualification from Three Million Pesos (P3,000,000.00) to Twenty Million Pesos (P20,000,000.00) in order to make the law more responsive to current economic conditions and allow more small businesses to avail of its support mechanisms.

Empowering more community-level enterprises with the benefits under the law will promote inclusive growth, stimulate local commerce, and enhance poverty alleviation efforts of the government.

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


HON. BERNADETTE S. BARBERS
2nd District, Surigao del Norte

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 8667

Introduced by **Hon. Bernadette S. Barbers**

AN ACT
INCREASING THE ASSET THRESHOLD OF BARANGAY MICRO BUSINESS
ENTERPRISES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9178,
OTHERWISE KNOWN AS THE “BARANGAY MICRO BUSINESS ENTERPRISES
(BMBEs) ACT OF 2002”

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

SECTION 1. Section 3 of Republic Act No. 9178, is hereby amended to read as follows:

“Section 3. *Definition of Terms.* — As used in this Act, the following terms shall mean:

(a) “Barangay Micro Business Enterprise,” hereinafter referred to as BMBE, refers to any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services, whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than [~~Three Million Pesos (P3,000,000.00)~~] **TWENTY MILLION PESOS (P20,000,000.00)**. The Above definition shall be subjected to review and upward adjustment by the SMED Council, as mandated under Republic Act No. 6977, as amended by Republic Act No. 8289.

xxx.”

SECTION 2. *Separability Clause.* — If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SECTION 3. *Repealing Clause.* — All laws, executive orders, presidential decrees or issuances, letters of instruction, administrative orders, rules, and regulations

as well as local ordinances contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 4. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,