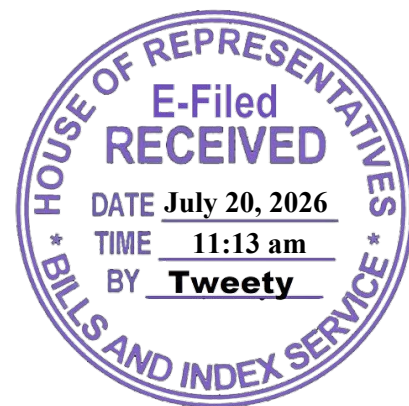


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 10108



INTRODUCED BY REP. PATRICK MICHAEL “PM” D. VARGAS

AN ACT
PROVIDING FINANCIAL LITERACY AND ENTREPRENEURSHIP PROGRAMS
FOR WORKERS

EXPLANATORY NOTE

Article XII, Section 14 of the 1987 Philippine Constitution provides that the sustained development of a reservoir of national talents, which includes Filipino entrepreneurs and managers, shall be promoted by the State.

The Philippines is an entrepreneurial country. Slowly, entrepreneurship is becoming the backbone of the country's economy. Micro, small, and medium-sized enterprises (SMEs) comprise around 99% of the establishments in the country and provide 66% of total employment in the private sector. However, a number of problems continue to hold back Filipinos from realizing their entrepreneurial aptitude. Among these challenges include lack of adequate knowledge on financial management, high cost of doing business, lack of access to finance and market information, and low productivity and competitiveness due to the lack of economic capacity.

The proposed *Financial Literacy for Workers Act* aims to address the low level of entrepreneurial and financial skills among young Filipinos through the delivery of highly relevant programs to our students. It seeks to establish a financial literacy and entrepreneurship education program for Filipino workers to empower them to generate more income and ultimately lead a life of economic and financial freedom.

This bill mandates the Department of Labor and Employment to provide assistance, in the form of grants or loans, to deserving working entrepreneurs to enable them to launch their own small or medium enterprises. The Department is also directed to offer grants and loans to eligible entities that will provide financial literacy and entrepreneurship programs to workers.

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

A handwritten signature in blue ink, appearing to be 'PM' followed by a stylized flourish.

REP. PATRICK MICHAEL "PM" D. VARGAS

Fifth District, Quezon City

Republic of the Philippines
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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 “Financial Literacy for Workers Act”.

SECTION 2. Definition of Terms. – For the purposes of this Act, the following terms are hereby defined:

- a) **Eligible** entity refers to the employer;
- b) **Working entrepreneurs** refer to individuals who are employed and engaged in the operations and/ or management of a micro, small or medium enterprise;
- c) **Department** means the Department of Labor and Employment;
- d) **Secretary** means the Secretary of Labor and Employment

SECTION 3. Grants and Loans. – The Secretary shall award grants and loans, on a competitive basis, to eligible entities to enable such entities to provide financial literacy and entrepreneurship programs to workers. The Secretary may make available to deserving working entrepreneurs assistance in the form of grants or loans to provide for the initial launch of their small or medium enterprises.

SECTION 4. *Application.* – An eligible entity and working entrepreneur that desires to receive a grant and loan under this section shall submit an application to the Secretary accompanied by the itemized budget and other data as the Secretary may require.

SECTION 5. *Appropriations.* - The amount necessary for the initial implementation of this Act shall be sourced from the current budgets and development funds of the Department of Labor and Employment. Thereafter, the funds necessary for the continuous implementation of this Act in the issuing years shall be included in the respective annual appropriations of the Department in the General Appropriation Act.

SECTION 6. *Implementing Rules and Regulations.* - The Department of Labor and Employment, in consultation with relevant stakeholders, shall issue within sixty (60) days after the effectivity of this Act, the rules and regulations for the effective implementation of this Act.

SECTION 7. *Separability Clause.* - If any provision of this Act or any part thereof shall be declared unconstitutional or invalid, the other provisions, as far as they are separable, shall remain in force and effect.

SECTION 8. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or thereof which are inconsistent with the provisions of this Act is hereby repealed, amended or modified accordingly.

SECTION 9. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,