

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

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4838



Introduced by Representatives Peter "Sr. Pedro" M. Unabia,
Jocelyn S. Limkaichong, Rodrigo A. Abellanosa, Gil "Kabarangay" P. Acosta,
Alexandria P. Gonzales, Marisol C. Panotes, Carlito S. Marquez,
Salvador B. Belaro, Jr. and Bernadette Herrera-Dy

EXPLANATORY NOTE

One of the barriers to the growth and development of micro, small and medium enterprises (MSMEs) in the country is poor business environment. Republic Act No. 10644, otherwise known as the "Go Negosyo Act" was enacted to address this problem, that is, to promote the ease of doing business and facilitate access to government services for MSMEs through the Negosyo Centers to be established in all provinces, cities and municipalities nationwide. One such assistance of the Negosyo Centers is in the area of business registration.

However, business registration in the Philippines still involves a series of processes with different government offices or transaction windows. While government agencies have internally addressed the need for a more efficient process through anti-red tape measures, the fundamental flaw remains – business registration requires several transactions with several agencies. Addressing this bigger concern necessitates a confluence of agencies cooperating for the greater good of providing an enabling environment to do business.

Moreover, it is imperative for governments to recognize the importance of formalization of businesses. Any enterprise that operates underground poses several layers of danger to several sectors of society. Government stands to lose fiscal revenues; consumers are put at risk from sub-standard products; and employees are exposed to exploitative work environments, among others. In order to address the need for the entry of enterprises into the formal economy, there must be an enabling environment that promotes the ease of doing business. Doing so will provide benefits such as an increase in tax collection so the government can spend more on public services; provision of dignity to laborers by allowing access to social security; and ultimately bring about inclusive growth.

There is therefore the need to amend Republic Act 10644 by expanding the functions of the Negosyo Center in order for it to act as a Business One-Stop Shop. This will go a long way in simplifying the registration procedures and promoting the ease of doing business.


Other proposed amendments to RA 10644 are: (1) filing of the income tax return (ITR) can be done through the Negosyo Centers; (2) institutionalization of the Mentor ME Program, a joint undertaking of the Department of Trade and Industry (DTI) with the Philippine Center for Entrepreneurship (PCE), aimed at coaching the mentee-micro and small enterprises (MSEs) on the different aspects of business operations; (3) institutionalization of the business counsellors; and (4) requiring the local government units (LGUs) to link up with the DTI for the Philippine Business Registry Databank (PBRD).

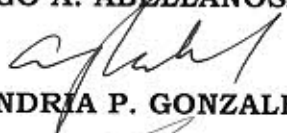
The above-mentioned provisions of the proposed Act will work towards the goal of the Micro, Small and Medium Enterprise Development (MSMED) Plan 2017-2022 of supporting business start-ups and registration, and will be in line with the following priority directions thereof:

- Creating a conducive business enabling environment;
- Capacity building and development of entrepreneurial culture: business mentoring and access to technical advice;
- Improving coordination and service delivery to MSMEs in the regions through the Negosyo Centers; and
- Ease in setting up business through easy registration procedures.

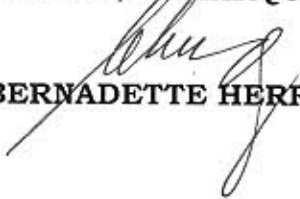
In view of the foregoing, the immediate passage of this bill is earnestly sought.



PETER "SR. PEDRO" M. UNABIA

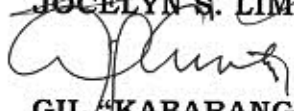

RODRIGO A. ABELLANOSA

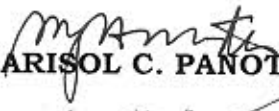

ALEXANDRIA P. GONZALES

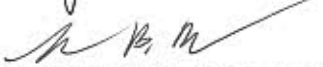

CARLITO S. MARQUEZ


BERNADETTE HERRERA-DY


JOCELYN S. LIMKAICHONG


GIL "KABARANGAY" P. ACOSTA


MARISOL C. PANOTES


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AN ACT

**EXPANDING THE FUNCTIONS OF THE NEGOSYO CENTERS AND
REQUIRING THE LOCAL GOVERNMENT UNITS TO LINK UP WITH THE
DEPARTMENT OF TRADE AND INDUSTRY FOR THE PHILIPPINE
BUSINESS REGISTRY DATABANK, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 10644, OTHERWISE KNOWN AS THE "GO
NEGOSYO ACT" IN ORDER TO PROMOTE THE EASE OF DOING
BUSINESS, AND FOR OTHER PURPOSES**

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

CHAPTER I

GENERAL PROVISIONS

SECTION 1. Section 4 of Republic Act No. 10644, otherwise known as
the "Go Negosyo Act", shall be amended to read as follows and the
subparagraphs renumbered accordingly:

"SEC. 4. **Functions of the Negosyo Centers.** – Negosyo Centers shall
have the following functions:

(a) xxx

(b) **ACT AS A BUSINESS ONE-STOP SHOP (BOSS) WHERE MSMES CAN
REGISTER THEIR BUSINESSES AND PROCESS THE NECESSARY
PERMITS AND LICENSES. CONSEQUENTLY, THE GOVERNMENT
AGENCIES REQUIRING BUSINESS PERMITS SHALL EITHER:**

1 **i. ASSIGN PERSONNEL TO THE NEGOSYO CENTERS TO MAKE IT**
2 **EASIER FOR THE MSMES TO TRANSACT BUSINESS WITH THESE**
3 **AGENCIES, INCLUDING BUT NOT LIMITED TO:**

- 4 • **DEPARTMENT OF TRADE AND INDUSTRY (DTI);**
- 5 • **SECURITIES AND EXCHANGE COMMISSION (SEC);**
- 6 • **COOPERATIVE DEVELOPMENT AUTHORITY (CDA);**
- 7 • **LOCAL GOVERNMENT UNITS (LGUS);**
- 8 • **BUREAU OF INTERNAL REVENUE (BIR);**
- 9 • **SOCIAL SECURITY SYSTEM (SSS);**
- 10 • **DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE);**
- 11 • **HOME DEVELOPMENT MUTUAL FUND (HDMF); AND**
- 12 • **PHILIPPINE HEALTH INSURANCE CORP. (PHILHEALTH).**

13 **ii. AUTHORIZE THE NEGOSYO CENTERS TO SERVE AS POINT OF**
14 **CONTACTS BETWEEN THE REGISTRANT AND THE ACCREDITING**
15 **GOVERNMENT AGENCY.**

16 (c) Coordinate and facilitate processes of government related to the set-up
17 and management of MSMEs;

18 xxx

19 (i) **RECEIVE THE INCOME TAX RETURNS (ITRS) OF MSMEs;**

20 (j) Provide information and services in training, financing and marketing;

21 xxx

22 (l) Co-organize with the local chambers of commerce and other business
23 organizations a mentoring program for prospective and current
24 entrepreneurs and investors;

25 (m) **INSTITUTIONALIZE THE CONDUCT OF THE MENTOR ME**
26 **PROGRAM, A JOINT UNDERTAKING OF THE DEPARTMENT OF TRADE**
27 **AND INDUSTRY (DTI) WITH THE PHILIPPINE CENTER FOR**
28 **ENTREPRENEURSHIP (PCE), AIMED AT COACHING THE MENTEE-**
29 **MICRO AND SMALL ENTERPRISES (MSEs) ON THE DIFFERENT**
30 **ASPECTS OF BUSINESS OPERATIONS;**

31 xxx

32 SEC. 2. A new section, Section 4-A, is inserted after Section 4 of

1 Republic Act No. 10644, to read as follows:

2 **THE BUSINESS COUNSELLORS WHICH HAVE BEEN TRAINED TO**
3 **PROVIDE BUSINESS REGISTRATION ASSISTANCE, BUSINESS**
4 **ADVISORY SERVICES, AND BUSINESS INFORMATION AND ADVOCACY**
5 **TO MSMES IN THE NEGOSYO CENTERS SHALL BE INSTITUTIONALIZED**
6 **AND BE MADE ORGANIC EMPLOYEES OF THE DTI.**

7 SEC. 3. Section 5 of Republic Act No. 10644, otherwise known as the
8 "Go Negosyo Act", shall be amended to read as follows and the
9 subparagraphs renumbered accordingly:

10 (a) xxx

11 (1) xxx

12 (2) xxx

13 (3) **NEGOSYO CENTERS ARE GIVEN THREE (3) WORKING DAYS**
14 **TO TRANSMIT THE RECEIVED REGISTRATION DOCUMENTS**
15 **TO THE APPROPRIATE GOVERNMENT AGENCIES. IF THE**
16 **APPLICATION IS APPROVED BY THE ACCREDITING AGENCY,**
17 **THE NEGOSYO CENTER SHALL IMMEDIATELY RELEASE THE**
18 **CERTIFICATION OR ITS EQUIVALENT.**

19 (4) xxx

20 (5) xxx

21 (b) xxx

22 (c) Philippine Business Registry Databank - xxx

23 **THE LGUS SHALL BE REQUIRED/MANDATED TO LINK UP WITH**
24 **THE PBRD TO ENSURE ITS COMPLETENESS.**

25 SEC. 4. *Implementing Rules and Regulations.* - The DTI, in consultation
26 with the concerned agencies, shall formulate the necessary rules and
27 regulations to implement the provisions of this Act within ninety (90) days
28 after its approval. The rules and regulations issued pursuant to this Section
29 shall take effect fifteen (15) days after its publication in a newspaper of
30 general circulation.

31 SEC. 5. *Separability Clause.* - If any part or section of this Act is
32 declared unconstitutional, such declaration shall not affect in any manner
33

1 other parts or sections hereof.

2
3 SEC. 6. *Repealing Clause.* – All laws, decrees, proclamations, issuances,
4 or ordinances that are contrary to or inconsistent with the provisions of this
5 Act are hereby amended, repealed or modified accordingly.

6
7 SEC. 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its
8 publication in the *Official Gazette* or in a newspaper of general circulation.

9 Approved,