

**[ DTI Department Administrative Order No. 14-5,  
December 19, 2014 ]**

**IMPLEMENTING RULES AND REGULATIONS FOR REPUBLIC ACT  
NO. 10644 AN ACT PROMOTING JOB GENERATION AND  
INCLUSIVE GROWTH THROUGH THE DEVELOPMENT OF MICRO,  
SMALL AND MEDIUM ENTERPRISES, OTHERWISE KNOWN AS THE  
“GO NEGOSYO ACT”;**

*Adopted: 19 December 2014*

*Date Filed: 26 February 2015*

*The following rules and regulations implementing Republic Act No. 10644, otherwise known as the “Go Negosyo Act”, pursuant to Section 13 thereof, are hereby promulgated.*

**RULE 1**

**Preliminary Provisions on Title and Construction and Interpretation**

**SECTION 1. Title.** These Rules shall be referred to as the “Implementing Rules and Regulations for Republic Act No. 10644” otherwise known as the “Go Negosyo Act” and for brevity, may be referred to as the IRR of the “Go Negosyo Act”.

**Sec. 2. Construction and Interpretation.** These Rules shall be interpreted, construed and carried out pursuant to the intents and purposes of the Declaration of Policy of RA No. 10644 and which shall be made an integral part hereof.

**Sec. 3. Relation to other Laws on Micro, Small and Medium Enterprises (MSMEs).** This IRR recognizes the existing policies of the State on MSMEs insofar as their provisions have not been amended or repealed by RA No. 10644, “Go Negosyo Act”, under the following laws:

- (a) Republic Act No. 9178, Barangay Micro Business Enterprises (BMBEs) Act of 2002;
- (b) Republic Act No. 6977, Magna Carta for Micro, Small and Medium Enterprises (MSMEs), as Amended by Republic Act No. 8289 and Republic Act No. 9501; and
- (c) Other laws, insofar as their provisions have not been amended or repealed by RA No. 10644, the “Go Negosyo Act.”

**RULE 2**

**Declaration of Policy and other General Policy Statements**

**SECTION 1. Declaration of Policy.** These rules and regulations shall be in accordance with the Declaration of Policy set forth in Section 2 of R.A. No. 10644.<sup>[1]</sup>

**Sec. 2. Local Economic Development.** In order to pursue the policies of the State as declared in Republic Act No. 10644, particularly with regard to inclusive growth and job generation, this IRR recognizes the imperatives of working with Local Government Units (LGUs) and other agencies and organizations, both in the public and private sectors towards Local Economic Development.

To avoid duplication of efforts and to foster coordinated actions, all initiatives towards this end must ensure coordination and collaboration with existing structural mechanisms promoting MSMEs and entrepreneurship.

### **RULE 3**

#### **Implementation of Provisions on Negosyo Centers**

**SECTION 1. Establishment and Management of Negosyo Centers.** The establishment and management of Negosyo Centers shall be in accordance with Section 3 of R.A. No. 10644.<sup>[2]</sup>

**Sec. 2 Set-up and approval of multi-phase plan for creation/ strengthening of Negosyo Center.**

- (a) Within one hundred eighty (180) days from its reconstitution, the MSMED Council shall approve a multi-phase plan, for the establishment and management of the afore-mentioned Negosyo Centers.
- (b) The multi-phase plan shall consider the different modes of establishing the Negosyo Centers based on the needs of the MSMEs, as well as the capacities of the LGUs and other necessary factors
- (c) The multi-phase plan shall include the management structure and processes for the MSMED Council's supervision of the Negosyo Centers.
- (d) The creation and roll-out of the multi-phase plan, and as envisioned under paragraph (b) hereof, Negosyo Centers shall continue to be established and perform their mandates without prejudice to the MSMED Plan.

**Sec. 3. Public-Private Partnerships.** The MSMED Council, in the national and local levels, shall encourage public-private partnerships in the establishment and management of Negosyo Centers.

**Section 4. Lead Role by LGU in creation of Negosyo Center.** In cases where the province, city or municipality takes the lead role in the establishment and management of Negosyo Centers, the DTI, DILG and the LGA may offer assistance to the LGU in integrating this creation through the LGU's Local Development and Investment Plan, Annual Investment Plan and other relevant executive and legislative issuances.

**Sec. 5. Operations of Existing SME Centers and National Economic Research and Business Assistance Center (NERBAC).** In applicable areas, the existing SME Centers and NERBAC, administered by the DTI in provinces, cities and municipalities, if any, may be converted to Negosyo Centers subject to the provisions of this Act. Existing Regional NERBACs or SME Centers may be utilized as Negosyo Centers for the Provinces and Cities where they are physically located.

**Sec. 6. Functions of the Negosyo Centers.** The Negosyo Centers shall have the

following functions:

(a) Business Registration Assistance

- i) Accept and facilitate all new registration and renewal application of MSMEs, including application for Barangay Micro-Business Enterprise (BMBE);
- ii) Coordinate with the respective local government units (LGUs) and liaise with concerned government agencies to process the duly accomplished forms submitted by the MSMEs;
- iii) Implement a unified business registration process preferably through automated systems such as the Philippine Business Registry (PBR);

(b) Business Advisory Services

- i) Assist MSMEs in meeting regulatory requirements to start and maintain the business;
- ii) Build local support networks and establish market linkages for MSME development through the Micro, Small and Medium Enterprise Development (MSED) Council and DTI;
- iii) Facilitate access to grants and other forms of financial assistance, shared service facilities and equipment, and other support for MSMEs through national government agencies (NGAs);
- iv) Ensure management guidance, assistance and improvement of the working conditions of MSMEs;
- v) Co-organize with the local chambers of commerce, other business organizations and government agencies, a mentoring program for prospective and current entrepreneurs and investors;
- vi) Conduct other programs or projects for entrepreneurial development in the country aligned with the MSMEs development plan.

(c) Business Information and Advocacy

- i) Provide information and services in training, financing, marketing and other areas as may be required by MSMEs
- ii) Establish and maintain a databank which will support business information requirements of MSMEs
- iii) Promote ease of doing business and access to services for MSMEs within its jurisdiction;
- iv) Support private sector activities relating to MSMEs development;
- v) Encourage government institutions that are related to the business application process to help promulgate information regarding the Negosyo Center;
- vi) Coordinate with schools and related organizations on the development of youth entrepreneurship program;
- vii) Encourage women entrepreneurship through access to information, training, credit facilities, and other forms of assistance.

(d) Monitoring and Evaluation

- i) Monitor and recommend business- process improvement for MSMEs;
- ii) Establish a feedback mechanism among the MSMEs in the respective jurisdiction of Negosyo Centers.

- (e) Perform such other functions that may be assigned by the MSMED Council as germane to RA 10644 and other related laws.

**RULE 4**  
**Provisions on Micro, Small and Medium Enterprises**

**SECTION 1. *Registration.***

(a) Business Registration of MSMEs

- i) Creation of a unified business registration form.

A unified and simplified business registration form shall be developed by the DTI, in coordination with the DILG and other relevant agencies, which shall have as basis the current form being used for the BPLS, and shall be made available in all Negosyo Centers and local government units. The DTI shall be responsible for regularly updating and maintaining the unified business registration forms which shall be made available electronically.

- (ii) Timelines.

Should the concerned business permits and licensing offices (BPLO) fail to process the application, within fifteen (15) calendar days upon receipt of the BPLO, the MSME shall be deemed registered for a period of one (1) year: Provided, however, That within a period of thirty (30) calendar days from the date of application of an MSME with the BPLO, any business permit and licensing office shall have the authority to revoke the permit or license upon determination that an MSME has not met the requirements and qualifications imposed by the office. Provided, further, that the BPLO shall immediately inform the applicant by way of a written notice of revocation.

(b) Registration of Barangay Micro Business Enterprises (BMBEs)

The registration of Barangay Micro Business Enterprises (BMBEs) shall be in accordance with Section 5 (b) of R.A. No. 10644.<sup>[3]</sup>

The MSMED Council shall, through a resolution, provide guidelines for the issuance of the Certificate of Authority for BMBEs.

- (c) Philippine Business Registry Databank – The establishment of the “Philippine Business Registry Databank” shall be in accordance with Section 5 (c) of R.A. No. 10644.<sup>[4]</sup>

**Sec. 2. *Eligibility.*** The definition of eligibility under these IRR shall be in accordance with the definition provided in Sec. 3.(a) of R.A. No. 9178.<sup>[5]</sup>

**Sec. 3. *Start-up Funds for MSMEs.*** The establishment of “Start-up Funds for MSMEs” shall be in accordance with Section 7 of R.A. 10644.<sup>[6]</sup>

The amount to be allocated for the Start-Up Fund and the guidelines for its use must be identified by the MSMED Council through a resolution.

**Sec. 4. *Technology Transfer, Production and Management Training and Marketing Assistance.*** The availment of technology transfer, production and management training and marketing assistance shall be done in accordance with Section 8 of RA 10644.<sup>[7]</sup>

The MSMED Council may, upon consultation with the above-mentioned agencies, issue a resolution on a Manual of Operations for this section specifically identifying the individual and collective roles of the above-mentioned agencies.

## **RULE 5**

### **Micro, Small and Medium Enterprises Development Council**

**SECTION 1. *Composition of the Micro, Small and Medium Enterprises Development (MSMED) Council.*** The composition of the Micro, Small and Medium Enterprises Development (MSMED) Council shall be in accordance with Section 9 of R.A. No. 10644.<sup>[8]</sup>

**Sec. 2. *Additional Functions of the MSMED Council.*** The additional functions of the MSMED Council shall be in accordance with Sec. 10 of R.A. No. 10644.<sup>[9]</sup>

The MSMED Council shall, through a resolution, identify the other functions of the Regional and Provincial MSMED Councils to pursue the function as coordination and oversight body for the Negosyo Centers.

## **RULE 6**

### **Public Information Dissemination**

**SECTION 1. *Information Dissemination.*** The Philippine Information Agency (PIA), in coordination with the DTI and the DILG, shall ensure the proper and adequate information dissemination of the contents and benefits of RA No. 10644 and this IRR to pertinent media entities and all cities, municipalities and barangays and widely to other stakeholders. To ensure wide dissemination to as many stakeholders as possible, the agencies concerned shall utilize electronic updates and posting in their respective websites and social media and provide leaflets or brochures which shall contain frequently asked questions.

## **RULE 7**

### **Appropriations**

**SECTION 1. *Appropriations.*** The amount necessary to carry out the initial implementation of this Act shall be sourced from the current budget of the DTI.

Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the succeeding General Appropriations Act. The amount to be allocated shall include, but not be limited to, support for the provincial, city and municipal operations of the Negosyo Centers.