

1 AN ACT  
2 ORDAINING THE PROMOTION OF SOCIAL ENTERPRISES TO ALLEVIATE POVERTY, ESTABLISHING  
3 FOR THE PURPOSE THE POVERTY REDUCTION THROUGH SOCIAL ENTREPRENEURSHIP (PRESENT)  
4 PROGRAM AND PROVIDING INCENTIVES, BENEFITS AND APPROPRIATIONS THEREFOR  
5

6 CHAPTER I  
7 GENERAL PROVISIONS  
8

9 SECTION 1. **Short Title.** – This Act shall be known as the “Poverty Reduction through Social  
10 Entrepreneurship Act.”  
11

12 SECTION 2. **Statement of Policy.** – As provided in the Constitution of the Republic of the Philippines,  
13 it is the declared policy of the State to promote a just and dynamic social order that will ensure the  
14 prosperity and independence of the nation and free the people from poverty through policies that  
15 provide adequate social services, promote full employment, a rising standard of living, and an  
16 improved quality of life for all. In Article II, Sections 10 and 11, it is further declared that the State  
17 shall provide social justice in all phases of national development and that the State values the dignity  
18 of every human person and guarantees full respect for human rights.  
19

20 In Article XII, Section 1, it is further stated that the goals of the national economy are a more  
21 equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of  
22 goods and services produced by the nation for the benefit of the people; and an expanding  
23 productivity as the key to raising the quality of life for all, especially the underprivileged.  
24 The State shall promote industrialization and full employment based on sound agricultural  
25 development and agrarian reform, through industries that make full and efficient use of human and  
26 natural resources, and which are competitive in both domestic and foreign markets. However, the  
27 State shall protect Filipino enterprises against unfair foreign competition and trade practices.  
28 The State also recognizes the important role of enterprises in the economy as the major agent of  
29 development, creating off-farm employment opportunities and providing transitional means for  
30 improving the livelihood of the people.  
31

32 Towards this end, the State shall pursue a poverty reduction program that promotes an environment  
33 conducive to the development and growth of a vibrant social enterprise sector engaged in poverty  
34 reduction, economic and social development. It shall empower the marginalized sectors as primary  
35 stakeholders in social enterprises, establish mechanisms essential to realizing their potential and  
36 achieving their full growth, and extend the assistance necessary for their advancement. The State  
37 shall likewise ensure that the provision for technical and financial assistance, incentives and other  
38 services are free from any condition that might infringe upon the autonomy or organizational  
39 integrity of the social enterprises to enable them to develop into viable and vital anti-poverty agents,  
40 and a strong social entrepreneurship movement which will be instrumental in reducing poverty in  
41 the country.  
42

43 SECTION. 3. **Definition of Terms.** – As used in this Act:  
44

- 45 a. *Social Enterprise or SE* refers to primarily a social mission driven wealth-creating  
46 organization, however organized, whether as non-stock non-profit including NGOs, POs,  
47 Foundations, Associations; cooperatives, sole proprietorship, partnerships, corporations,  
48 established to improve societal well-being as well as ecological sustainability. A social

49 enterprise for purposes of this act shall also mean a Social Enterprise with Marginalized  
50 Sectors as Primary Stakeholders (SEMPS). A SEMPS is a social enterprise that explicitly  
51 declares and pursues poverty reduction or improving the quality of life of specific segments  
52 of the marginalized sectors as principal objective. A SEMPS engages and invests in the poor  
53 to become effective workers, suppliers, clients and/or owners, and ensures that a  
54 substantive part of the wealth created by the enterprise is distributed to them. In addition  
55 to reinvesting its surplus or profits back towards the fulfillment of its social mission in a  
56 sustainable way , a SEMPS also uses its surplus or profits and mobilizes other resources to  
57 assist the poor to become partners in SE or value chain management/ governance and to  
58 become partners in community, sectoral and societal transformation.

- 59
- 60 *b. Assets* refer to all kinds of properties, real or personal, owned by the social entrepreneur as  
61 defined in paragraph (*dd*) of this Section and used for the conduct of its business: Provided,  
62 that for the purpose of exemption from taxes and to benefit from other incentives under this  
63 Act, this term shall mean all kinds of properties, real or personal, owned and/or used by the  
64 SE for the conduct of its business;
- 65
- 66 *c. Basic sectors* shall refer to the disadvantaged sectors of Philippine society, namely: farmer-  
67 peasant, artisanal fisherfolk, workers in the formal sector and migrant workers, workers in  
68 the informal sector, indigenous peoples and cultural communities, women, persons with  
69 disability, senior citizens, victims of calamities and disasters, youth and students, children,  
70 and urban poor as defined under Republic Act (R.A.) No. 8425, otherwise known as the  
71 “Social Reform and Poverty Alleviation Act;”
- 72
- 73 *d. Capability building* refers to the process of enhancing the viability and sustainability of  
74 SEMPS and pertain to education, training, coaching and other learning events like study  
75 tours; technical, consultancy and advisory services; assistance in organizational systems  
76 development; technology incubation, development and dissemination; value chain and  
77 subsector development; conduct of SE trade fairs and missions; networking and policy  
78 advocacy initiatives and other such activities that enable SEs to be effective and efficient  
79 vehicles for poverty reduction. The term capability building precludes the grant of any loan  
80 or equity funds to the SE and shall in no way refer to the provision of equity investments,  
81 seed funding, partnership's seed funds, equity participation, start-up funds or any such  
82 activity that connotes the infusion of capital or funds from the government or from the SE  
83 Development Fund created under Section 17 of this Act;
- 84
- 85 *e. Civil society organizations* refer to private voluntary organizations of citizens that are  
86 established to pursue a mission, usually involving the interest of the public, marginalized  
87 groups or specific sectors of society. They include non-government organizations, socio-civic  
88 groups, foundations and people’s organizations;
- 89
- 90 *f. Council* shall refer to the SE Council;
- 91
- 92 *g. Cooperative* shall refer to an autonomous and duly registered association of persons, with a  
93 common bond of interest, who have voluntarily joined together to achieve their social,  
94 economic, and cultural needs and aspirations by making equitable contributions to the  
95 capital required, patronizing their products and services and accepting a fair share of the  
96 risks and benefits of the undertaking in accordance with universally accepted cooperative  
97 principles as defined in R.A. 6938, as amended by R.A. 9520, otherwise known as the  
98 “Philippine Cooperative Code of 2008”;
- 99

- 100 h. *Economic subsectors* are networks of related actors and enterprises performing various  
101 functions in value chains. These actors and enterprises transform raw materials into finished  
102 products, or develop services, and distribute or provide them through market channels to  
103 final consumers; they may be identified by key raw material source, by finished product or  
104 final service provided. An economic subsector may be comprised of several competing value  
105 chains. By understanding the dynamics of economic subsectors and using them as units of  
106 planning social entrepreneurship interventions, government agencies, support institutions  
107 and SEs shall more effectively reach and benefit a greater number of poor in poverty  
108 reduction programs;  
109
- 110 i. *Empowerment strategy* shall mean a development strategy that enables the marginalized  
111 sectors to own, manage, and control SEs in order for them to reap maximum benefits from it  
112 and which acts as a channel for directly distributing income;  
113
- 114 j. *Fair trade* shall refer to a trading partnership based on dialogue, transparency and respect  
115 and which seeks greater equity in international trade and the transformation and adaptation  
116 of trading structures and practices in favor of the poor and disadvantaged by offering better  
117 trading conditions to, and securing the rights of, marginalized producers and workers;  
118
- 119 k. *Fair trade organizations* shall mean enterprises certified by internationally- and nationally-  
120 recognized Fair Trade networks;  
121
- 122 l. *Fair trade principles* refer to the values adopted by fair trade organizations in their day-to-day  
123 operation. These include creating opportunities for economically- disadvantaged producers;  
124 transparency and accountability; payment of a fair price; ensuring no child labor and forced  
125 labor; commitment to non-discrimination, gender equity and freedom of association;  
126 ensuring good working conditions; providing capacity building; and, respect for the  
127 environment;  
128
- 129 m. *Foundation* shall mean the categorization of a non-profit organization duly registered that  
130 typically either donates funds and support to other organizations or provides the source of  
131 funding for its own charitable purposes. Unlike a company, foundations have no  
132 shareholders though they may have a board, an assembly and voting members. A foundation  
133 may hold assets in its own name for the purposes set out in its constitutive documents, and  
134 its administration and operation are carried out in accordance with its statutes or articles of  
135 association rather than fiduciary principles;  
136
- 137 n. *Hybrid financing* shall refer to the combination of grants with loans and other financial  
138 instruments to support the unique nature of SEs as wealth creating organizations that pursue  
139 social missions to improve societal well-being - in ways that are ecologically and financially  
140 sustainable;  
141
- 142 o. *Intermediation strategy* shall refer to a development strategy that provides financial,  
143 agricultural, business development and institutional development services to the  
144 entrepreneurial poor and employers of the poor and provides product development and  
145 marketing support using the principles of fair trade to marginalized producers. A SE engaged  
146 in intermediation strategy need not be owned by the marginalized stakeholders but provide  
147 immediate access to services among a critical mass of these marginalized stakeholders;  
148
- 149 p. *Marginalized Sectors* shall refer to groups in society who, for reasons of poverty,  
150 geographical inaccessibility, culture, language, age, sex, gender, migrant status,

- 151 disability or other disadvantage, have not benefited from health, education,  
152 employment and other opportunities, and who are relegated to the sidelines of  
153 political persuasion, social negotiation, and economic bargaining;  
154
- 155 q. *Microfinance* shall refer to the provision of a broad range of financial services such as  
156 deposits, loans, payment services, money transfers and insurance products to the poor and  
157 low-income households and their microenterprises and small businesses, to enable them to  
158 raise their income levels and improve their living standards;  
159
- 160 r. *Minimum basic needs* shall refer to the needs of a Filipino family pertaining to survival (food  
161 and nutrition; health; water and sanitation), security (shelter; peace and order; public safety,  
162 income and livelihood); and enabling services (basic education and literacy, participation in  
163 community development, family and psycho-social care); and inclusion (assistive  
164 device/technology, personal assistance, sign language interpreter, accessibility)  
165
- 166 s. *Non-Government Organization or NGO* refers to a duly registered non-stock, non-profit  
167 organization focusing on the upliftment of the basic or disadvantaged sectors of society by  
168 providing advocacy, training, community organizing, research, access to resources, and other  
169 similar activities and, as defined under Section 34 (H)(2)(c) of Republic Act No. 8424, as  
170 amended, otherwise known as the National Internal Revenue Code of 1997, organized and  
171 operated exclusively for scientific, research, educational, character-building and youth and  
172 sports development, health, social welfare, cultural or charitable purposes, or a combination  
173 thereof, and no part of the net income of which inures to the benefit of any private  
174 individual;  
175
- 176 t. *People's Organization or PO* refers to a self-help group belonging to the basic sectors and/or  
177 disadvantaged groups composed of members having a common bond of interest who  
178 voluntarily join together to achieve a lawful common social or economic end;  
179
- 180 u. *Persons with Disability* shall refer to individuals with restriction or different abilities, as a  
181 result of a mental, physical or sensory impairment, to perform an activity in the manner or  
182 within the range considered normal for a human being;  
183
- 184 v. *Poor* shall refer to individuals and families whose income fall below the poverty threshold as  
185 defined by the National Economic and Development Authority and/or are deprived of the  
186 means to provide in a sustained manner their minimum basic needs of food, health,  
187 education, housing and other essential amenities of life, as defined under R.A. 8425; it may  
188 also be the state of deprivation – such as poor health, lack of education, inadequate  
189 living standard, lack of income (as one of several factors considered),  
190 disempowerment, poor quality of work and threat from violence.  
191
- 192 w. *Poverty reduction/alleviation* shall mean overcoming the income, resource, and capability  
193 deprivation among the poor as defined in the preceding paragraph and the marginalized  
194 sectors as defined in paragraph (q) hereof;  
195
- 196 x. *Private Enterprise* shall refer to an organization engaged in a business activity organized for  
197 the purpose of accumulating profit and whose primary stakeholders and beneficiaries are its  
198 owners;  
199
- 200 y. *Procuring Entity* refers to any branch, department, office, agency, or instrumentality of the  
201 government, including state universities and colleges, government-owned and/or -

202 controlled corporations, government financial institutions, and local government units  
203 procuring Goods, Consulting Services and Infrastructure Projects;  
204

205 z. *Resource mobilization strategy* shall refer to a development strategy intended to generate  
206 income from the sale of products and services of a SE in order to finance or subsidize the  
207 operations of its core development program or development interventions among the  
208 marginalized sectors;  
209

210 aa. *SEGFP* refers to the SE Guarantee Fund Pool created under this Act;  
211

212 bb. *Social development* refers to the continuing process of addressing the needs of society,  
213 beginning with the people's minimum basic needs, through a systematic implementation of  
214 socioeconomic programs or packages;  
215

216 cc. *Social Enterprise Resource Institution* refers to an organization that provides financial and/or  
217 other forms of assistance to social enterprises for them to become viable and sustainable  
218 including but not limited to trainings, education and other capacity-building measures,  
219 research and development, advocacy and other support activities;  
220

221 dd. *Social entrepreneur* refers to an innovative individual or institution that promotes the  
222 creation and operationalization of enterprises or livelihood endeavors for those in need or  
223 which address social problems and improve societal well-being;  
224

225 ee. *Social entrepreneurship* entails innovations designed to explicitly improve societal well-being,  
226 housed within entrepreneurial organizations, which initiate, guide or contribute to change in  
227 society;  
228

229 ff. *Social Inclusion strategy* refers to the development strategy that assists marginalized groups  
230 of people in society who, for reasons of poverty, geographical inaccessibility, culture,  
231 language, age, sex, gender, migrant status, disability or other disadvantage, have not  
232 benefited from health, education, employment and other opportunities, and who are  
233 relegated to the sidelines of political persuasion, social negotiation, and economic bargaining  
234 in order to restore their dignity by not only removing the barriers that limit their  
235 access to the delivery of basic social services and employment, but more importantly,  
236 by nurturing work and other environments that create avenues for their participation  
237 as productive members of society;  
238

239 gg. *Social Investors* are individuals or institutions that choose to put in money to a business  
240 endeavor or activity not principally for financial profit but to fulfill a social mission which may  
241 include poverty reduction, concern for environmental protection, strong organizational  
242 governance, and a desire for a more economically just world;  
243

244 hh. *Social reform* refers to the continuing process of addressing the basic inequities in society  
245 through a systematic, unified and coordinated delivery of socioeconomic programs or  
246 packages;  
247

248 ii. *Transactional services* refer to enterprise related assistance to the poor that involve an  
249 exchange of goods or services for money including being workers, suppliers, clients or  
250 owners;  
251

252 jj. *Transformational services* refer to the assistance to the poor as conscious agents of change to

253 lift their own selves from poverty and to participate in group efforts to improve the quality of  
254 life of their community, sector or society as a whole;

255

256 *kk. Value chain* refers to value-adding economic activities that an enterprise is interlinked with in  
257 the process of producing goods and/or services to serve its chosen market. A value chain  
258 typically consists of: 1) inbound distribution or logistics, 2) manufacturing operations, 3)  
259 outbound distribution or logistics, 4) marketing and selling, and 5) after-sales service. These  
260 activities are supported by 6) purchasing or procurement, 7) research and development, 8)  
261 human resource development, and 9) organizational development. A SE that understands  
262 and manages its value chain improves its capability to create economic, environmental and  
263 social values towards improving the position and benefits of the poor in the value chain and  
264 towards ensuring the viability and sustainability of the enterprise.

265

266

## CHAPTER II

267

### POVERTY REDUCTION THROUGH SOCIAL ENTERPRISE

268

269 SECTION 4. **Social Enterprise (SE); General Concept and Coverage** – A Social Enterprise (SE), for  
270 purposes of this Act, refers to a *Social Enterprise with the Marginalized Sectors as Primary*  
271 *Stakeholders* (SEMPS) as defined in Sec. 3 (a) of this Act.

272

273 An SE employs any of the following development strategies in the pursuit of its social mission: 1)  
274 empowerment strategy; 2) social inclusion strategy; 3) intermediation strategy; and, 4) resource  
275 mobilization strategy.

276 In the case of social enterprises organized as stock corporations, partnerships or sole  
277 proprietorships, these social enterprises must not be a branch, subsidiary or division of a private  
278 business enterprise, regardless of the size of such private business enterprise, nor may its policies be  
279 determined by a private business enterprise. *Provided*, that this shall not preclude an SE from  
280 accepting subcontracts from large private business enterprises or firms or from joining in  
281 cooperative or joint-venture activities with other SEs or foundations.

282 SECTION 5. **Qualifications for Benefits and Incentives.** – To qualify for the benefits and incentives  
283 provided for in this Act, the SE shall:

- 284 a. Provide or facilitate the provision of a combination of transactional and/or transformational  
285 services to improve the position and benefits derived by the poor from the SE and the value  
286 chain or economic subsector where the SE is located, including becoming worker-owners,  
287 supplier-owners, supervisors and managers, active members and leaders in governing bodies  
288 of the SE or its allied organizations;
- 289 b. Invest a substantive part of its surplus, profits or mobilize other resources to assist the poor  
290 to become partners in SE or value chain management/governance and/or to become  
291 partners in community, sectoral and societal transformation;
- 292 c. Make a pro-active contribution to resolving social and environmental problems and generate  
293 profit or surplus with due regard to social and environmental costs;
- 294 d. Be engaged in an economic activity within the sectors of agriculture and fisheries, industry  
295 and services which, for purposes of this Act, shall refer to an activity in any of the economic  
296 subsectors;
- 297 e. Ensure that a substantive part of the wealth created by the enterprise is distributed to the  
298 poor in the form of services, dividends and other forms of benefits, and payments and  
299 incentives for products or services rendered consistent with the principles of fair trade;

300 f. Be duly registered with the appropriate agencies as provided under the Corporation Code or  
301 the Cooperative Code of the Philippines, Magna Carta for Micro, Small and Medium  
302 Enterprises, Barangay Micro Business Enterprises Act, Microfinance NGOs' Act, and other  
303 laws;

304  
305 A social enterprise may be organized as a stock corporation, partnership or sole proprietorship  
306 provided that it (which) invests at least 60% of its net revenues to sustain the fulfillment of its social  
307 mission and provides transformational services for the well-being of the marginalized sector it  
308 serves.

309  
310 Social enterprise resource institutions may also avail of support from government as partners for  
311 building the capability and sustainability as well as developing an enabling environment for social  
312 enterprises to flourish, provided they have:

- 313 a. a registration as a legal entity in the Philippines
- 314 b. a dedicated program supporting social enterprises
- 315 c. a track record of at least three (3) years of implementation of a dedicated SE program
- 316 d. at least three (3) qualified social enterprises vouching for their them.

317  
318 International social enterprise resource institutions and their subsidiaries operating in the  
319 Philippines must partner with a qualified local social enterprise resource institution to avail of  
320 government support.

321 Financial sustainability shall not be a prerequisite for the availment of incentives and benefits under  
322 this Act. Provided that, social enterprises that have not achieved financial sustainability may be  
323 eligible to avail of the services, assistance and incentives set forth in this Act by presenting a  
324 workable strategy to achieve financial sustainability over a reasonable period.

325 **SECTION 6. *Formulation of a Poverty Reduction through Social Entrepreneurship (PRESENT)***

326 **Program.** — To promote the development of a SE sector with the marginalized sectors as primary  
327 stakeholders, a comprehensive and fully-integrated Poverty Reduction Through Social  
328 Entrepreneurship (PRESENT) Program shall be formulated, guided by the following principles:

- 329 a. Incorporation of the PRESENT Program in the government's poverty reduction drive as a  
330 major sustainable and comprehensive strategy;
- 331 b. Rationalization of poverty reduction programs by streamlining and coordinating the various  
332 anti-poverty programs of the government to reduce inefficiency and duplication and to  
333 improve the effectiveness of each program;
- 334 c. People's participation and empowerment by mobilizing civil society organizations and social  
335 movement groups working with the poor;
- 336 d. Promoting sustainable programs that reduce inequality in incomes across economic sectors  
337 and increase self-reliance among the poor;
- 338 e. Enabling SEs to overcome constraints and to take advantage of opportunities for enhancing  
339 the position and benefits of the poor in economic subsectors and value chains;
- 340 f. Gender-sensitivity by ensuring women's equal rights and access to SE's resources; and,
- 341 g. Development of sustainable mechanisms for the provision of quality and accessible social  
342 services to the poor.

343  
344 The planning framework of the PRESENT Program and its planning process shall ensure that the  
345 marginalized sectors are engaged as primary stakeholders. It shall add value and complement  
346 ecosystem-based, area-based, community-based and other tools and processes in local economic  
347 development by promoting and utilizing the economic subsector as a strategic unit of analysis and  
348 planning SE development interventions.

349

350 The PRESENT Program shall identify and develop key SEMPS and resource institutions as partners in  
351 strategic economic subsectors that have the potential for growth and where large numbers of the  
352 poor are concentrated. SEMPs shall be developed as vehicles to ensure that the marginalized  
353 sectors benefit the most from sustainable subsector development.

354

355 PRESENT medium-term and annual development plans shall be formulated in synchrony with the  
356 medium-term development plan of the national government.

357

358 SECTION 7. **Lead Agency.** – The Department of Trade and Industry shall serve as the central planning,  
359 coordinating, implementing and monitoring body of the program.

360

361 In the implementation of this Act, the DTI shall perform the following functions:

- 362 a. Work in close coordination with DSWD and DA in targeting the different sectors intended to  
363 be benefitted by the program;
- 364 b. Disseminate the information relating to the program;
- 365 c. Assist the Social Enterprise Development Council in calling upon the Departments and  
366 Agencies in fulfilling the objectives of this Act;
- 367 d. Recommend to the SEDC measures and policies for the responsive delivery of the  
368 commitments under this Act;
- 369 e. Provide seminar-workshops and training programs to educate the target sectors about the  
370 conditions and other actions pertinent to this Act;
- 371 f. Perform such other functions as may be necessary or incidental to the proper  
372 implementation of this Act.

373

374 SECTION 8. **Social Enterprise Development Council.** – To carry out the policy declared under this Act,  
375 a Social Enterprise Development Council (SEDC), hereinafter referred to as the Council, is hereby  
376 created as an agency attached to the Department of Trade and Industry (DTI). It shall be the primary  
377 agency tasked to carry out the promotion, growth and development of SEMPs in the country.

378 Given the complexities of a Social Enterprise and its constituents, the Council shall be composed of  
379 the following:

- 380 a. Secretary of Trade and Industry, as chairperson
- 381 b. Secretary of Agriculture, as co-chairperson
- 382 c. Secretary of Social Welfare and Development, as vice chairperson
- 383 d. SE sector head representative, as co-vice chairperson
- 384 e. Office of the President
- 385 f. Director-General of the National Economic Planning and Development Agency
- 386 g. Lead Convener of the National Anti-Poverty Commission
- 387 h. Secretary of the Interior and Local Government
- 388 i. Secretary of Finance
- 389 j. Governor of the Bangko Sentral ng Pilipinas
- 390 k. Secretary of Environment and Natural Resources
- 391 l. Secretary of Agrarian Reform
- 392 m. Secretary of Science and Technology
- 393 n. Secretary of Labor and Employment
- 394 o. Secretary of Education
- 395 p. Secretary of Transportation
- 396 q. Secretary of Information and Communications Technology
- 397 r. Chairman of the Commission on Higher Education



- 398 s. Chairman of the Cooperative Development Authority
- 399 t. Chairman of the Securities and Exchange Commission
- 400 u. Director-General of the Technical Education and Skills Development Authority
- 401 v. Nine (9) representatives from SEMPS, three (3) representatives each from the main island
- 402 groupings of Luzon, Visayas, and Mindanao.

403  
404 SECTION 9. **Powers and Functions.** – The Council shall have the following powers and functions:

- 405 a. Formulate policies and plans to develop and promote, coordinate, synergize, integrate, and
- 406 ensure compatibility and complementation of policies and programs for *SEs as well as other*
- 407 *anti-poverty reduction initiatives consistent with national development objectives.*
- 408 b. Formulate policies and plans to ensure the resilience and preparedness of social enterprises
- 409 for disaster risk reduction and management as well as develop capacities of social
- 410 enterprises to respond, recover and build back better in the face disasters and pandemics.
- 411 c. Issue certificate of qualification upon determination that the criteria set for this purpose
- 412 have been fully satisfied: *Provided, That the certificate of qualification shall be valid only for*
- 413 *such period as may be prescribed under the implementing rules and regulations of this Act;*
- 414 d. Oversee the successful implementation of the PRESENT Program and other SE programs;
- 415 e. Identify and access sources of financing to expand the SE sector;
- 416 f. Monitor and evaluate the performance of programs and projects for appropriate incentives;
- 417 g. Call upon any government agency to carry out and implement programs and projects
- 418 identified by the Council and to assist in clarifying issues and finding resolution to problems
- 419 that concern their respective offices with respect to the implementation of the PRESENT
- 420 Program enunciated under this Act or any development program for SEs.
- 421 h. Call upon people’s organizations, non-government organizations, the academe and other
- 422 sectors to provide advice on matters pertaining to SEs and conduct of transactional and
- 423 transformational services to farmers, producers, workers, consumers and other stakeholders;
- 424 i. Submit annual and other periodic reports to the President and the Congress of the
- 425 Philippines through the Congressional Oversight Committee;
- 426 j. Promulgate such rules and regulations and exercise such other powers and functions as may
- 427 be necessary to carry out the purposes of this Act, including guidelines for the administration
- 428 of grant windows provided for in Section 23;
- 429 k. Propose the concomitant plantilla position and structure for the personnel under it;
- 430 l. Manage the funds provided for by this law, including ensuring the funds’ growth where
- 431 possible;
- 432 m. Align and synchronize the provision of support programs, benefits and incentives for SEs
- 433 provided for in this Act; and
- 434 n. Perform such other functions as may be necessary for its effective operations and the
- 435 continued enhancement, growth and development of the SE sector.

436  
437 SECTION 10. **Designation of Permanent Representatives to the Council.** Within 30 days from the

438 effectivity of this Act, Cabinet-ranked *ex-officio* members of the Council shall designate a permanent

439 representative to the council, to attend the meetings of the council in cases that the Cabinet-ranked

440 *ex officio* members cannot personally attend such meetings. The designated permanent

441 representative of any of the Cabinet-ranked members of the Council must hold a position not lower

442 than a bureau director.

443  
444 SECTION 11. **Term and Appointment of SE Sector Representatives.** Within 90 days, DTI as Chair shall

445 convene members of the Council from the Philippine Government, as identified in Section 10, who

446 shall in turn, confirm representatives of social enterprises and social enterprise resource institutions.

447 Said SE and SE Resource Institution representatives must have been screened and pre-selected by  
448 the SE sector convened by DTI, DA, DSWD.

449

450 The islands of Luzon, Visayas, and Mindanao shall each have two (2) representatives who will be  
451 appointed for a term of three (3) years. While another three (3) representatives each representing  
452 Luzon, Visayas and Mindanao shall be appointed for a term of two (2) years to ensure continuity.  
453 Upon the expiration of all the terms of these first set of officers, all terms of SE Sector  
454 Representatives shall be for three (3) years. No person shall be appointed to serve as an SE  
455 representative in the SEDC for more than a period of two (2) terms or more than six (6) years.

456

457 Any vacancy in the SEDC arising from the death, incapacity, resignation, or termination of the term  
458 of an appointed SE representative shall be filled up within 90 days from the occurrence of the said  
459 vacancy. All nominations to the vacancy shall be submitted within 60 days from the occurrence of  
460 such. This process should be consistent with the previous appointment process. In the case of a  
461 vacancy arising from death, incapacity or resignation, the representative appointed to the vacancy  
462 shall serve only for the remaining period of the term for the vacated office.

463

464 SECTION. 12. **Secretariat.** – There is hereby created a Secretariat headed by an Executive Director  
465 and two (2) Deputy Directors, and supported by staff, whose composition shall be determined by the  
466 SEDC, to serve as the national, technical and administrative secretariat of the Council with the  
467 member agencies providing additional support staff when the need arises. The Secretariat shall  
468 perform the following functions:

- 469 a. Provide administrative support to the Council, with the assistance of the National Economic  
470 and Development Authority secretariat in the formulation of the PRESENT development  
471 programs and plans;
- 472 b. Assist the Council in the implementation of the PRESENT development program and the  
473 annual and medium-term development plan;
- 474 c. Assist the council in the performance of its accreditation and screening function;
- 475 d. Assist the Council in monitoring the PRESENT development programs and the activities of the  
476 various concerned government agencies with respect to SEs;
- 477 e. Prepare, collate and integrate all necessary inputs to the Council's yearly report on the status  
478 of SEs in the country;
- 479 f. Submit periodic reports to the Council on the progress and accomplishment of its work  
480 programs; and
- 481 g. Perform other functions that may be assigned and authorized by the Council.

482

483 SECTION 13. **Office.** – The Council shall have its principal place of business within the DTI's premises  
484 or it may establish an office in Metro Manila. It may also establish such branches within the  
485 Philippines as may be deemed necessary by the President of the Philippines to carry out the powers  
486 and functions of the Council.

487

488 SECTION 14. **National Center for Social Enterprise Development.** – There shall be established a  
489 National Center for Social Enterprise Development (NCSED) under the Council which shall perform  
490 the following functions:

- 491 a. Provide SEMP's with capability-training and education through the Social Enterprise  
492 Capability Building and Sustainability Program created under Section 17 of this Act.
- 493 b. Develop and enhance a research and development system which shall equip every SE with  
494 innovative and sustainable approaches that ensures improvement in the access to basic  
495 social services by the poor pursuant to Section 18 of this Act;

- 496 c. Manage a Social Enterprise Marketing Assistance Program (SMAP) that will ensure the
- 497 generation of the highest possible income for the SEs pursuant to Section 19 of this Act.
- 498 d. Implement capability building projects approved by the Council; and
- 499 e. Supervise capability- building projects approved by the Council implemented through
- 500 reputable Social Enterprise Resource Institutions contracted for the purpose.

501

502 The NCSED shall be headed by the Executive Director of the Council Secretariat. It shall maintain a  
503 multi-sectoral, multi-disciplinary pool of experts including those from the academe, practicing  
504 professionals, business and industry, youth, women and other concerned sectors, who shall be  
505 screened according to the qualifications set by the Council.

506

507 The NCSED shall coordinate with the University of the Philippines Institute for Small Scale Industries  
508 (UP ISSI), the Technical Education and Skills Development Authority (TESDA), the Department of  
509 Transportation (DOTr), Department of Information and Communications Technology, civil society  
510 organizations and other relevant agencies, state universities and colleges in implementing its  
511 programs.

512

513 SECTION 15. **Personnel.** – Subject to the civil service laws, rules and regulations, the Council is  
514 authorized to select, appoint, employ and fix the compensation of the officers and employees of the  
515 Secretariat and the NCSED as shall be necessary to carry out its functions.

516

517 SECTION 16. **Role of LGUs in SE Development** – LGUs shall be encouraged to incorporate viable  
518 SE Development Plans in their local plans and collaborate with SEMP.

519

520

### CHAPTER III DEVELOPMENT OF SOCIAL ENTERPRISES

521

522

523 SECTION 17. **SE Capability Building and Sustainability Program; Creation of SE Development Fund.**

524 – There is hereby established a SE Capability Building and Sustainability Program whose primary  
525 objective is to guarantee the viability and sustainability of SEMPS through activities that advance, in  
526 general, both transformational services and transactional services. This program shall include  
527 training in social entrepreneurship development, institutional strengthening, human resource  
528 competency and skills training, business planning and advisory services, upgrading of accounting and  
529 auditing systems, technical assistance for the installation or improvement of management  
530 information systems, technology intervention, technology incubation/commercialization, market  
531 studies, and product development competitiveness, business matching activities, trade fairs and  
532 missions, policy advocacy, disaster-resiliency and other related activities.

533

534 The SE Capability Building and Sustainability Program shall likewise include the establishment of an  
535 insurance system for SEs affected by natural calamities in line with the National Framework Strategy  
536 on Climate Change 2010-2022 as provided for under RA 9729 or the Climate Change Act of 2009 and  
537 RA 10121 or the Philippine Disaster Risk Reduction and Management Act of 2010.

538

539 For this purpose, there is hereby created and established an SE Development Fund (SEDF) in the  
540 initial amount of Three Billion Pesos (₱3,000,000,000.00) to be administered by the Council  
541 chargeable against the General Appropriations Act following the year of the effectivity of this Act.  
542 The SEDF shall likewise be funded with one percent (1%) of the following: 2) collected taxes pursuant  
543 to the implementation of the SIN TAX Law; 3) earnings derived by the TIEZA from its collections; and  
544 4) equity contributions of participating government financial institutions. Voluntary contributions,

545 grants, gifts from both local and foreign sources as may be accepted by the Council shall also form  
546 part of the SEDF.

547  
548 The Social Enterprise Development Fund may also come from programs or projects implemented by  
549 national government agencies funded by development assistance from bilateral or multilateral  
550 development partners.

551  
552 Additional funding and appropriation shall be provided by the Office of the President as the needs  
553 arise during calamities, pandemics and other extra-ordinary circumstances, subject to audit by the  
554 Commission on Audit. Social enterprise resource institutions may receive funds for social enterprise  
555 programs.

556  
557 The SEDF shall be used for the purposes provided herein. Any undisbursed funds from the preceding  
558 year shall form part of the disburseable portion of the SEDF in the following year.

559  
560 Also to this end, there is hereby created a Social Enterprise Guarantee Fund Pool (SEGFP) which shall  
561 be comprised of the five percent (5%) of the preceding year budget surplus of the government-  
562 owned and controlled corporations and government financial institutions as contribution to the  
563 SEGFP in accordance with relevant laws, charters and by-laws, in addition to voluntary contributions,  
564 grants and gifts from both local and foreign sources as may be accepted by the Council.

565  
566 The SEGFP shall be administered by the Council and shall be used to mitigate the risks involved in SE  
567 sector lending, facilitating the provision of credit therefor. The fund shall be placed in trust with the  
568 Land Bank of the Philippines for the purpose of providing guarantee cover to participating financial  
569 institutions and other parties in extending financing to SEs: Provided, that the fund may also be used  
570 to cover the performance bond of SEs in government procurement.

571  
572 The Council, in coordination with the Land Bank of the Philippines, shall draw up the mechanics and  
573 administrative arrangements and issue the implementing guidelines for the fund pool.

574  
575 **SECTION 18. *Social Enterprise Recovery and Rehabilitation Fund.*** -In light extreme disasters and  
576 pandemics, a Social Enterprise Recovery and Rehabilitation Fund is hereby established for financing  
577 programs and projects supporting adaptation and resilience of social enterprises, including stimulus  
578 grants. The Fund shall be lodged under the Department of Trade and Industry.

579 **SECTION 19. *Social Enterprise Research and Development System.*** -The Council, in coordination  
580 with the NEDA, DOST, and DTI, and other appropriate agencies and research institutions, shall  
581 develop and enhance a research and development system that:

- 582
- 583 a) Provides studies on opportunities for poverty reduction and SE development in key  
584 economic subsectors and other inputs for the Council to undertake strategic planning for its  
585 PRESENT Program;
  - 586 b) Equip SEs and support institutions with technologies that are appropriate for enhancing the  
587 participation and benefits of the poor in various economic subsectors; and,
  - 588 c) Equip SEs and support institutions with innovative and sustainable approaches to improve  
589 access of the poor to quality basic social services.
- 590

591 **SECTION 20. *Social Enterprise Marketing Infrastructure Development.*** - The Council shall promote  
592 the development and expansion of local and foreign markets for the products and services of SEMP,   
593 guided by the principles of fair trade. Consistent with this, the Council shall:

- 594 a) Establish a SE Marketing Assistance Program (SMAP) that will assist SEMPAs match supply with  
595 demand in both domestic and foreign markets, as well as promote SE products and services  
596 through tri-media, trade fairs and trade missions;  
597 b) Develop, install and sustain a SE market information system (SMIN) with the assistance of the  
598 DTI and DICT which shall be called the SE Marketing Information Network (SMIN).  
599

600 The SMIN shall be set up from the level of the municipal and provincial LGUs, the regional and up to  
601 the Council level within one (1) year from the approval of this Act, taking into account existing  
602 information networks such as the internet and using a dedicated website for the purpose, to ensure  
603 linkage of the SEs with the government and its various departments, agencies, bureaus and  
604 instrumentalities, the local and domestic markets, as well as research institutions. The Council shall  
605 provide technical assistance in setting up the SMIN at the local and regional levels.  
606

607 All government departments, agencies, bureaus, research institutions, as well as the LGUs shall  
608 consolidate and continuously update all relevant information and data that would be of use to SEs on  
609 a periodic basis and make such data available in a dedicated website on the internet.  
610

611 The SMIN shall provide information and marketing services related to products of SEMPS which shall  
612 include the following:

- 613 a. Supply data;  
614 b. Demand data;  
615 c. Price and Price trends;  
616 d. Product standards;  
617 e. Directory of, but not limited to SEs, traders, key market centers, processors and  
618 business institutions both at the national and local levels;  
619 f. Information and technology generated from research institutions;  
620 g. International, regional and local market forecasts; and  
621 h. Resource accounting data.  
622

## 623 CHAPTER IV 624 INCENTIVES AND BENEFITS 625

626 SECTION 21. **Hybrid Financing.** – Social Enterprises shall be supported through hybrid financing to  
627 enable them to provide a combination of transactional and transformational services to the  
628 marginalized they serve. Given the unique nature of SEs as wealth creating organizations that pursue  
629 their social mission to improve societal well-being in ways that are ecologically and financially  
630 sustainable, they need to be supported through hybrid financing that entails a combination of grants  
631 with loans and other financial instruments.  
632

633 SECTION 22. **Special Credit Windows with non-collateralized loans.** – In addition to the special credit  
634 windows provided for the promotion of microfinance as provided under Section 16 of RA 8425, the  
635 Land Bank of the Philippines, Development Bank of the Philippines, Philippine Postal Bank, and Al  
636 Amanah Bank, and other public or government-owned banks are hereby mandated to set aside at  
637 least ten percent (10%) of their total loan portfolio based on their balance sheet in the end of the  
638 preceding quarter over a period of five (5) years and open a special credit window for qualified SEs.  
639

640 For a period of eight (8) years from the date of the effectivity of this Act, all other lending  
641 institutions as defined under the Central Bank Act or the General Banking Act, as amended, shall  
642 likewise set aside at least ten percent (10%) of their total loan portfolio that will not require a  
643 collateral based on their balance sheet as of the end of the previous quarter and make the same  
644

645 available for SEs through a special credit window. The BSP, in consultation with the Council, shall  
646 formulate the rules for the effective implementation of this provision: Provided, That the purchase  
647 of government notes, securities and other negotiable instruments shall not be deemed compliance  
648 with the foregoing provision.

649  
650 The Council shall establish a system to monitor all loan applications of SEs in order to account for the  
651 absorptive capacity of the SE sector.

652  
653 The BSP shall require lending institutions covered by this Act to furnish the Council on a quarterly  
654 basis a regular report on their respective compliance with the above provisions on the mandatory  
655 credit allocations for SEs and shall act immediately on the Council's reports of non-compliance  
656 therewith.

657  
658 The special credit window for SEMPS shall bear interest lower than the market rate and shall have  
659 longer terms of payment and waiver of applicable fees.

660  
661 SECTION 23. **Special Credit Window Purposes.** – The special credit window provided under Section  
662 21 of this Act shall be intended for the following purposes:

- 663 a. Credit line for business development loan or working capital loan to cover the operational  
664 and management expenses of a start-up or existing business or income generating project,  
665 including receivable financing or purchase of additional inventory, soft or intangible  
666 investments such as trade fair participation or acquisition of software or franchise  
667 development packages;
- 668 b. Fixed assets financing to cover acquisition of fixed assets like machineries and equipment,  
669 motor vehicle, or acquisition of lot for project site or construction of a plant and building and  
670 the improvement thereof;
- 671 c. Value chain financing to cover any of the value chain activities such as production, processing  
672 and marketing;
- 673 d. Domestic letter of credit or trust receipt to provide a stand-by credit facility for the SE  
674 borrower for the purchase of product inputs, equipment, machinery, implements, and spare  
675 parts, whereby payment of which is guaranteed and to be made to the seller by the lending  
676 institution, provided all documents conform with the terms and conditions of the credit; and
- 677 e. Revolving Credit Line for re-lending to finance the livelihood project requirements of end-  
678 borrowers.

679  
680 SECTION 24. **Grant facility.** The SE Development Fund in Section 18 shall provide grants to qualified  
681 social enterprises and resource institutions for the performance and conduct of their mission  
682 towards poverty reduction, promotion of social justice, and improvement in economic welfare of the  
683 poor and marginalized sectors.

684  
685 There will be three windows under this fund facility, namely: capacity-building grant; start up  
686 enterprise grant; ecosystem-building grant. The SE Council shall formulate the guidelines for the  
687 management and implementation of grant assistance.

688  
689 SECTION 25. **Strengthening of the Agriculture and Fisheries Credit Policy.** – In addition to the  
690 special credit window provided above, at least ten percent (10%) of the funds created under Section  
691 6 of RA 10000, otherwise known as "The Agri-Agra Reform Credit Act of 2009," is mandated to be set  
692 aside by all banking institutions, whether government or private, for SEs engaged in agriculture and  
693 fisheries activities as credit.

694  
695 SECTION 26. **Tax Exemptions.** – Without prejudice to existing tax exemption provisions already

696 applicable to different SEs under other laws, a qualified SEMPS shall have the following tax  
697 exemptions for five (5) years subject to renewal of another five (5) years:

698

- 699 a) SEMPs with a net annual income of not more than Fifteen million pesos (P15,000,000.00)
- 700 shall be exempt from all national, city, provincial, municipal or barangay taxes of whatever
- 701 nature: Provided, that such net income shall be allocated for transformational services and
- 702 other activities of the SE
- 703 b) VAT and other percentage taxes;
- 704 c) Documentary stamp tax;
- 705 d) Capital gains tax on sales or exchanges of real property classified as capital assets or shares
- 706 of stock; and
- 707 e) Donor's Tax on donations made to SEs;

708

709 SEDC will develop a system of valuation of social, economic and ecological contributions of social  
710 enterprises to society and the social impact among the marginalized sector they serve, as bases for a  
711 comprehensive incentives package from government.

712

713 All SEMPs duly certified by the Council, in consultation with the Department of Finance (DOF) and  
714 the Board of Investment (BOI) of the DTI, shall be exempted from the payment of VAT, tariff and  
715 duties for the importation of all types of product inputs, equipment, machinery, implements, and  
716 spare parts: Provided, That these inputs, equipment, machinery, implements, and spare parts shall  
717 be for the exclusive use of the importing SEMPS and can be shown to be directly related to further  
718 improve the value chain operations of the SEMPS.

719

720 The Council shall, in consultation with the DOF and the BOI, within ninety (90) days from the  
721 effectivity of this Act, formulate the implementing rules and regulations governing the importation of  
722 the inputs, equipment, machinery, and implements for use by the SEMPS.

723

724 For income tax purposes, a reinvestment made by a SEMPS for the expansion of its socioeconomic  
725 projects within the area of its operation shall be tax deductible from the gross income.

726

727 **SECTION 27. Preferential Rights.** – Without prejudice to preferential rights already available to  
728 specific enterprises or organizations under other laws, qualified SEMPs shall be accorded a  
729 preferential right in the procurement process and in the implementation of procurement contracts  
730 by the government in all its branches, departments, agencies, subdivisions, and instrumentalities,  
731 including in the government-owned and controlled corporations and local government units.

732

733 SEMPs shall be given priority and preference in the following procurement processes:

- 734 a. Direct contracting as provided under Section 50 of RA 9184, otherwise known as the  
735 "*Government Procurement Reform Act,*" may be resorted to if the contracting party selling  
736 the goods and services required by the procuring entity is a social enterprise as certified by  
737 the Council.
- 738 b. Shopping as provided under Section 52, paragraph (a) of RA 9184 may be resorted to when  
739 there is an unforeseen contingency requiring immediate purchase: *Provided,* That the  
740 procurement of the goods and services shall be first obtained from the social enterprise  
741 within the area of operation of the procuring entity which is duly certified by the Council as  
742 having the capacity to supply the required goods and services: *Provided, further,* That the  
743 amount shall not exceed One hundred thousand pesos (P100,000.00).
- 744 c. Shopping as provided in Section 52, paragraph (b) of RA 9184 may be resorted to in the  
745 procurement of ordinary or regular office supplies and equipment not available in the  
746 Procurement Service involving an amount not exceeding Two hundred fifty thousand pesos

747 (P250,000.00): *Provided*, That the Procurement does not result in splitting of contracts:  
748 *Provided, further*, That a price quotation shall be first obtained from a social enterprise as  
749 certified by the Council as having the capacity to furnish or provide the required office  
750 supplies and equipment. Only in the event of failure of submission or absence of SE price  
751 quotation that at least three (3) price quotations from other bona fide suppliers shall be  
752 obtained.  
753 d. Negotiated procurement as provided under Section 53 of RA 9184 may be allowed when the  
754 goods or services subject of the procurement may be obtained from a SE within the area of  
755 operation of the procuring entity which is duly certified by the Council as having the capacity  
756 to supply the required goods and services.  
757 e. A procuring entity, when applicable, shall have at least one member representing SEMPS.

758  
759 Qualified SEMPs under this Act shall be entitled to a share of at least twenty percent (20%) of the total  
760 procurement value of goods and services supplied to the government, its bureaus, offices and  
761 agencies annually. *Provided*, That, the DBM shall direct line agencies of government to include at least  
762 10% of its annual budget for Maintenance and Other Operating Expenses and Capital Outlay  
763 specifically for goods procured and services contracted from social enterprises producing and offering  
764 such goods and services.

765 SECTION 28. **Insurance for Social Enterprises.** The Insurance Commission shall issue the necessary  
766 rules and regulations and implement measures to ensure that the insurance industry shall provide  
767 insurance products, both life and non-life, for social enterprises and their stakeholders among the  
768 poor. Furthermore, SEMPS shall be assisted to become eligible and effective insurance providers to  
769 their clients and constituents.

770  
771 SECTION 29. **Incentives for Social Investors, SE Resource Institutions.** – Social investors and social  
772 enterprise resource institutions that contribute money or other forms of contribution in the  
773 promotion and development of SEs shall be entitled to the following tax incentives:

- 774
- 775 • Equity investments shall be fully deductible from the gross income of the investor.
- 776 • Donations made to qualified SEMPS shall be exempt from donor’s tax.
- 777 • Dividends or other forms of profit shares received from a qualified SEMPS shall be exempt  
778 from income tax.
- 779 • Grants and contributions to a qualified SE shall be deductible from gross income in the case  
780 of corporate taxpayers and shall be included in the items chargeable against the estate in the  
781 case of an individual taxpayer.
- 782 • Dedicated program funds for SE development and SE ecosystem building initiatives shall be  
783 exempt from taxes.
- 784

785 The provisions of this Section shall apply to a social investor or SE resource institution when the  
786 recipient SE has been certified as qualified SE by the Council.

787  
788 SECTION 30. **Appropriations.** – The amount necessary to implement the provisions of this act  
789 shall be charged against the current year’s appropriation of the Office of the President. Thereafter,  
790 such sums as may be necessary for its continued implementation shall be included in the GAA. The  
791 budget requirements for the implementation of this Act for cooperating agencies shall be  
792 incorporated in their respective budgets.

793  
794 SECTION 31. **Penal Clause.** – The penalty of imprisonment for not less than six (6) months but not  
795 more than two (2) years or a fine of not less than two hundred fifty-thousand (P250,000) or both  
796 imprisonment and fine, at the discretion of the court, shall be imposed upon any person, who,



797 intentionally or by gross negligence, fails to provide the benefits, rights and incentives granted to SEs  
798 in violation of this Act or perform any act in violation of its provisions.

799

800 If a corporation is found to have violated the provisions of this Act, the officers, directors, members  
801 or trustees shall be held liable. If the violation was committed by a government official or employee,  
802 such official or employee shall be terminated from the service with forfeiture of all the benefits due  
803 him in addition to the fine and/or imprisonment mentioned above.

804

805 Corporations and other juridical entities, financial or otherwise, found representing themselves as a  
806 SE shall be caused to pay double the benefits it reaped from this program through the taxes it was  
807 able to save when it represented itself as a SE. In addition, the officers of the juridical entity who  
808 represented itself as a SE shall be liable for a fine of P500,000.00 or imprisonment for not less than  
809 two (2) years or both fine and imprisonment at the discretion of the court.

810

811 **SECTION 32. *Non-Compliance with the Mandatory Allocation of Credit Resources.* –**

812 Administrative sanctions including a fine of not less than Five hundred thousand pesos (P500,000.00)  
813 shall be imposed by the Banko Sentral ng Pilipinas upon any banking or lending institution who fails  
814 to provide the credit allocations granted to SE in violation of Section 19 of this Act.

815

816 **SECTION 33. *Joint Congressional Oversight Committee.* –** Upon the effectivity of this Act, a  
817 Congressional Oversight Committee, hereafter referred to as the PRESENT Oversight Committee is  
818 hereby constituted. This Committee shall set the overall framework to review the implementation of  
819 this Act. It shall likewise determine inherent weaknesses in the law and recommend necessary  
820 remedial legislation or executive measures.

821

822 The PRESENT Oversight Committee shall be composed of fourteen (14) members with the  
823 chairpersons of the Committee on Trade and Industry of the House of Representatives, and the  
824 Committee on Trade, Commerce and Entrepreneurship of the Senate as Co-Chairpersons; and six (6)  
825 members from each House, to be designated by the Speaker of the House of Representatives, and  
826 the Senate President, respectively.

827

828 For purposes of determining remedial legislation, the PRESENT Oversight Committee shall, within six  
829 (6) years after the effectivity of this Act, conduct a sunset review which shall include a systematic  
830 evaluation of the impact of this Act, accomplishments of the program, and the performance of its  
831 implementing agencies.

832

833 **SECTION 34. *Separability.* –** If any provision or part of this Act is declared invalid or unconstitutional,  
834 the remaining parts or provisions not affected shall remain in full force and effect.

835

836 **SECTION 35. *Implementing Rules and Regulations.* –** Within ninety (90) days from the effectivity of  
837 this Act, the Department of Trade and Industry shall, in consultation and coordination with the  
838 concerned government agencies and social enterprise sector, promulgate the necessary rules and  
839 regulations for the effective implementation of this Act.

840

841 **SECTION 36. *Repealing Clause.* –** For purposes of this Act, Section 11 of RA 8425 and Sections 50, 52  
842 and 53 of RA 9184 which are inconsistent with this Act are hereby deemed amended. All other laws,  
843 executive orders, presidential decrees, rules and regulation or parts thereof inconsistent with any  
844 provisions of this Act are hereby repealed, amended or modified accordingly.

845  
846  
847  
848  
849  
850  
851  
852  
853  
854  
855  
856  
857

SECTION 37. **Effectivity.** – This Act shall take effect fifteen (15) days from its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,