



# Committee Daily Bulletin

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## COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Micro, Small and Medium Enterprise Development	Substitute Bill to HB 7968	Rep. Roman	Establishing the barangay microfinance system and appropriating funds therefor	<p>The Committee, chaired by Rep. Virgilio Lacson (Party-List, MANILA TEACHERS), approved the Substitute Bill to House Bill 7968, subject to style and amendment. Thereafter, the Committee Report was likewise approved subject to the recommendations of the Committees on Ways and Means and Appropriations on the tax and funding provisions of the bill, respectively.</p> <p>Rep. Christian Unabia (1<sup>st</sup> District, Misamis Oriental), Chair of the technical working group (TWG) that was tasked to craft the substitute bill, discussed its salient features. He said the proposed law seeks to create one or more Barangay Microfinance Cooperative (BMC) in each barangay that shall serve as a lending or credit cooperative to be placed under the supervision of the Cooperative Development Authority (CDA). He added that the proposed law shall be aligned with Republic Act 9520 (Philippine Cooperative Code of 2008) and RA 11535 or the law which made the position of cooperative development officer (CDO) mandatory in the municipal, city, and provincial levels.</p> <p>According to Rep. Unabia, the substitute bill provides that all BMCs be registered with the CDA and that the certificate of accreditation shall be issued by the CDO. He also highlighted that all BMCs shall be exempt from tax for income arising from their operations, provided that they comply with all the requirements.</p> <p>As for the funding source of the proposed law, Rep. Unabia said the amount necessary for its implementation shall be included in the General Appropriations Act (GAA) and appropriated under the annual budget of the implementing agency, the CDA. He added that additional funding may be provided to augment the budget of the CDA under the GAA to be sourced from the national government's share from the gross gaming revenue of the Philippine Amusement and Gaming Corporation, among others. However, the bill also provides that such additional funding shall only be given after five years from the time the COVID-19 pandemic is formally declared to have ceased and that the utilization of the said funding shall be subject to audit by the Commission on Audit.</p>

<p>Continuation... Micro, Small and Medium Enterprise Development</p>				<p>Rep. Geraldine Roman (1<sup>st</sup> District, Bataan), author of HB 7968, expressed her gratitude to the TWG Chair, Rep. Unabia, for coming up with a substitute bill that truly reflects all the recommendations and insights of the stakeholders. She said the goal of the proposed law is to create a credit system that will reach the grassroots in order to help the poor especially during this time of the pandemic.</p> <p>Rep. Lorna Silverio (3<sup>rd</sup> District, Bulacan) lauded the intent of the bill as it will greatly benefit the marginalized sectors of the society. She expressed hope that the proposed law will not run in conflict with, but rather complement, the existing programs of government agencies that also provide grants and loans to the Filipino people. After which, she made a motion that all Members present be made co-authors of the Substitute Bill.</p> <p>Rep. Lacson proposed the amendment of one of the paragraphs under Section 4 (Powers, Functions, and Limitations of a BMC) of the Substitute Bill, which shall be stated as:</p> <p>“A BMC shall, upon registration with the CDA: xxx c) regularly distribute its income to its members, and as such, its total assets, inclusive of the share capital of the members, shall be within the limits set in the IRR (Implementing Rules and Regulations) taking into consideration the limited operations and functions of the BMC, its location, membership, and other economic parameters, but in no case shall be more than Three million pesos (P3,000,000.00): Provided, that this will be subject to the adjustment of the definition of micro enterprises as provided for in Republic Act No. 6977, as amended, otherwise known as the Magna Carta for MSMEs (Micro, Small and Medium Enterprises).”</p> <p>Reps. Roman and Unabia said they are amenable to the proposed amendments of the Chair.</p>
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