



MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT COUNCIL

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Department of Agriculture
Department of Interior and Local Government
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Department of Science and Technology
Bangko Sentral ng Pilipinas
Land Bank of the Philippines
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Labor Sector
Microfinance NGO Sector
University of the Philippines-
Institute for Small Scale Industries
Credit Information Corporation

MSMEDC Circular No. 10 Series of 2018

FOR : ALL NATIONAL MSMED COUNCIL MEMBERS
ALL REGIONAL MSMEDC/PROVINCIAL MSMEDCs
ALL DTI REGIONAL AND PROVINCIAL OFFICES

FROM : 
DIRECTOR JERRY T. CLAVESILLAS, BSMED
Head, MSMED Council Secretariat

DATE : 27 July 2018

SUBJECT: REVENUE MEMORANDUM CIRCULAR NO. 63-2018 - CIRCULARIZING THE FULL TEXT OF DEPARTMENT ADMINISTRATIVE ORDER NO. 16-01 SERIES OF 2016 OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) RELATIVE TO THE REGISTRATION OF BARANGAY MICRO BUSINESS ENTERPRISES

We would like to furnish you a copy of the attached Revenue Memorandum Circular No. 63-2018: Circularizing the Full Text of Department Administrative Order No. 16-01 Series of 2016 of the Department of Trade and Industry (DTI) relative to the registration of Barangay Micro Business Enterprises (BMBEs).

The said Circular was issued by the Bureau of Internal Revenue on 20 July 2018 for the information and guidance of all internal revenue officials, employees and others concerned. The digest, full text, DAO 16-01, Annex 1 and Annex 2 can also be accessed using the link below:

<https://www.bir.gov.ph/index.php/revenue-issuances/revenue-memorandum-circulars/2018-revenue-memorandum-circulars.html>

For your information and reference.

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Enterprise Development
Department of Trade and Industry
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REVENUE MEMORANDUM CIRCULAR NO. 63-2018 issued on July 20, 2018 circularizes the full text of Department Administrative Order (DAO) No. 16-01, Series of 2016 issued by the Department of Trade and Industry (DTI), which amends Article II, DAO No. 01 S. of 2003, on the Implementing Rules and Regulations of Republic Act (RA) No. 9178, otherwise known as the "Barangay Micro Business Enterprises Act" of 2002, and Rule 4, Sections 1(b)ii and Section (3) of the Implementing Rules and Regulations of RA No. 10644, otherwise known as the "Go Negosyo Act".

Based on the amendment in Rule II of DAO No. 01, S. of 2003, any person, natural or juridical, such as partnership, corporation, association and cooperative, who meets the following qualifications shall be eligible to register as Barangay Micro Business Enterprise (BMBE):

- a. With an asset of not more than Three Million Pesos (P3,000,000.00) excluding land;
- b. Engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services;
- c. Registered with the DTI, for sole proprietorships; and for juridical persons- with the Securities and Exchange Commission (SEC), for corporations and associations; and with the Cooperative Development Authority (CDA), for cooperatives.

However, entities rendering services in connection with the exercise of one's profession by a person duly licensed by the government after having passed a government licensure examination are disqualified from applying for BMBE Certificate of Authority.

The applications for BMBE Certificate of Authority shall be filed with the Negosyo Centers established in each province, city, or municipality or in the DTI offices where Negosyo Centers have not been set up. The registration and issuance of the Certificate of Authority shall be free of charge.

The DTI shall issue the BMBE Certificate of Authority to eligible and qualified applicant within fifteen (15) working days from receipt of application with complete requirements; otherwise, the BMBE Certificate of Authority shall be deemed approved (where in such case, it becomes ministerial on the part of DTI to issue the BMBE Certificate of Authority).

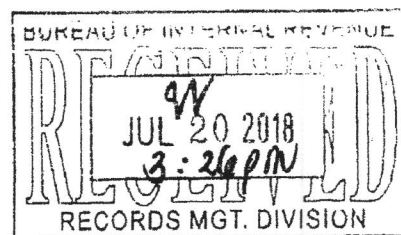
The BMBE Certificate of Authority shall be effective for a period of two (2) years commencing from the date of issuance. It may be renewed for the same period of two (2) years and every two (2) years thereafter subject to the applicant's continued compliance with the eligibility requirements.

The BMBE shall report to the DTI through the Negosyo Center of any change in the status of its ownership structure and shall surrender the original copy of the BMBE Certificate of Authority for notation.



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

July 20, 2018



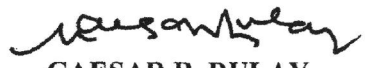
REVENUE MEMORANDUM CIRCULAR NO. 68-2018

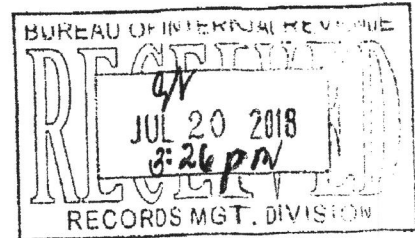
SUBJECT : Circularizing the Full Text of Department Administrative Order No. 16-01 Series of 2016 of the Department of Trade and Industries (DTI)

TO : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all internal revenue officials, employees and others concerned, attached hereof is the full text of Department Administrative Order No. 16-01 Series of 2016, "Amending Article II, DAO No. 01 S. of 2003, on the Implementing Rules and Regulations of Republic Act No. 9178, otherwise known as the Barangay Micro Business Enterprises Act of 2002, and Rule 4, Sections 1(b)ii and Sec. 3 of the Implementing Rules and Regulations of RA No. 10644, otherwise known as the Go Negosyo Act" of the DTI dated April 22, 2016 which provides guidelines on registering Barangay Micro Business Enterprises (BMBEs) at Negosyo Centers and DTI offices.

All internal revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.


CAESAR R. DULAY
Commissioner of Internal Revenue
018418



DEPARTMENT ADMINISTRATIVE ORDER NO. 16-01
Series of 2016

Subject: Amending Article II, DAO No. 01 S. of 2003, on the Implementing Rules and Regulations of Republic Act No. 9178, otherwise known as the Barangay Micro Business Enterprises Act of 2002, and Rule 4, Sections 1(b)ii and Sec. 3 of the Implementing Rules and Regulations of RA No. 10644, otherwise known as the Go Negosyo Act

WHEREAS, the "BMBEs Act of 2002" was issued on November 13, 2002 and Implementing Rules and Regulations thereof was issued on February 7, 2003 as DTI Department Administrative Order No. 1, Series of 2003";

WHEREAS, DTI, through the Bureau of Small and Medium Enterprise Development (BSMED), is mandated to promote and develop Micro, Small and Medium Enterprises (MSMEs) in the country by initiating and implementing programs and projects addressing the specific needs of MSMEs in areas concerning entrepreneurship development, institutional strengthening, and productivity improvement. Further, it is tasked to review and formulate policies and strategies geared towards the advancement of MSMEs;

WHEREAS, Republic Act No. 10644, otherwise known as "Go Negosyo Act", provided for the establishment of Negosyo Centers in all provinces, cities and municipalities nationwide; and for a unified and simplified business registration;

WHEREAS, under the Go Negosyo Act, the DTI through the Negosyo Center in the city/municipal level, shall have the sole power to issue the Certificate of Authority (CA) for BMBEs to avail of the benefits provided by RA No. 9178;

WHEREFORE, this Department Administrative Order is hereby issued to effectively and efficiently meet the objective/s of the BMBEs Act of 2002 and the Go Negosyo Act:

Section 1. Rule II of DAO No. 01, Series of 2003 dated February 7, 2003 on Registration of BMBE is hereby amended to read as follows:

"Sec. 3. Who are eligible to apply as BMBE.— Any person, natural or juridical, such as partnership, corporation, association and cooperative, having the qualifications and none of the disqualifications shall be eligible to register as BMBEs.

Sec. 4. Qualifications of a BMBE. — A person applying to be registered as a BMBE shall meet the following qualifications:

- a) With an asset of not more than Three Million PESOS (PhP3,000,000.00) excluding land;
- b) Engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services;

c) Registered with the Department of Trade and Industry (DTI) for sole proprietorships; for juridical persons: with the Securities and Exchange Commission (SEC), for corporations and associations; and with the Cooperative Development Authority for cooperatives.

However, entities rendering services in connection with the exercise of one's profession by a person duly licensed by the government after having passed a government licensure examination are disqualified from applying for BMBE Certificate of Authority.

Sec. 5. Place of Registration. – Applications for BMBE Certificate of Authority shall be filed with the Negosyo Centers established in each province, city, or municipality or in the DTI offices where Negosyo Centers have not been set up.

Sec. 6. Requirements for Registration. – The following shall be submitted in support of the duly filled up BMBE application form (see Annex "1"):

- a) Certificate of Business Name Registration from the Department of Trade and Industry (DTI), or
- b) Certificate of Registration from the Securities and Exchange Commission (SEC), or
- c) Certificate of Registration from the Cooperative Development Authority (CDA).

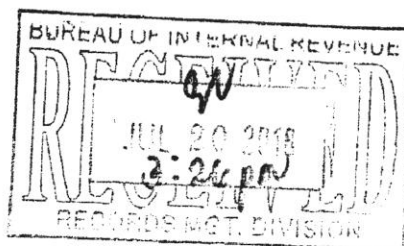
Sec. 7. Procedure for Registration. – The applicant shall follow the steps herein enumerated in applying for BMBE Certificate of Authority (CA):

1. Accomplish and file the application form for BMBE Certificate of Authority;
2. The DTI, through the Negosyo Center, evaluates the application for purposes of determining the eligibility and qualification as a BMBE;
3. The DTI, after finding the applicant to be eligible and qualified, issues the BMBE Certificate of Authority (see Annex "2") within fifteen (15) working days from receipt of application with complete requirements; otherwise, the BMBE Certificate of Authority shall be deemed approved (where in such case, it becomes ministerial on the part of DTI to issue the BMBE Certificate of Authority).

The BMBE Certificate of Authority shall be effective for a period of two (2) years commencing from the date of issuance. The CA may be renewed for the same period of two (2) years and every two (2) years thereafter subject to the applicant's continued compliance with the eligibility requirements as prescribed by law and this DAO.

Section 8. Fees and Charges. – The registration and issuance of the CA shall be free of charge.

Section 9. Transfer of Ownership. – The BMBE shall report to the DTI through the Negosyo Center of any change in the status of its ownership structure and shall surrender the original copy of the BMBE Certificate of Authority for notation."



Section 2. Rule 4, Section 1(b) of DTI-DAO No. 14-5, Series of 2014 is hereby superseded by this DAO.


Section 3. Use of the BMBE Fund. – Only the interest earnings as may be realized from the BMBE fund, it being given with an endowment, shall be used for technology transfer, production and management training, marketing assistance pursuant to RA No. 9178, the BMBEs Act of 2002, and as source of Start-up Fund for MSMEs pursuant to RA No. 10644 or the Go Negosyo Act.

Section 4. Repealing Clause. – All orders, issuances, rules and regulations pertaining to the registration of BMBEs that are inconsistent herewith are hereby repealed or modified accordingly.

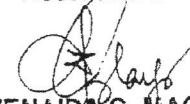
Section 5. Effectivity. – This Order shall take effect after fifteen (15) days from its publication in a newspaper of general circulation.

Issued this 22nd day of April 2016 in Makati City, Philippines.

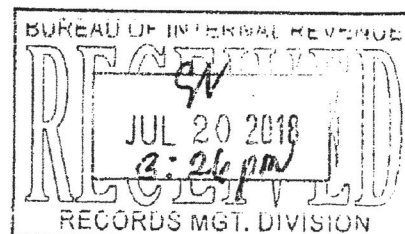
Approved by:


ADRIAN S. CRISTOBAL, JR.
Secretary
Department of Trade and Industry

Recommended by:


ZENaida C. MAGLAYA
Undersecretary
Regional Operations Group
Department of Trade and Industry

Att.A/S





**APPLICATION FOR REGISTRATION AS
BARANGAY MICRO BUSINESS ENTERPRISE (BMBE)**

BMBE Form 01

Date Application Filed: _____

Application No. _____

☐ New ☐ Renewal

Certificate No. _____

Date Registered: _____

Name of Business Enterprise

(DTI Business Name/ SEC Registered Name)

DTI Business Name/ SEC Registration No./ CDA Registration No. _____

Name of Owner (if Sole Proprietor) _____

☐ Male ☐ Female

(Last Name)	(First Name)	(Middle Name)	
Business _____ (House/Bldg. No.)	_____ (Bldg. Name)	_____	Telephone No. _____
Address _____ (Unit No.)	_____ (Street)	_____	Mobile No. _____
_____ (Barangay)	_____ (Subdivision)	_____	Fax No. _____
_____ (City/Municipality)	_____ (Province)	_____	Email _____

Branches (if any) _____
Type of Business Organization ☐ Single Proprietorship ☐ Partnership ☐ Corporation ☐ Cooperative
☐ Association Others _____

Status of Business

☐ New ☐ Existing

Principal Business Activity

☐ Production ☐ Processing ☐ Manufacturing ☐ Trading☐ Services (Excluding those rendered by anyone who is
duly licensed by the government after having passed a
government licensure examination in connection with the
exercise of one's profession) ☐ Others _____

Product Lines/Services

Other Businesses if any

☐ Yes ☐ No If yes, how many? _____Total Assets (To the nearest Thousand Pesos excluding the value of the land on
which the business entity's office, plant and equipment are located)

Php _____

Total Number of Employees _____

No. of Males _____

No. of Females _____

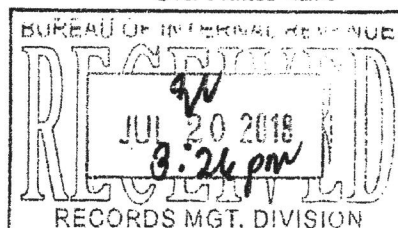
Regular _____

Irregular/Part-time _____

UNDERTAKING

I/We hereby declare, for purposes of Section 5 of RA 9178, that all information, including the business enterprise's asset size, supplied in this application which shall be the basis of assessing my eligibility for registering as BMBE are true and correct to the best of my belief and knowledge. Any false or misleading information supplied, and/or production of materially false or misleading document to support this application shall be ground for disapproval of BMBE application/revocation of BMBE Certificate of Authority as well as ground for criminal, civil and/or administrative action against our enterprise. I affirm under the penalties of perjury, that this declaration has been made in good faith.

I/We undertake to advise the Department of Trade and Industry through the Negosyo Center of any change in the status of its ownership structure and shall surrender the original copy of the BMBE Certificate of Authority for notation of the transfer.

Applicant's/Authorized Representative's Signature
Over Printed Name

BMBE Form 02

BMBE Registration No. [GEOCODE] [#]

BMBE Certificate of Authority

(Registered Barangay Micro Business Enterprise)

THIS Certificate entitles the registered Barangay Micro Business Enterprise (BMBE) to all the benefits and incentives, subject to the terms and conditions, of Republic Act No. 9178, otherwise known as the Barangay Micro Business Enterprises (BMBEs) Act of 2002, and the implementing rules and regulations thereof by virtue of Department Administrative Order No. ___ Series of 2016 of the Department of Trade and Industry. This certificate is effective for two (2) years and will expire on _____. This may be renewed for the same period of (2) years and every two (years) thereafter subject to the applicant's continued compliance with the eligibility requirements prescribed under the BMBE law's IRR.

Granted to:

Name of Enterprise

Owner/Manager: _____

Address: _____

IN TESTIMONY WHEREOF, I have set my hand and caused the seal of the Department of Trade and Industry to be affixed at _____ this _____ day of _____ in the year of our Lord, twenty hundred and _____.

Approved:

Secretary, DTI

