



Republic of the Philippines
QUEZON CITY COUNCIL
Quezon City
21st City Council

PO21CC-052

19th Regular Session

ORDINANCE NO. SP- **2904**, S-2020

AN ORDINANCE AMENDING ORDINANCE NO. SP-2360, S-2014 ENTITLED "AN ORDINANCE ADOPTING THE MAGNA CARTA FOR MICRO AND SMALL BUSINESS ENTERPRISES IN QUEZON CITY".

Introduced by Councilor MIKEY F. BELMONTE.
Co-Introduced by Councilors Bernard R. Herrera, Lena Marie P. Juico, Dorothy A. Delarmente, M.D., Tany Joe "TJ" L. Calalay, Nicole Ella V. Crisologo, Victor V. Ferrer, Jr., Winston "Winnie" T. Castelo, Atty. Bong Liban, Eden Delilah "Candy" A. Medina, Ramon P. Medalla, Estrella C. Valmocina, Franz S. Pumaren, Kate Galang-Coseteng, Matias John T. Defensor, Wencerom Benedict C. Lagumbay, Jorge L. Banal, Sr., Peachy V. De Leon, Imee A. Rillo, Marra C. Suntay, Irene R. Belmonte, Resty B. Malañgen, Ivy L. Lagman, Hero M. Bautista, Jose A. Visaya, Karl Castelo, Patrick Michael Vargas, Shaira L. Liban, Ram V. Medalla, Allan Butch T. Francisco, Marivic Co Pilar, Melencio "Bobby" T. Castelo, Jr., Rogelio "Roger" P. Juan, Donato "Donny" C. Matias, Eric Z. Medina and Freddy S. Roxas.

WHEREAS, Republic Act No. 9178, also known as the Barangay Micro Business Enterprises (BMBE) Act of 2002, as amended by R.A. No. 10644, was enacted primarily to hasten the country's economic development by encouraging the formation and growth of BMBEs which effectively serve as seedbeds of Filipino entrepreneurial talents, and integrating those in the informal sector with the mainstream economy, through the rationalization of bureaucratic restrictions, the active intervention of the government specially in the local level and the granting of incentives and benefits to generate much needed employment and alleviate poverty;

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WHEREAS, Micro and Small Enterprises (MSEs) dominate the business sector in terms of number of establishments, which more or less represent eighty percent (80%) of the total registered businesses in Quezon City, thus recognizes the MSE sector as a vital driver for the City's economic growth. As such, MSEs can improve and strengthen domestic linkages and enhance the efficiency and competitiveness of large enterprises. The MSE sector also plays a pivotal role as the entry point of entrepreneurs to build new businesses and expand thereby generating wealth and employment;

WHEREAS, LGUs are encouraged either to reduce the amount of local taxes, fees and charges imposed or to exempt BMBEs from local taxes, fees and charges, although BMBEs falls within the capitalization requirement of micro enterprise under R.A No. 6977, as amended, but treated separately in terms of registration, operation and for taxation purposes under R.A No. 9178, as amended;

WHEREAS, the Quezon City Council enacted Ordinance No. SP-2360, S-2014 entitled, "An Ordinance Adopting the Magna Carta for Micro and Small Business Enterprises in Quezon City" that recognizes the potential of micro and small enterprises and entrepreneurs to generate sustainable employment and engender inclusive economic growth, thereby reducing the incidence of poverty and creating empowered citizens;

WHEREAS, the abovementioned ordinance also provides special business tax incentives for BMBEs in addition to the privileges and benefits of the registered BMBEs provided under R.A. No 9178, as amended by R.A No. 10644, and other policy incentives under various laws.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY IN
REGULAR SESSION ASSEMBLED:

SECTION 1. Section 8 of Ordinance No. SP-2360, S-2014, entitled "An Ordinance Adopting the Magna Carta for Micro and Small Business Enterprises in Quezon City" is hereby amended and shall be read as:

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"SECTION 8: SPECIAL BUSINESS TAX INCENTIVES FOR BMBEs. - In addition to the privileges and benefits of the registered BMBEs provided under R.A No. 9178, as amended by R.A No. 10644 and other policy incentives under various laws, all BMBEs issued with a valid Certificate of Authority shall be entitled to the following special local business tax incentives."

a. Twenty percent (20%) of the gross sales/receipts of the BMBEs shall be exempt from payment of business tax for three (3) years which shall commence in 2021 and shall end by the year 2023.

b. Exemption of BMBEs from payment of Closure/ Retirement Fees and other charges due to substantial financial losses, provided that, the closure/retirement is made within three (3) years from the effectivity of this Ordinance.

Immediately after the year 2023, all BMBEs in Quezon City shall be subject to regular business tax impositions.

The City Council may enact measures to extend the granting of exemptions if in case these exemptions were not provided in the abovementioned timeframe.

SECTION 2. REGISTRATION OF MICRO ENTERPRISES WITH A CAPITAL OF PHP50,000.00 AND BELOW. - All micro enterprises that will officially register in Quezon City with a capital of Php50,000.00 and below shall be exempt from payment of city tax for its initial registration. Provided however that, the registration shall be made within three (3) years from the effectivity of this Ordinance.

Notwithstanding any provisions to the contrary, all micro and small enterprises in Quezon City, regardless of capitalization, shall secure all necessary permits and clearances required by the city government in order to avail of the privileges, benefits and incentives provided in this Ordinance.

SECTION 3. MICRO AND SMALL ENTERPRISE DEVELOPMENT (MSED) COUNCIL. - The Chairperson, City Council Committee on Trade, Commerce and Industry shall be added as a member of the MSED Council.

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SECRETARIAT - The Quezon City Small Businesses and Cooperatives Promotions Office (QCSBCDPO) shall serve as the Secretariat of the Micro and Small Enterprises Development (MSED) Council.

SECTION 4. IMPLEMENTING RULES AND REGULATIONS. - Within ninety (90) days after the passage of this Ordinance, the MSED Council through the QC-SBDPO shall formulate the Implementing Rules and Regulations (IRR) of this Ordinance subject to confirmation of the City Council.

SECTION 5. EFFECTIVITY. - This Ordinance shall take effect upon its approval.

ENACTED: January 27, 2020.




GIAN G. SOTTO
City Vice Mayor
Presiding Officer

ATTESTED:



Atty. JOHN THOMAS S. ALFEROS III
City Government Dept. Head III

APPROVED: 27 FEB 2020



MA. JOSEFINA G. BELMONTE
City Mayor

CERTIFICATION

This is to certify that this Ordinance was APPROVED by the City Council on Second Reading on January 27, 2020 and was PASSED on Third/Final Reading on February 10, 2020.



Atty. JOHN THOMAS S. ALFEROS III
City Government Dept. Head III

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