



HOUSE OF REPRESENTATIVES

H. No. 10561

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BY REPRESENTATIVES RODRIGUEZ, GO (M.), NIETO, VILLARICA, TY (D.), BABASA, DAZA, BARBA, LARA, REVILLA, ABUNDA, SUANSING (E.), JAVIER, JIMENEZ, REYES, ONG (J.), MARIANO-HERNANDEZ, UNGAB, SALCEDA, YAP (E.), DALIPE, ARENAS, GARCIA (P.J.), GATCHALIAN, YU, AGABAS, FARINAS (R.C.), QUIMBO, ERMITA-BUHAIN, BAUTISTA-BANDIGAN, BIAZON, CALDERON, CAMPOS, CUARESMA, DUAVIT, FARINAS I (R.C.), FRASCO, GARCIA (J.E.), GASATAYA, GO (E.C.), GONZALEZ, JALOSJOS, LIMKAICHONG, MATUGAS, SAGARBARRIA, SUANSING (H.), SUAREZ (D.), SY-ALVARADO, TEJADA, UY (J.), VARGAS, VIOLAGO, ZAMORA (W.K.), BENITEZ, BERNOS, BORDADO, BRAVO, CABREDO, CAMINERO, CARL CASTRO (F.L.), CO (A.N.), DAGOOC, DALOG, DELOS SANTOS, DELOSO-MONTALLA, DIMAPORO (A.), DIMAPORO (M.K.), DUJALI, DY (F.M.C.), ESPINA, GULLAS, GUYA, LABADLABAD, MACEDA, NATIVIDAD-NAGAÑO, NAVA, OUANO-DIZON, PLAZA, SALIMBANGON, SANCHEZ, SILVERIO, TAN (A.S.), TAN (A.), TIANGCO, TUTOR, VERGARA, VILLA, ELAGO, ROBES, SAKALURAN, SALO, TAMBUNTING AND SARMIENTO, PER COMMITTEE REPORT NO 1357

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AN ACT

ESTABLISHING AN ENTERPRISE-BASED EDUCATION AND TRAINING PROGRAM  
AND APPROPRIATING FUNDS THEREFOR

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1           **SECTION 1. Short Title.** – This Act shall be known as the "*Enterprise-Based Education*  
2           *and Training (EBET) Program Act*."

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4           **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to enhance

1 the skills of the country's middle-level workforce. To this end, the State seeks to strengthen  
2 middle-level manpower education and training programs to ensure the steady supply of educated  
3 and competitive manpower equipped with the appropriate skills and desirable work habits  
4 and attitudes to meet the requirements, demands, and standards of the workplace both in the  
5 local and international market.

6  
7 The State recognizes that apprenticeship, learnership, dual training, and other forms of  
8 industry-based training arrangement will help develop and upgrade the skills of the student  
9 trainee in a world where technology is rapidly changing, as well as provide them opportunities  
10 to acquire relevant knowledge and training within the setting of a business enterprise or industry.  
11 The State further recognizes that this mode of knowledge-acquisition will greatly contribute to  
12 the creation of a pool of well-trained middle-level workforce in the country.

13  
14 **SEC. 3. Objectives.** – This Act shall have the following objectives:

- 15  
16 a) To produce well-trained and better equipped manpower capable of responding to the  
17 skill requirements and demands of employers and the industries;  
18  
19 b) To rationalize the manpower training system by consolidating apprenticeship, dual  
20 training, on-the-job training programs and all other forms of industry-based training  
21 arrangement;  
22  
23 c) To establish a competency and enterprise-based training system involving the active  
24 cooperation of employers, workers, industry, and the government;  
25  
26 d) To institute enterprise-based training standards that shall ensure the acquisition by  
27 students and trainees of the right competencies in an environment where their rights are  
28 protected and their safety is ensured; and  
29  
30 e) To broaden the opportunities, venues of education and training towards greater  
31 access by all workers.

32  
33 **SEC. 4. Definition of Terms.** – As used in this Act:

- 34  
35 a) *Apprenticeship* refers to a training and employment program involving a contract between  
36 an apprentice and an employer on an approved apprenticeable occupation and generally aims  
37 to provide a mechanism that will ensure availability of qualified skilled workers based on  
38 industry requirements;  
39  
40 b) *Competency assessment* refers to the process of gathering and judging evidence to  
41 decide whether a person has achieved a standard or level of competency;  
42  
43 c) *Competency standards* refer to the written specifications of the knowledge, skills,  
44 attitudes and values required for the performance of a job, occupation or trade and  
45 the corresponding standard of performance required for these in the workplace;  
46  
47 d) *Dual education and training* refer to the combination of on-the-job training involving  
48 an enterprise and a training institution;

1 e) *Dual training system* refers to the delivery of technical-vocational education and training  
2 that combines in-plant and in-school training based on a plan collaboratively designed and  
3 implemented by an accredited dual system educational institution or training center and an  
4 accredited dual system agricultural, industrial, or business establishments with prior notice  
5 and advice to the concerned local government unit. Under this system, the student trainee  
6 shall be provided with the best possible learning experience, under the shared responsibility  
7 of a business establishment which provides practical training, and an educational institution  
8 which provides the required specific, general and occupation-related theoretical instruction.  
9 The dual nature of the training system requires that the two (2) instructing parties operate in  
10 a well-coordinated and symbiotic manner.

11  
12 f) *Enterprise-based competencies* refer to the knowledge, skills and attitudes or values  
13 necessary for competent performance in the workplace that are required from a student  
14 trainee before admission to the EBET program;

15  
16 g) *Enterprise-based education and training program* refers to a practical work-related or  
17 workplace-related training program with compulsory related theoretical instructions  
18 conducted on-the-job and implemented within companies, which includes, among others,  
19 any of the following modalities: a) Apprenticeship; b) Learnership; c) On-the-Job-Training;  
20 d) Practicum; e) Work Appreciation Program; f) Dual Training System; g) Internship; and  
21 h) In-Company Training;

22  
23 h) *Enterprise-based student trainee* refers to a person qualified to undergo training for an  
24 approved enterprise-based education and training in an established period as provided  
25 for by the enterprise-based training agreement,

26  
27 i) *Enterprise-based training agreement* refers to a contract between an enterprise and a  
28 student trainee emphasizing the rights, duties and responsibilities of each party wherein  
29 an enterprise binds itself to train the student trainee who in turn accepts the terms of  
30 education and training;

31  
32 j) *Learnership* refers to a practical training, work-based or on-the-job program for approved  
33 learnable occupations, for a period not exceeding three (3) months. Only companies whose  
34 learnership programs are approved and registered by the Technical Education and Skills  
35 Development Authority (TESDA) can hire learners;

36  
37 k) *Nominal duration of education and training* refers to the estimated number of training  
38 hours; and

39  
40 l) *Period of education and training* refers to the duration when the training  
41 commences and terminates.

42  
43 **SEC. 5. Establishment and Coverage of an EBET Program.** – There shall be established an  
44 EBET Program that shall cover practical work-related or workplace-related training programs with  
45 compulsory related theoretical instructions and shall include training modalities or schemes to be  
46 grouped as follows: a) EBET by enterprises, which include apprenticeship, learnership, in-  
47 company training; b) EBET by TVIs and enterprises, which include dual training system,  
48 practicum, on-the-job training, internship, and supervised industry training; and c) EBET by

1 government agencies, which include work appreciation program, and government internship  
2 program.

3  
4 All EBET programs established pursuant to this Act shall apply to all work-related or  
5 workplace-related trainings conducted on the job and shall be implemented within enterprises,  
6 firms or companies. The duration of the EBET Programs shall be based on the complexity of the  
7 specific competencies to be learned.

8  
9 A registered enterprise, group or association, industry, organization, government institution  
10 or civic group that intends or participate in the dual training system and organize an EBET program  
11 shall choose from any of the following training schemes:

- 12  
13 a) EBET involving a company or entity and an identified technical-vocational institution  
14 (TVI);  
15  
16 b) EBET involving a group of companies or entities and a TVI; and  
17  
18 c) EBET involving an industry training center and company or entity or a group of  
19 companies or entities.

20  
21 **SEC. 6. Registration of an EBET Program.** – An enterprise, group, association, industry,  
22 organization, civic society, or government agency or instrumentality that intends to organize an  
23 EBET Program shall register such program with the TESDA before entering into an agreement  
24 with student trainees.

25  
26 The TESDA shall establish a registration mechanism and assign an office that shall process  
27 all EBET program applications, including the applications for registration of civic groups,  
28 associations, organizations, industries, TVET providers, and government institutions which desire  
29 to participate in the EBET Program created under this Act.

30  
31 **SEC. 7. EBET Agreements.** – All EBET agreements shall conform with the rules to be  
32 issued by the TESDA and shall include the following:

- 33  
34 a) Nature and purpose of training;  
35 b) Training programs;  
36 c) Period of training;  
37 d) Training allowance equivalent to seventy-five percent (75%) of the existing  
38 minimum wage, which shall be paid in cash or in kind or both;  
39 e) Schedule of training allowance payments;  
40 f) Process of termination of EBET; and  
41 g) General rights and obligations of both parties.

42  
43 Every EBET agreement shall be signed by the employer, or an agent of the employer,  
44 or by an authorized representative of any of the participating organizations, associations,  
45 government institutions or civic groups, and by the student trainee.

46  
47 An EBET agreement with a student trainee who is a minor shall be signed on the minor's  
48 behalf by the parent or guardian: *Provided*, That if the latter is not available, an authorized

1 representative of the TESDA shall sign on behalf of the student trainee who is a minor, and the  
2 same shall be binding within the period specified in the agreement: *Provided, further,* That a  
3 student trainee who is a minor shall be excluded from high risk, dangerous or hazardous  
4 occupations.

5  
6 **SEC. 8. *Qualifications of EBET student trainees.*** – An applicant for student trainee under  
7 the EBET Program to be conducted by the TESDA must have the following qualifications:

8  
9 a) At least a high school graduate or its equivalent;

10  
11 b) Possesses vocational aptitude and capacity as may be established through appropriate  
12 aptitude tests provided free of charge by enterprises, groups or associations, industry  
13 organizations, government institutions, and civic groups with duly recognized enterprise-  
14 based training programs, or by the TESDA, in case they do not have adequate facilities for  
15 the purpose; and

16  
17 c) Possesses the ability to comprehend and follow oral and written instructions.

18  
19 Industry associations and labor groups may recommend to the TESDA the appropriate or  
20 additional educational requirements for different occupations.

21  
22 **SEC. 9. *Responsibility for Theoretical Instruction.*** – Compulsory theoretical instructions  
23 shall be part of the EBET Program. In cases where the program is undertaken in the plant,  
24 theoretical instructions may be delegated to an institution or to a registered TVET provider  
25 which has an applicable program or an existing Memorandum of Agreement or Understanding  
26 with the TESDA.

27  
28 **SEC. 10. *EBET Administration.*** – The TESDA Board shall set the overall policy for the  
29 EBET Program. The responsibility for enterprise-based training administration, monitoring and  
30 evaluation of the on/off-the-job training shall be the concern of the TESDA Secretariat.  
31 The identification and prioritization of enterprise-based training qualifications and the  
32 development of competency standards and curricula shall be the joint responsibility of  
33 industry associations, labor groups, and the TESDA. A Plant EBET Committee shall be  
34 established in every participating enterprise to ensure that program implementation is in  
35 accordance with the approved policies of the TESDA Board.

36  
37 **SEC. 11. *Investigation of Violations of EBET Agreement.*** – An Industry Coordinator  
38 to be designated by the TESDA for each type of industry shall be tasked to, *motu proprio*, or upon  
39 complaint of any interested party, bear the responsibility of settling differences arising from  
40 EBET agreements. In case the Industry Coordinator is not able to settle such differences, the  
41 TESDA Secretariat or its authorized representative shall investigate and render a decision  
42 pursuant to pertinent rules and regulations

43  
44 **SEC. 12. *Appeal.*** – The decision of the TESDA Secretariat may be appealed by any  
45 aggrieved person to the TESDA Board within five (5) working days from the receipt of the  
46 decision. The decision of the TESDA Board shall be final and executory.

47  
48 **SEC. 13. *Exhaustion of Administrative Remedies.*** – No person shall institute any action

1 for the enforcement of any EBET agreement or payment of damages for breach of any such  
2 agreement, unless all available administrative remedies have been exhausted.

3  
4 **SEC. 14. *Compulsory Participation in the EBET Program.*** – Enterprises shall be required  
5 to provide the appropriate EBET Program under the following circumstances:

- 6  
7 a) When national security or the requirements of economic development so demand,  
8 the President of the Philippines shall require the implementation of the EBET  
9 Program in certain trades, occupations, jobs or employment levels where the supply  
10 of trained manpower is deemed critical, as determined by the TESDA Board, upon  
11 the recommendation of its secretariat; and  
12  
13 b) In private companies which employ foreign technicians in enterprise-based training  
14 occupations.

15  
16 **SEC. 15. *Tax Exemptions.*** – All grants, bequests, endowments, donations, and contributions  
17 made to and to be used actually, directly and exclusively by the participating training institution  
18 shall be exempt from donor's tax and the same shall be considered as allowable deduction from  
19 the gross income for purposes of computing the taxable income of the donor in accordance with  
20 the provisions of the National Internal Revenue Code of 1997, as amended.

21  
22 The importation of all new machineries and equipment used in the EBET Program shall be  
23 exempted from customs duties in accordance with the provisions of Republic Act No. 10863,  
24 otherwise known as the "*Customs Modernization and Tariff Act*".

25  
26 **SEC. 16. *Award of Equivalent Unit Credits.*** – An EBET graduate shall be awarded  
27 equivalent unit credits in the formal system of education which can be used in pursuing  
28 higher degree courses, subject to the integrated policies and guidelines of equivalency and  
29 the adult education acceleration program of the TESDA, Commission on Higher Education,  
30 and the Department of Education.

31  
32 **SEC. 17. *Insurance Coverage and Protection of Trainees.*** – Every participating enterprise,  
33 group or association, industry organization, government institution and civic group  
34 undertaking training in accordance with the provisions of this Act shall provide life and  
35 accident insurance coverage for every trainee: *Provided*, That the premium payments of said  
36 insurance policy shall be borne by the establishment.

37  
38 **SEC. 18. *Appropriations.*** – The initial amount for the implementation of this Act shall be  
39 charged against the current year's appropriations of the TESDA. Thereafter, such amount shall be  
40 included in the annual General Appropriations Act.

41  
42 **SEC. 19. *Implementing Rules and Regulations.*** – Within ninety (90) days after the  
43 effectivity of this Act, the TESDA shall, in consultation with relevant stakeholders, issue the  
44 necessary rules and regulations for the effective implementation of this Act.

45  
46 **SEC. 20. *Separability Clause.*** – In the event any of the provisions of this Act is declared  
unconstitutional, the validity of the other provisions shall not be affected by such declaration.

47  
48 **SEC. 21. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations or parts  
thereof inconsistent with this Act are repealed or modified accordingly.

1           **SEC. 22. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in  
2 the *Official Gazette* or in a newspaper of general circulation.

Approved,