

'22 SEP 28 A8:59

**SENATE**

S. No. 1351

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Introduced by Senator MANUEL "LITO" M. LAPID

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**AN ACT**  
**ESTABLISHING THE PHILIPPINE ENTREPRENEURS' ACADEMY,**  
**AND APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

The Constitution, Art. II, Section 9 provides that "[t]he State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of our economy for several reasons, such as but not limited to, its role in the generation of employment to Filipinos, which reduce or lower poverty incidence, and spearheading innovation, which help in the promotion of growth. The Philippine Statistics Authority (PSA) reported in 2020 that out of 957,620 business enterprises operating in the country, 952,969 or 99.51% are MSMEs. These MSMEs generated 5,380,815 jobs or 62.66% of the country's total employment. Further, in terms of exports contribution, the MSME sector accounted for 25% of the country's total exports revenue, whereby 60% of exporters in the country belong to such sector<sup>1</sup>.

Given the statistics mentioned above, it is but evident how significant and critical the role of these MSMEs is in our economy. Indeed, MSMEs are nation's vehicles for growth and

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<sup>1</sup> [https://www.dti.gov.ph/resources/msme-statistics/?TSPD\\_101\\_R0=9128b7c4911b6fbb85c4570444e59f1ecr5000000000000000dc07697cffff00000000000000000000000000000063311dfb00ddc2552108c923bcdab2000cabef39aa3cd495422d304ed7e7bf0ff3c965fdaaef3021546100ce942bc39420833ed2a540a2800ab11fd4378d865f3b05115b8e4c38a036d27a889b18a56514f2a408c46069288e614e807d7e6ff7d](https://www.dti.gov.ph/resources/msme-statistics/?TSPD_101_R0=9128b7c4911b6fbb85c4570444e59f1ecr5000000000000000dc07697cffff00000000000000000000000000000063311dfb00ddc2552108c923bcdab2000cabef39aa3cd495422d304ed7e7bf0ff3c965fdaaef3021546100ce942bc39420833ed2a540a2800ab11fd4378d865f3b05115b8e4c38a036d27a889b18a56514f2a408c46069288e614e807d7e6ff7d)

development. Yet, our country does not fully invest on these and capitalize on the potential of the same for economic growth. This is worsened by the outbreak of the COVID-19. Thus, this bill aims to address such gap by establishing a learning institution to be known as the Philippine Entrepreneurs Academy. This is also in support of one of the administration's top priorities, that is to revitalize and revive the MSMEs in the country, by providing adequate protection and ample opportunities that will allow the same to be more resilient and thriving<sup>2</sup>.

*Malaking bagay po sa ating ekonomiya ang pagnenegosyo. Dapat po nating turuan at bigyan ng pagkakataon ang ating mga kababayan sa tamang pagnenegosyo kung saan magkakaroon sila ng pagkakataong kumita ng marangal at hindi na maghanap pa ng mapapasukang trabaho. Makatutulong din po ang mga negosyo upang solusyonan ang ating mga suliranin ukol sa unemployment.*

*Marami po tayong mga kababayan na handang harapin ang hamon ng pagnenegosyo sapagkat ang Filipino po ay hindi nagkukulang sa sipag at determinasyon. Kailangan lamang po na mabigyan ang maraming kababayan natin ng pagkakataong matutunan ang kahit pinaka-basic na kaalaman sa tamang pagnenegosyo.*

The Academy shall formalize and integrate the nonformal entrepreneurship programs and short-term technical-vocational courses in TESDA, DTI, and Department of Science and Technology, and other government agencies, under a school system. It seeks to enhance the core competencies of individuals on entrepreneurship and promote the relevance of entrepreneurship to job generation and sustainable economic growth. The Academy is the catalyst for change – it shall facilitate the growth of MSMEs which will stimulate our economy.

In view of this, early passage of this bill is sought.

  
**MANUEL "LITO" M. LAPID**  
Senator

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<sup>2</sup> <https://www.pna.gov.ph/articles/1182267>

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**AN ACT**

**ESTABLISHING THE PHILIPPINE ENTREPRENEURS' ACADEMY,  
AND APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

Section 1. *Short Title.* – This Act shall be known as "*Philippine Entrepreneurs  
Academy Act.*"

Section 2. *Establishment.* – There is hereby established a learning institution  
under the supervision of the Commission on Higher Education (CHED), to be known  
as the "Philippine Entrepreneurs Academy", hereinafter referred to as the Academy.

Section 3. *General Mandate.* – The Academy shall provide undergraduate and  
graduate degree programs, short-term technical-vocational nondegree courses and  
modular trainings that will enhance the core competencies of individuals on  
entrepreneurship. It shall cater to technical-vocational, college, and graduate  
students. It shall also promote the relevance of entrepreneurship to job generation  
and its significant role to the sustainable economic growth of the country.

The Academy shall formalize and integrate, under a school system, the  
nonformal entrepreneurship programs and short-term technical-vocational courses of  
the Technical Education and Skills Development Authority (TESDA), Department of  
Trade and Industry (DTI), Department of Science and Technology (DOST), and other  
government agencies. It shall also administer education and consultancy, and

1 supervise publication on entrepreneurship. It shall also conduct scientific and policy-  
2 oriented research and training.

3 Section 4. *Curricular Offerings.* – The Academy shall offer undergraduate and  
4 graduate degree programs and short-term diploma or certificate courses on  
5 entrepreneurship, including entrepreneurship development in the fields of agriculture,  
6 trade, technology, and the manufacturing sector. The curriculum and modules of the  
7 programs shall be designed and developed following the competency-based  
8 curriculum model and in accordance with the mandate of this Act.

9 Section 5. *School Sites.* – The Academy shall have two (2) campuses, with the  
10 main campus to be established in the Clark Freeport and Special Economic Zone  
11 located in the Provinces of Pampanga and Tarlac, to be known as the Entrepreneurs  
12 Academy-Clark Campus. The other campus shall be located in the City of Baguio, to  
13 be known as the Entrepreneurs Academy-Baguio City Campus. Other campuses may  
14 be established upon approval of the Governing Board.

15 Section 6. *Governing Board.* – The governing board of the Academy shall be  
16 the Board of Trustees, hereinafter referred to as the Board, which shall be chaired and  
17 co-chaired by the Chairperson of the CHED, and the President of the Academy,  
18 respectively, with the following as members:

- 19 (a) Chairperson of the Committee on Higher, Technical and Vocational  
20 Education of the Senate;
- 21 (b) Chairperson of the Committee on Higher and Technical Education of the  
22 House of Representatives;
- 23 (c) Director General of the TESDA;
- 24 (d) Director General of the National Economic and Development Authority  
25 (NEDA);
- 26 (e) Secretary of the DOST;
- 27 (f) Secretary of the DTI;
- 28 (g) President of the federation of faculty associations of the Academy;
- 29 (h) President of the federation of student councils of the Academy;
- 30 (i) President of the federation of alumni associations of the Academy; and

1 (j) Two (2) prominent citizens from the private sector who have distinguished  
2 themselves in their professions or fields of specialization.

3 The members of the Board shall not receive any compensation or remuneration  
4 for their services as such, but may be reimbursed for actual and necessary expenses  
5 incurred in discharging the business of the Academy.

6 Section 7. *Powers and Duties of the Board.* – The Board shall be the highest  
7 policymaking body of the Academy. In addition to its general powers of administration  
8 and the exercise of all the powers granted to the Board of a corporation under existing  
9 laws, the Board shall have the following specific powers and duties:

- 10 a) Promulgate and implement policies in accordance with the declared State  
11 policies and pertinent provisions of the Philippine Constitution on education, as  
12 well as policies, standards and thrusts of the CHED under Republic Act No.  
13 7722, otherwise known as the “Higher Education Act of 1994”;
- 14 b) Prepare, adopt and enact rules and regulations in accordance with applicable  
15 laws, as may be necessary to carry out the purposes and functions of the  
16 Academy, and to effectively discharge its responsibilities;
- 17 c) Receive assistance from any legitimate source to augment the internal sources  
18 of funds, as may be provided, for the support of the Academy in the manner it  
19 may determine, in its discretion, to carry out the purposes and functions of the  
20 Academy;
- 21 d) Constitute the Board, as herein defined;
- 22 e) Appoint the President and as many Vice-Presidents as may be necessary to  
23 assist the President in the administration of the affairs of the Academy;
- 24 f) Review periodically the administrative procedures and programs of the  
25 Academy;
- 26 g) Receive, in kind and in trust, legacies, gifts and donations of real and personal  
27 properties of all kinds, to administer and dispose the same when necessary for  
28 the benefit of the Academy, subject to the limitations, discretions and  
29 instructions of the donors, if any;
- 30 h) Fix the tuition fees and other school charges such as matriculation fees,

1 graduation fees, laboratory fees, and other miscellaneous fees as the Board  
2 may deem proper to impose after due consultations with the involved sectors:  
3 *Provided*, That these fees shall not be prohibitive or unreasonable as to deviate  
4 from the purpose for which the Academy was created based on the guidelines  
5 of the CHED;

- 6 1. Such fees and charges, including government subsidies and other  
7 incomes generated by the Academy, shall constitute its regular fund and  
8 shall be deposited in any authorized government depository bank, and  
9 all interests that shall accrue therefrom shall form part of the same fund  
10 for the use of the Academy.
- 11 2. Any provision of existing laws, rules and regulations to the contrary  
12 notwithstanding, any income generated by the Academy from tuition  
13 fees and other charges, as well as from the operation of auxiliary  
14 services and land grants, shall be retained by the Academy, and may be  
15 disbursed by the Board for instruction, research, extension services, or  
16 other programs and projects of the Academy: *Provided*, That all fiduciary  
17 fees shall be disbursed for the specific purposes for which they were  
18 allocated.
- 19 3. Of for reason beyond its control, the Academy shall not be able to pursue  
20 any project for which funds have been appropriated and allocated under  
21 its approved program of expenditures, the Board may authorize the use  
22 of said funds for any reasonable purpose which, in its discretion, may be  
23 necessary and urgent for the attainment of the objectives and goals of  
24 the Academy.
  - 25 i) Adopt and implement a socialized tuition scheme for greater access of poor,  
26 but deserving students in accordance with Republic Act No. 10931 or the  
27 "Universal Access to Quality Tertiary Education Act";
  - 28 j) Authorize the construction or repair of its buildings, machineries, equipment,  
29 and other facilities, as well as the purchase and acquisition of real and personal  
30 properties, including the necessary supplies, materials, and equipment;
  - 31 k) Appoint, upon the recommendation of the President of the Academy, the deans,  
32 executive directors, heads of departments, faculty members, and other officials

- 1 and employees;
- 2 l) Prescribe the salaries of faculty members and administrative officials and  
3 employees, subject to the provisions of Republic Act No. 11466, otherwise  
4 known as the "Salary Standardization Law of 2019" and civil service rules and  
5 regulations governing hours of service and related concerns, and other  
6 pertinent laws;
- 7 m) Formulate and implement the curricula and institutional programs of the  
8 Academy: *Provided*, That they comply with the minimum CHED requirements  
9 and guidelines;
- 10 n) Formulate and promulgate the rules of discipline for the students of the  
11 Academy to ensure orderly and effective governance thereof;
- 12 o) Set policies on admission and graduation of students: *Provided*, That they  
13 conform with the CHED guidelines;
- 14 p) Award honorary degrees upon persons in recognition of outstanding  
15 contribution in the field of education, public service, arts, science and  
16 technology, or any field of specialization within the academic competence of  
17 the Academy and to authorize the issuance of certificates of completion of non-  
18 baccalaureate programs and nontraditional or innovative courses: *Provided*,  
19 That these conform with the applicable guidelines of the CHED and TESDA;
- 20 q) Establish research and extension centers of the Academy where such will  
21 promote the development of the latter;
- 22 r) Establish professional chairs in the Academy and provide fellowships for  
23 qualified faculty members and scholarships to deserving students;
- 24 s) Enter into any agreements or joint ventures with business and industry for the  
25 profitable management of the economic and manpower assets of the Academy,  
26 the proceeds from which shall be used for upgrading of facilities and its  
27 development;
- 28 t) Authorize an external management audit of the Academy, to be financed by  
29 the CHED, subject to the rules and regulation of the Commission on Audit and  
30 institute reforms, including academic and structural changes, on the basis of  
31 the audit results and recommendations;
- 32 u) Import economic, technical and cultural books and publications;

- 1 v) Develop consortia, academe-industry linkages and other forms of networks with  
2 other institutions and agencies, both public and private, local and foreign:  
3 *Provided*, That these comply with the applicable guidelines of the CHED in  
4 furtherance of the purposes and objectives of the institutions as well as develop  
5 academic arrangements for institution capacity and capability building with  
6 appropriate institutions and agencies, public and private;
- 7 w) Appoint experts and specialists as consultants, or visiting or exchange  
8 professors, scholars, researchers, as the case may be: *Provided*, That the  
9 appointment shall conform to the CHED guidelines;
- 10 x) Set up the adoption of modern and innovative modes of transmitting  
11 knowledge, such as the use of information technology, the dual training system,  
12 open distance learning, and community laboratory for the promotion of greater  
13 access to education;
- 14 y) Outsource, where most advantageous to the institution, the management of  
15 non-academic services such as health, food, building or grounds or property  
16 maintenance and similar objectives;
- 17 z) Delegate any of its powers and duties to the President or the other officials of  
18 the Academy, as it may deem appropriate, so as to expedite the administration  
19 of the affairs of the Academy;
- 20 aa) Extend the term of the President of the Academy beyond the age of retirement,  
21 when deemed meritorious due to outstanding performance, but not later than  
22 the age of seventy (70) years old; and
- 23 bb) Promulgate rules and regulations, as may be necessary, to carry out the  
24 purposes and functions of the Academy.

25 Section 8. *President of the Academy.* – The Academy shall be headed by a  
26 President, who shall render full-time service and shall be appointed by the Board upon  
27 the recommendation of a duly constituted Search Committee. The President shall also  
28 be the chief executive officer of the Academy.

29 The President shall have a term of four (4) years and shall be eligible for  
30 reappointment to another term. Within six (6) months before the expiration of the



1 term of office of the incumbent President of the Academy, the Board shall constitute  
2 the Search Committee for the Presidency.

3 The President shall receive such compensation and remuneration in accordance  
4 with Republic Act No. 11466 or the "Salary Standardization Law of 2019", and by such  
5 other laws amendatory thereto, which may hereinafter be enacted, and shall be  
6 comparable to that being received by the Presidents of similar educational institutions.

7 The President shall exercise the following powers and duties:

- 8 a) Submit, for the consideration of the Board and Executive Committee, the  
9 policies and measures which are necessary to carry out the purposes of the  
10 Academy;
- 11 b) Recommend, coordinate, and administer the programs and projects of the  
12 Academy;
- 13 c) Direct and supervise the operations and internal administration of the Academy,  
14 and delegate administrative responsibilities in accordance with the rules and  
15 regulations of the Academy;
- 16 d) Submit an annual report to the Board setting forth the accomplishments of the  
17 Academy during the year, its financial operations and status, and a program  
18 and budget for the ensuing year; and
- 19 e) Exercise other powers and discharge other functions, as may be vested by the  
20 Board and the Executive Committee.

21 The Board shall designate an Officer-In-Charge (OIC) of the Academy in case  
22 of vacancy in the Office of the President by reason of death, compulsory retirement,  
23 resignation, removal for cause or incapacity of the President to perform the functions  
24 of the office, pending the appointment of a new President: *Provided*, That the OIC  
25 shall not serve beyond the unexpired portion of the term in such capacity.

26 The powers and duties of the President of the Academy, in addition to those  
27 provided in this Act, shall be those usually pertaining to the Office of the President of  
28 similar educational institutions, and those delegated by the Board.

1           Section 9. *Executive Committee.* – There shall be an Executive Committee  
2 consisting of the President of the Academy and four (4) other members to be elected  
3 by the Board from its members. Each Member of the Executive Committee, other than  
4 the President of the Academy, shall hold office for a term of two (2) years, and shall  
5 be eligible for re-election, unless at the time of election, a short term is specified. The  
6 Board shall elect the Chairperson of the Executive Committee from the membership  
7 of the Board.

8           Section 10. *Functions of the Executive Committee.* – The Executive Committee  
9 shall administer the affairs of the Academy in accordance with such functions, powers  
10 and responsibilities as may be delegated by the Board.

11           Section 11. *Government Support and Coordination.* – The CHED Chairperson is  
12 hereby authorized to call upon any department, bureau, agency or instrumentality of  
13 the government for such assistance as may be necessary for the effective  
14 implementation of this Act.

15           Section 12. *Tax Exemption.* – The importation of economic, technical and  
16 cultural books and publications, which are for economic, technical, vocational,  
17 scientific, philosophical, historical or cultural purposes made by the Academy, upon  
18 certification by the CHED, shall be exempt from customs duties in accordance with the  
19 provisions of Republic Act No. 10863, otherwise known as the “Customs Modernization  
20 and Tariff Act”.

21           All grants, bequest, endowments, donations and contributions made to the  
22 Academy, to be used actually, directly and exclusively by it, shall be exempt from  
23 donor’s tax and the same shall be considered as allowable deduction from the gross  
24 income in the computation of the income tax of the donor, in accordance with the  
25 provisions of the National Internal Revenue Code of 1997, as amended.

26           Section 13. *Appropriations.* – The amount necessary for the immediate  
27 implementation of this Act shall be included in the annual General Appropriations Act.

28           Section 14. *Implementing Rules and Regulations.* – Within ninety (90) days  
29 from the approval of this Act, the CHED, in coordination with the TESDA and the DTI,

1 shall formulate the necessary rules and regulations to fully implement the provisions  
2 of this Act.

3           Section 15. *Separability Clause.* – If, for any reason, any part or provision of  
4 this Act is declared invalid or unconstitutional, the remaining parts or provisions not  
5 affected shall remain in full force and effect.

6           Section 16. *Repealing Clause.* – All laws, presidential decrees, executive orders,  
7 rules and regulations contrary to or inconsistent with the provisions of this Act are  
8 repealed or modified accordingly.

9           Section 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
10 publication in the *Official Gazette* or in a newspaper of general circulation.

11           *Approved,*