



Republic of the Philippines  
Province of Ilocos Norte  
**MUNICIPALITY OF SAN NICOLAS**

## OFFICE OF THE SANGGUNIANG BAYAN

EXCERPTS FROM THE MINUTES OF THE SECOND REGULAR SESSION OF THE 11<sup>TH</sup>  
SANGGUNIANG BAYAN OF THE MUNICIPALITY OF SAN NICOLAS, ILOCOS NORTE HELD  
AT THE MUNICIPAL SESSION HALL ON THE 11<sup>TH</sup> DAY OF APRIL, 2022  
AT 10:20 O'CLOCK IN THE MORNING.

**PRESENT:**

Hon. Angel Miguel L. Hernando	Member/Temporary Presiding Officer I;
Hon. Joseph Lister B. Butay	Member/Temporary Presiding Officer II;
Hon. Norberto D. Dadiz, Sr.	Member;
Hon. Erico R. Ruiz, Jr.	Member;
Hon. Luciano R. Caraang	Member;
Hon. Jessie Julito P. Pumaras, Sr.	Member;
Hon. Inno Ma. Angelo Paulo O. Hernando	Member/PPSK President.

**ON-LEAVE:**

Hon. Moera Joy N. Galing-Luna	Member;
Hon. Juanito P. Ulep, Jr.	Member/Liga ng mga Barangay President.

**ABSENT:**

None.

### “MUNICIPAL ORDINANCE NO. 2022-14

#### AN ORDINANCE ADOPTING A MAGNA CARTA FOR MICRO AND SMALL BUSINESS ENTERPRISES (MSEs) IN THE MUNICIPALITY OF SAN NICOLAS, PROVINCE OF ILOCOS NORTE

**WHEREAS**, the Municipal Government of San Nicolas affirms the State's recognition of the potential of micro and small enterprises to generate sustainable employment and stimulate economic growth. Towards this end, it upholds the state's declared policy to promote, support, strengthen and encourage the growth and development of these enterprises in all productive sectors of the economy as envisioned in the Magna Carta for Micro, Small and Medium Enterprises (Republic Act No. 6977, as amended by R.A. No. 8289, R.A. No. 9501 and further amended by R.A. No. 10644);

**WHEREAS**, Micro and Small Enterprises (MSEs) dominate the business sector in terms of number of establishments of the total registered businesses in San Nicolas making it as an integral backbone of the economy or the linchpin of economic development in the locality;

**WHEREAS**, in San Nicolas, the MSE sector is seen as a vital driver for the town's economic growth as it strengthens domestic linkages and enhance the efficiency and competitiveness of large enterprises. The MSE sector also plays a vital role in the economy being the entry point of entrepreneurs to build new businesses some of which will grow into large businesses that will create employment in the locality;

**WHEREAS**, the Municipal Government of San Nicolas also recognizes the critical role that entrepreneurs play in spurring inclusive and sustainable growth as they continuously focus on growth potentials and innovations to seize opportunities that result in creating new ventures and opening markets for new products, processes and services;

**WHEREAS**, to maximize these potentials, the Municipal Government of San Nicolas finds it imperative to develop a measure that will provide for a holistic and comprehensive program and requisite support systems, mechanisms and infrastructures for the sustainable development and promotion of micro and small enterprises and entrepreneurship in the municipality.

*Page 2, Municipal Ordinance No. 2022-14;*

**NOW, THEREFORE,** be it **ENACTED** by the Sangguniang Bayan of San Nicolas, Province of Ilocos Norte, in session duly assembled, that:

**SECTION 1. *Short Title.*** – This Ordinance shall be known as the “Magna Carta for Micro and Small Business Enterprises in San Nicolas”.

**SECTION 2. *Declaration of Policy*** – The Municipal Government of San Nicolas 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. To this end, it shall promote, support, strengthen and encourage the establishments, continuing viability, sustainable growth and development of innovative micro and small enterprises entrepreneurs in the priority development sectors or investments drivers of the Municipality.

In the pursuit of such policy, the Municipal Government of San Nicolas shall be guided by the following principles:

- a. Prescribe only a minimum set of rules and regulations and simplify procedures and requirements for doing business and accessing support programs and services.
- b. Coordinate, consolidate and converge all stakeholder efforts to develop and promote micro and small enterprises and entrepreneurship under the stewardship of the LGU;
- c. Encourage full participation of the private sector and concerned national government agencies in these endeavors, and provide incentives for such participation where feasible;
- d. Customize support programs and services to the actual needs of micro and small enterprise and entrepreneurs through regular dialogues and institutionalized exchanges, and ensure that these are in consonance with national and international best practices; and;
- e. Ensure inclusiveness, transparency and accountability in the development and implementation of all responses to the needs of micro and small enterprises and entrepreneurs.

**SECTION 3. *Definition of Terms*** – For purposes of this Ordinance, the following terms shall be defined as such;

- a. **“Micro and Small Enterprises (MSEs)”** shall refer to any business activity within the major sectors of the economy namely: industry, trade, services, including the practice of one’s profession, the operation of tourism-related establishments, and agri-business, which for this purpose refers to any business activity involving the manufacturing, and processes and/or production of agricultural product, whether single proprietorship, cooperative, partnership or corporation.

The accepted convention of using the short term “Small Business” to encompass MSEs, cooperatives is hereby adopted in this Ordinance.

- b. **“Entrepreneurs”** shall refer to individuals who start or expand a business to harness growth potentials and innovation. They “identify an innovation to seize an opportunity, mobilize money, mobilize management skills, and take calculated risks to open markets for new products, processes and services”. Their primary aim is not just to improve or expand their businesses.

Page 3, *Municipal Ordinance No. 2022-14*;

- c. **“Innovation Active Firm”** shall mean an enterprise that is a product or process innovator, attempts to innovate, has on-going innovation activities, or has innovation spending.
- d. **“Product Innovator”** shall refer to an enterprise that has introduced to the market a new product or a significantly improved product which may include improvements in user-friendliness, ingredients or components. The new or improved product need to be new to the market but it has to be new to the establishment. The word “product” in this definition shall encompass both products and services.
- e. **“Process Innovator”** shall refer to an enterprise that has implemented a new or significantly upgraded manufacturing process, distribution system or in other activities undertaken for the over-all operation of the establishment but excluding organizational and marketing innovations.

**SECTION 4. Coverage** – The following are covered by this Ordinance:

- 1. All San Nicolas registered micro and small businesses eligible for government assistance.
- 2. All San Nicolas registered cooperatives governed by 9520, also known as the “Cooperative Code of the Philippines”, except for credit and/or financial types of cooperatives, shall likewise be covered by this Ordinance but shall automatically be excluded upon the passage of another Ordinance creating the Cooperative Development Office or its equivalent.

**SECTION 5. Development Goals and Objectives** – San Nicolas shall be a competitive growth center, where there is a steady increase in start-ups and near-zero incidence of closures of home-grown local micro and small enterprises that continuously innovate to produce products and services that are developed, promoted and distinctly branded as San Nicolas. In detailing such program, the following development objectives shall be considered:

- a. **Business Environment (BE)** – Create an enabling business environment that is conducive to the establishment, innovation, development and sustainable growth of MSEs and entrepreneurship in the Municipality.
- b. **Access to Financing (A2F)** – Enable MSEs and entrepreneurs to conveniently access appropriate and affordable financial products, services and programs (i.e., savings, credit, insurance, remittance, transfers) from multiple sources and for various purposes.
- c. **Access to Markets (A2M)** – Enable MSEs and entrepreneurs to maintain their current markets and penetrate new markets through the establishments and sustainable operations of marketing support systems and structures.
- d. **Productivity and Efficiency (P&E)** – Enable MSEs and entrepreneurs to be innovation active and improve their capacities to develop, produce and deliver competitive products and services for the local, national and international markets.
- e. **Socio-Economic Environment (SEE)** – Enable MSEs and entrepreneurs to be active contributors to the overall socio-economic development of society by providing them with knowledge on emerging themes and cross-cutting social concerns such as, but not limited to, social inclusion, environment protection, climate change, risk reduction, culture and heritage preservation; together with emerging economic and business systems, models and practices such as, but not limited to, corporate social responsibility, social economy, social solidarity economy, social enterprises, and fair trade.




**SECTION 6. *Micro and Small Enterprise Development (MSED) Council*** – To effectively spur the growth and development of MSEs in San Nicolas, and to carry out the declared policy and principles in this Ordinance, a MSED Council is hereby created.

- Chairman - Mayor
- Vice-Chairman - Vice-Mayor
- Members - Chairperson, Municipal Council  
Committee on Business  
  
Head, Business Permits and Licensing Office (BPLO)  
  
Head, Public Employment Service Office (PESO)  
  
Municipal Treasurer  
  
Head, Market Development and Administration Department  
  
DTI – duly Authorized Representative  
  
DOST – duly Authorized Representative  
  
Representative from duly organized Micro and Small Enterprises Sector to be appointed by the Chairman of the MSED Council

**SECTION 7. *Duties and Functions of MSED Council*** – The Council shall be the primary agency responsible for the promotion, growth and development of MSMEs in San Nicolas by way of facilitating and closely coordinating with national efforts to promote the viability and growth of MSMEs. It shall recommend policies to enhance the business climate, support existing business and to fully realize the development objectives and principles of this Ordinance.

The Council shall conduct quarterly meetings. In addition to its regular meetings, the Chairman of the Council, or upon the request of the majority of the members thereof, may convene a special meeting, provided there is proper written notice, and provided further that the matter taken up in such special meetings shall cover no other matters than those provided for in the notice of Special Meeting and its corresponding agenda. A majority of the members of the Council shall constitute a quorum (1/2+1). The affirmative vote of the members of the council present at a meeting validly held shall be deemed necessary to perform its duties, which shall be as follows:

1. Approve the Micro and Small and Entrepreneurship Development Plan prepared by the San Nicolas Small Business Development and Promotion Office, which shall be effective for three (3) years;
2. To help establish the needed environment and opportunities conducive to the growth and development of MSE sector;
3. Review, evaluate and approve or disapprove the applications for incentive/assistance packages for MSEs;



4. To determine the reasonableness of granting Special Business Tax Incentive to MSEs in consideration of the surrounding circumstances and deference to related laws. It shall ensure that in granting such incentive, the municipal coffer would not be depleted, to the detriment of the delivery of basic services.
5. Recommend, for the action of the Municipal Mayor, agreements and/or contracts that can be entered into by the Municipal Government of San Nicolas with other government agencies and/or private organizations for the purpose of improving the ease of doing business in San Nicolas through, but not limited to, systems integration and simplification, technical cooperation, data sharing, and other ways of expediting and/or simplifying transactions and procedures.
6. Ensure the establishment of Negosyo Center in San Nicolas as mandated by R.A. No. 10644 in coordination with appropriate departments or agencies of the national government;
7. To coordinate and integrate various government and private sector activities relating to small business development;
8. Recommending to the Municipal Council all policy matters affecting small business that require legislation to amend, revise and/or modify this Ordinance;
9. To exercise all powers necessary to attain the objectives and purposes of this Ordinance.
10. To perform other functions as mandated by existing laws, rules and regulations affecting micro and small enterprises.

**SECTION 8. *Registration of Micro Enterprises with a Capital of Php 50,000.00 and Below*** – All micro enterprises that will officially register in San Nicolas with a capital of Php50,000.00 and below shall be exempt from payment of municipal 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 provision to the contrary, all micro and small enterprises in San Nicolas regardless of capitalization, shall secure all the necessary permits and clearances required by the Municipal Government in order to avail of privileges, benefits, and incentives provided in this Ordinance.

**SECTION 9. *Implementing Office*** – The Office of the Municipal Treasurer in coordination with the Business Processing and Licensing Office shall be the primary office in-charge to implement the policies and programs of this Ordinance. Further, it shall facilitate and assist all qualified micro and small business enterprises in San Nicolas to avail the incentives, benefits and privileges granted herein.

**SECTION 10. *Implementing Rules and Regulations*** – Within ninety (90) days after the passage of this ordinance, the MSED Council through the SN-SBDPO shall adopt the Implementing Rules and Regulations (IRR) of this Ordinance subject to confirmation by the Municipal Council.

**SECTION 11. *Transitory Provisions*** – Within Thirty (30) days after the enactment of this Ordinance, the Municipal Mayor shall convene the Members of the MSED Council to perform their duties and functions under this Ordinance.

**SECTION 12. *Separability Clause*** – If, for any reason, any part or provision of this Ordinance shall be held unconstitutional or invalid, other parts or provisions hereof, which are not affected thereby, shall be in full force and effect.

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**SECTION 13. Repealing Clause** – All Ordinances, Resolutions, Rules, Executive Order, Memorandum Circulars and Office Orders or parts thereof, which are inconsistent with any provisions of this Ordinance, are hereby repealed or modified accordingly.

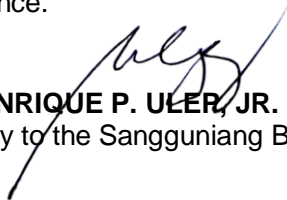
**SECTION 14. Effectivity** – This Ordinance shall take effect immediately upon its approval.

**UNANIMOUSLY APPROVED.”**

Voting on the foregoing ordinance was as follows:

- AYES : Members Butay, Dadiz, Sr., Ruiz, Jr., Caraang, Pumaras, Sr., and Hernando, I.
- NAYS : None.
- ABSTAINED : None.


I hereby certify to the correctness of the foregoing ordinance.

  
**ENRIQUE P. ULER, JR.**  
 Secretary to the Sangguniang Bayan I

**ATTESTED:**

  
**JOSEPH LISTER B. BUTAY**  
 SB Member/Temporary Presiding Officer II

**APPROVED:**

  
**ALFREDO P. VALDEZ, JR., M.D.**  
 Municipal Mayor  
 Approved on: April 21, 2022