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GUIDELINES ON CERTIFYING MICRO AND SMALL ENTERPRISES (MSES) ENGAGED IN THE BUSINESS OF PURCHASING PNP CONTROLLED CHEMICALS

DEPARTMENT ADMINISTRATIVE ORDER NO. 18-01, April 03, 2018

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Adopted: 03 January 2018
Date Filed: 03 April 2018

WHEREAS, Presidential Decree No. 1866 codified the laws on illegal/unlawful possession, manufacture, dealing in, acquisition or disposition, of firearms,

ammunition or explosives or instruments used in the manufacture of firearms, ammunition or explosives;

WHEREAS, Republic Act (RA) No. 9516 amended certain provisions of P.D. No. 1866 by inserting new sections such as Sections 4-C to 4-F providing the authorization or licensing of persons or entities issued a manufacturer's license, dealer's license or purchaser's license by the Philippine National Police (PNP)- Firearms and Explosives Division to import any of the chemical or accessories that can be used in the manufacture of explosives or explosive ingredients from foreign suppliers, or possess or sell them to licensed dealers or end users;

WHEREAS, Section 4 of the Implementing Rules and Regulations on Controlled Chemicals of PD 1866, as amended by R.A. 9516, provides for a more lenient conditions for issuance of license to Department of Trade and Industry (DTI)- certified micro and small enterprises wherein such certification by the DTI serves as proof of the entity's legitimacy and enterprise size;

WHEREAS, the DTI, through the Bureau of Small and Medium Enterprise Development (BSMED) was tasked to formulate and monitor development programs for private institutions involved in assisting the trade and industry sector, delivery mechanisms and linkages for marketing, financial and subcontracting services, and development programs for livelihood and micro, small and medium enterprises, and is hereby directed to formulate the guidelines for MSEs engaged in dealing with PNP-controlled chemicals;

NOW, THEREFORE, the following guidelines are hereby issued for the information, proper guidance and compliance of all concerned.

SECTION 1. Eligibility. Any person, natural or juridical, having the qualifications and none of the disqualifications as provided under Section 3 (a) of RA 9178 otherwise known as the "Barangay Micro Business Enterprises (BMBE's) Act of 2002" and Section 3 of RA 6977 otherwise known as the "Magna Carta for Micro, Small and Medium Enterprises (MSMEs)" as amended, shall be eligible to register for certification of size for micro and small enterprises.

Sec. 2. Qualifications. A person applying for the certification of size for micro and small enterprises shall meet the following qualifications:

> a) Engaged in any business activity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro- processing, trading and services in relation to the purchasing, using,

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and processing of controlled chemicals, except the manufacture of another controlled chemical, pursuant to PD 1866, as amended, and its implementing rules and regulations;

b) With the following asset size, inclusive of those arising from loans, but exclusive of land which the particular business entity's office, plant and equipment are situated:
a. Micro: not more than Three Million Pesos (P3,000,000.00);

b. Small: Three Million and One Pesos (P3,000,001.00) to Fifteen Million Pesos (P15,000,000.00); and

proprietorships; with the Securities and Exchange Commission (SEC), for corporations or partnerships; with the Cooperative Development Authority (CDA) for cooperatives; Department of Labor and Employment (DOLE) for workers' association.

Sec. 3. Place of Registration. Applications for the certification of size for micro and small enterprises shall be filed with the DTI through the Negosyo Centers.

Sec. 4. Requirements for Registration. The following shall be submitted:

a) Duly accomplished Application Form ("Form 1");
b) Certificate of registration as a business entity (e.g. DTI business name certificate for sole proprietorship; SEC registration for corporation, partnership or association; CDA registration for cooperative; DOLE certificate for workers' association);
c) Business Permit from the Local Government Unit.

Sec. 5. Procedure for Registration. The applicant shall follow the steps herein enumerated in applying for certification of size for micro and small enterprises:

1. Accomplish and file the application form, with the complete and appropriate attachments to the DTI Negosyo Center;
2. The Negosyo Center evaluates the application for purposes of determining qualification;
3. The DTI Regional or Provincial office having jurisdiction in the place where the Negosyo Center is located, after finding the applicant to be eligible and qualified, issues the appropriate certification within fifteen (15) working days from receipt of application with complete requirements.

Sec. 6. Validity of the Certification. The Certification shall be valid for a period of two (2) years for BMBEs and one (1) year for other MSMEs, renewable for the same period subject to the requirements provided under Section 4 hereof.

Sec. 7. Authority to Administer Oath. Pursuant to Sec. 41, Chapter 10 of the Administrative Code of 1987, DTI Regional and Provincial Directors are authorized to administer oaths with respect to the application form ("Form 1").

Sec. 8. Fees and Charges. The registration and issuance of certification of micro or small enterprise shall be free of charge.

Sec. 9. Effectivity Clause. This Order shall take effect after fifteen (15) days from its publication in a newspaper of general circulation.

Sec. 10. Separability Clause. If, for any reason, any provision of the Guidelines or application of such rules and regulations is declared unconstitutional or invalid, the remainder of this "Guidelines on Certifying MSEs Engaged in the Business of Purchasing PNP Controlled Chemicals", or application of such provisions, shall not be affected by such declaration.

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