



Republic of the Philippines
Bangsamoro Autonomous Region in Muslim Mindanao
OFFICE OF THE CHIEF MINISTER

Bangsamoro Government Center, Governor Gutierrez Avenue, Rosary Heights VII, Cotabato City 9600

EXECUTIVE ORDER NO. 000 5_p
Series of 2026

**AN ORDER TO PROMOTE, DEVELOP AND ASSIST MICRO, SMALL AND MEDIUM
SCALE ENTERPRISES THROUGH THE CREATION OF THE REGIONAL MICRO,
SMALL, AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) COUNCIL AND
MANDATING THE FORMULATION OF THE BANGSAMORO MSME
DEVELOPMENT PLAN**

WHEREAS, the Constitution of the Philippines provides for the goals of national economy, to wit: a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and service produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged;

WHEREAS, in the pursuit of such goals, the Constitution gives all sectors of the economy and all regions of the country the opportunity to develop;

WHEREAS, the Micro, Small, and Medium Enterprises (MSMEs) is one of the sectors that the Constitution encourages to be developed for the economic growth of the country;

WHEREAS, the Bangsamoro Organic Law (Republic Act No. 11054) gave autonomy to the Bangsamoro Autonomous Region in Muslim Mindanao and gives recognition to the private sector as mover of trade, commerce, and industry;

WHEREAS, in order to achieve equity, social justice, and economic development in the region, the Bangsamoro Government encourages and supports the building up of entrepreneurial capability in the region and recognizes, promote, protect, and support the development of MSMEs;

WHEREAS, premises considered, and consistent with the Constitution and the Bangsamoro Organic Law, there is a need to create a Bangsamoro Regional MSMED Council and mandate the formulation of the Bangsamoro MSME Development Plan to serve as the comprehensive framework for MSME development in the Bangsamoro Autonomous Region;

WHEREAS, during the 81st Cabinet Meeting held on 4 May 2026, the Bangsamoro Cabinet approved in principle this Executive Order creating the Regional Micro, Small, and Medium Enterprises Development (MSMED) Council and mandating the formulation of the Bangsamoro MSME Development Plan as a Cabinet-supported measure;

NOW THEREFORE, I, ABDULRAOF A. MACACUA, Chief Minister of the Bangsamoro Autonomous Region in Muslim Mindanao, by virtue of the powers vested in me by the Constitution, Republic Act No. 11054, and existing laws, do hereby order:

SECTION 1. *Promotion of Micro, Small, and Medium Enterprises.* The Bangsamoro Government, in the promotion, support, strengthening and encouraging the growth and development of Bangsamoro MSMEs in all productive sectors of the economy particularly rural/agri-based enterprises, shall ensure the MSMEs’ continuing viability and growth by:

- a) intensifying and expanding programs for training in entrepreneurship and for skills development for labor;
- b) facilitating their access to sources of funds;
- c) assuring them access to a fair share of governments contracts and related incentives and preferences;
- d) complementing and supplementing financing programs for MSMEs and doing away with stringent and burdensome collateral requirements that small entrepreneurs invariably find extreme difficulty complying with;
- e) instituting safeguards for the protection and stability of the credit delivery system;
- f) raising government efficiency and effectiveness in providing assistance to MSMEs throughout the region, at the least cost;
- g) promoting linkages between large and small enterprises, and by encouraging the establishment of common service facilities;
- h) making the private sector a partner in the task of building up MSMEs through the promotion and participation of private voluntary organizations viable industry associations, and cooperatives; and
- i) assuring a balance and sustainable development through the establishment of a feedback and evaluation mechanism that will monitor the economic contributions as well as bottlenecks and environmental effects of the development of MSMEs.

SECTION 2. *Micro, Small and Medium Enterprises (MSMEs) as Beneficiaries.* - MSMEs shall be defined as any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories:

micro:	not more than	P3,000,000
small:	P3,000,001 -	15,000,000
medium:	P15,000,001 -	P100,000,000

The foregoing definitions shall be subject to periodic review by the MSMED Council, taking into account inflation, prevailing economic conditions, applicable national standards, and relevant Bangsamoro laws. The Council may likewise consider other appropriate variables, including the number of employees, equity capital, and asset size, in formulating its recommendation.

Any proposed adjustment to the MSME definitions or threshold values shall be recommended by the Council for approval by the Chief Minister and shall take effect upon its publication in accordance with applicable laws.

The Council shall ensure that notwithstanding the plans and programs set for MSMEs as a whole, there shall be set and implemented other plans and programs varied and distinct from each other, according to the specific needs of each sector, encouraging MSMEs to graduate from one category to the next or even higher category.

SECTION 3. *Eligibility for Government Assistance.* - To qualify for assistance, counseling, incentives and promotion under this EO, businesses falling under the above definition must be:

- a) duly registered with the appropriate agencies as presently provided by law: Provided, that in the case of micro enterprises as defined herein, registration with the office of the municipal or city treasurer shall be deemed sufficient compliance with this requirement;
- b) one hundred percent (100%) owned, capitalized by Filipino citizens, whether single proprietorship or partnership. If the enterprise is a juridical entity, at least sixty percent (60%) of its capital or outstanding stock must be owned by Filipino citizens;
- c) a 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 purposes of this EO refers to any business activity involving the manufacturing, processing, and/or production of agricultural produce; and
- d) it must not be a branch, subsidiary or division of a large-scale enterprise.

However, this requirement shall not preclude MSMEs from accepting subcontracts and entering into franchise partnership with large enterprises or from joining in cooperative activities with other MSMEs.

Any MSME, its directors, officers or agents, found to have committed fraud or misrepresentation for the purpose of availing the benefits under this EO shall be immediately disqualified as a beneficiary, without prejudice to any administrative, criminal or civil liability under existing laws.

Subject to applicable procurement law, rules, and principles of transparency, competitiveness and value-for-money procurement, Bangsamoro Government agencies are encouraged, whenever practicable and legally permissible to provide MSMEs with opportunities to participate in government procurement through capacity-building, procurement packaging, supplier development programs, and other lawful mechanisms.

SECTION 4. *Guiding Principles.* - To set the pace for MSME development, the Bangsamoro Government shall be guided by the following principles:

- (a) *Minimal set of rules and simplification of procedures and requirements.* - All government agencies having to do with small enterprises shall pursue stability of rules and to encourage entrepreneurial spirit among the citizenry. The agencies shall see to it that procedural rules and requirements, within their respective offices in coordination with other agencies, are minimized in the act of registration, availment of financing and accessing other government services and assistance.
- (b) *Role of the private sector.* - In order to hasten growth and expansion of small and medium enterprises, the private sector throughout the country shall be encouraged to assist in the effective implementation of this Act by participating in government programs for small and medium enterprises strictly in accordance with the law, and consistent with the attainment of the purposes hereof. To encourage private sector participation, the Council, in consultation with the concerned sector, may recommend simplified procedure and localized incentives to small enterprises. The Government shall encourage the organization and

establishment of small and medium enterprise industry associations at the local and regional levels preferably unified under a national federation/association.

(c) Coordination of government efforts. Government efforts shall be coordinated to achieve coherence in objectives. All appropriate offices, particularly those under the Ministry of Trade, Investments, and Tourism (MTIT), Ministry of Agriculture, Fisheries and Agrarian Reform (MAFAR), Ministry of Finance, Budget and Management (MFBM), Ministry of Environment, Natural Resources, and Energy (MENRE), Ministry of Labor and Employment (MOLE), Ministry of Transportation and Communications (MOTC), Ministry of Public Works (MPW), Ministry of Science and Technology (MOST), Ministry of Interior and Local Government (MILG), as well as the Bangsamoro Planning and Development Authority (BPDA), Bangsamoro Information Office (BIO), and their provincial offices shall, to the best of their efforts and in coordination with local government units, provide the necessary support and assistance to MSMEs.

(d) *Decentralization.* - The Bangsamoro shall accelerate the decentralization process by establishing provincial offices in order to enhance and attain greater efficiency in the provision of services to the countryside and the implementation of this EO, in coordination with local government units. To this end, the government agencies shall effect a substantial delegation of authority to their provincial offices to make decisions, particularly in the registration of beneficiaries of this law, qualification for availment of benefits, accreditation of private voluntary organizations, industry associations and cooperatives, and to resolve complaints for violation of applicable laws.

SECTION 5. *Micro, Small and Medium Enterprises Development Plan (MSMEDP).* - The Chief Minister shall approve a six-year micro, small and medium enterprises development plan prepared by the MSMED Council which shall form part of the Bangsamoro Development Plan. It shall be formulated in consultation with the private sector, validated, reviewed and updated on its midterm. Such plan shall include a component on a micro credit financing scheme.

SECTION 6. *Micro, Small and Medium Enterprise Development (MSMED) Council.* - There shall be established a Micro, Small and Medium Enterprise Development Council (MSMED) to effectively spur the growth and development of MSMEs throughout the Bangsamoro Region, and to carry out the policy declared in this EO. The Council shall be attached to the MTIT and shall be constituted within sixty (60) days after the approval of this EO.

The Council shall be the primary agency responsible for the promotion, growth and development of small and medium enterprises in the region by way of facilitating and closely coordinating regional efforts to promote the viability and growth of small and medium enterprises, including assisting relevant agencies in the tapping of local and foreign funds for small and medium enterprise development, as well as promoting the use of existing programs, as well as seeking ways to maximize the use of our labor resources.

SECTION 7. *Composition.* - The Council shall be headed by the Minister of MTIT as Chairman, and the Minister of MILG as Vice Chairman. The ex officio members shall be the following:

- a. Minister of MAFAR;
- b. Bangsamoro Director General of BPDA;
- c. Minister of MOLE;
- d. Minister of MENRE;

- e. Minister of MOST;
- f. Executive Director of CSEA;
- g. Minister of MBHTE;
- h. Minister of MFBM;
- i. Commissioner of Bangsamoro Youth Commission
- j. Commissioner of Bangsamoro Women Commission
- k. Representative from the Banking Sector;
- l. Representative from the Business Sector; and
- m. Representative from State Universities and Colleges.

Ex officio members may choose to designate their Deputies, Director Generals, or next highest-ranking officials as their permanent alternate. Such designation shall remain in force until revoked by competent authority.

The private sector members of the Council, except from the ex officio members, shall serve for a term of three (3) years. The person so appointed to replace a member who has resigned, died, or been removed for cause shall serve only for the unexpired portion of the term.

The private sector members of the Council shall receive per diem of five thousand pesos (5,000) per meeting, for a maximum of twenty-four (24) meetings per year, which per diem may be adjusted by the MSMED Council as appropriate.

The Council may call upon the participation of any regional or local government agency, association of local government officials or private sector organization in its deliberations especially when such agency or private sector or organization directly or indirectly concerned with and/or affecting the growth and development of MSMEs in any particular area or manner.

The Council may create an Executive Committee of five (5) members, automatically including the Chairman and Vice Chairman, from the Bangsamoro Government members elected by the Council from among themselves or their designated permanent representatives, with authority to act for and on behalf of the Council during intervals of council meetings, and within the specific authority granted by the Council.

SECTION 8. Powers and Functions. - The MSMED Council shall have the following powers, duties and functions:

- a. To help establish the needed environment and opportunities conducive to the growth and development of the MSME sector;
- b. Formulate, adopt, and periodically update the Bangsamoro MSME Development Plan;
- c. To recommend to the Chief Minister and the Parliament all policy matters affecting MSMEs;
- d. To coordinate and integrate various government and private sector activities relating to MSME development;
- e. To review existing policies of government agencies that would affect the growth and development of MSMEs and recommend changes to the Chief Minister and the Parliament whenever deemed necessary. This shall include efforts to simplify rules and regulations, as well as review of the applicability in the registration, financing, and other activities relevant to MSMEs the result shall be included in the annual report to be submitted to the Office of the Chief Minister;
- f. To monitor and determine the progress of various Bangsamoro agencies geared towards the development of the sector. This shall include overseeing, in

- coordination with local government units and the MILG as well as private sector groups/association, the development among MSMEs;
- g. To provide the appropriate policy and coordinative framework in assisting relevant Bangsamoro government agencies, in coordination with the BPDA, as may be necessary, in the tapping of local and foreign funds for MSME development;
 - h. To promote the productivity and viability of MSMEs through the provision of administrative direction and/or assistance of relevant Bangsamoro government agencies and institutions at regional and provincial level, facilitating their efforts towards the:
 - h.1. Provision of business training courses, technical training for technicians and skilled laborers and continuing skills upgrading programs;
 - h.2. Provision of labor-management guidance, assistance and improvement of the working conditions of employees in MSMEs;
 - h.3. Provision of guidance and assistance regarding product quality/product development and product diversification;
 - h.4. Provision of guidance and assistance for the adoption of improved production technique and commercialization of appropriate technologies for the product development and for increased utilization of indigenous raw materials;
 - h.5. Provision of assistance in marketing and distribution of products of MSMEs through local supply-demand information, industry and provincial profiles, overseas marketing promotion, domestic market linkaging and the establishment of shared service facilities such as common and/or cooperative bonded warehouse, grains storage, agro-processing and drying facilities, ice plants, refrigerated storage, cooperative trucking facilities, etc;
 - h.6. Intensification of assistance and guidance to enable greater access to credit through a simplified multi-agency financing program; to encourage development of other modes of financing such as Islamic financing, leasing and venture capital activities;
 - h.7. To provide effective credit guarantee systems, and encourage the formation of credit guarantee associations, including setting up credit records and information systems and to decentralize loan approval mechanism;
 - h.8. Provision of concessional interest rates, lower financing fees, which may include incentives for prompt credit payments, arrangements tying amortizations to business cash flows, effective substitution of government guarantee cover on loans for the borrower's lack of collateral;
 - h.9. Provision of bankruptcy preventive measures through the setting up of a mutual relief system for distressed enterprises, and the establishment of measures such as insurance against extraordinary disasters;
 - h.10. Intensification of information dissemination campaigns and entrepreneurship education activities;
 - h.11. Support and facilitate qualified MSMEs' access to or availment of tax credits and fiscal/non-fiscal incentives strictly as provided under applicable Bangsamoro and national laws and implementing rules; and coordinate with the appropriate offices for information, facilitation, and compliance;
 - h.12. Provision of support for product experimentation and research and development activities as well as access to information on commercialized technologies; and
 - h.13. Through appropriate government agencies:

- h.13.I. Provide more infrastructure facilities and public utilities to support operations of MSMEs;
- h.13.II. Establish, operate, and administer a small business incubation program in coordination with academic institutions, MOST and other appropriate Bangsamoro government entities that will provide space for start-up and expanding firms, shared use of equipment and work areas, daily management support services essential to high-quality commercial operations, technical assistance and other services to develop innovative and deserving MSMEs;
- h.13.III. Provide local and international network and linkages for MSME development;
- h.13.IV. Compile and integrate statistical databank on Bangsamoro MSMEs;
- h.13.V. Set-up new MSME centers and revitalize already established MSME centers to provide MSMEs in the provinces easier access to services such as, but not limited to, the following:
 - a. Accept and act on all registration applications of MSMEs;
 - b. Streamline registration process and facilitate speedy registration for the establishment of business enterprises in the region;
 - c. Provide all information and referral services it shall deem necessary or essential to the development and promotion of MSMEs;
 - d. Conduct other programs and development programs, training, advice, consultation on business conceptualization and feasibility, financing, management, capacity building, human resources, marketing, and such other services to support the needs of MSMEs;
 - e. Provide courses and development programs, training, advice, consultation on business conceptualization and feasibility, financing, management, and such other services to support the needs of MSMEs;
- h.13.VI. To submit to the Chief Minister a yearly report on the status of MSMEs in the region, including the progress and impact of all relevant government policies, programs and legislation as well as private sector activities;
- h.13.VII. To coordinate, monitor and assess the implementation of the MSMEDP, and when necessary, institute appropriate adjustments thereon in the light of changing conditions in both domestic and international environment; and
- h.13.VIII. Generally, to exercise all powers and functions necessary for the objectives and purposes of this EO.

SECTION 9. Designation of the Bureau of Trade Industry of MTIT (MTIT-BTI) as Council Secretariat. - The MTIT-BTI is hereby designated to act as the Council Secretariat and shall have the following duties and functions:

- a. to prepare, in coordination with local government units and/or associations of local government officials, and recommend annual as well as medium-term small and medium enterprises development plans for adoption of the Council;
- b. to coordinate the preparation of position papers and background materials for discussion or approval during Council meetings;

- c. to assist the Council in coordinating and monitoring small and medium enterprise policies and programs and activities of all government agencies with respect to small and medium enterprises;
- d. to prepare, collate and integrate all inputs to the Council's yearly report on the status of small and medium enterprises in the region;
- e. to submit periodic reports to the Council on the progress and accomplishment of its work programs; and
- f. to perform ad hoc functions as authorized by the Council.

SECTION 10. Appropriations. - To finance its activities and operational expenses, the Council shall have an annual appropriation under the MTIT budget which shall be provided in the General Appropriation Act starting in the fiscal year immediately following the approval of this EO. The Council may likewise receive grants, donations, or contributions from the private sector and other lawful sources, subject to existing budgeting, accounting and auditing laws, rules and regulations; applicable government policies on gifts, donations, disclosure, and conflict of interest; and the acceptance procedures prescribed by law. All such grants, donations, and contributions accepted for the benefit of the Council shall form part of public funds, shall be received, administered, and accounted for by the Ministry of Trade, Investments, and Tourism in accordance with applicable laws, and shall be subject to audit by the Commission on Audit.

SECTION 11. Rationalization of Existing MSME Programs and Agencies. - The MSMED Council shall conduct continuing review of government programs for MSMEs and submit to the Chief Minister and the Parliament a report thereon together with its policy recommendation.

SECTION 12. Separability Clause. - The provisions of the EO are hereby declared to be separable. If any provision of this EO shall be held unconstitutional, the remainder of the EO not otherwise affected shall remain in full force and effect.

SECTION 13. Repealing Clause. - All executive orders, rules and regulations, or parts thereof, inconsistent herewith are hereby repealed or modified accordingly.

SECTION 14. Effectivity Clause. - This EO shall take effect within fifteen (15) days from its publication in the Bangsamoro Official Gazette and in a newspaper of regional circulation.

DONE in the City of Cotabato, this 04th day of July 2026.

ABDULRAOF A. MACACUA
Chief Minister



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