

The Small Business Corporation (SBCorp), is a government corporation created on January 24, 1991 by virtue of Section 11 of Republic Act (RA) No. 6977, amended on May 6, 1997 by RA No. 8289, otherwise known as Magna Carta for Small and Medium Enterprises (SMEs). SB Corporation is under the policy program and administrative supervision of the Micro, Small and Medium Enterprise (MSME) Development Council of the Department of Trade and Industry (DTI), the primary agency responsible for the promotion and development of SMEs in the country.

On May 23, 2008, the President of the Philippines signed into law RA No. 9501, entitled *“An Act to Promote Entrepreneurship by Strengthening Development and Assistance Programs to Micro, Small and Medium Scale Enterprises Amending for the Purpose Republic Act No. 6977, as amended, otherwise known as the ‘Magna Carta for Small and Medium Enterprises’ and for other purposes”*. The law, among others, increased the Corporation’s authorized capital stock from P5.000 billion to P10.000 billion. Section 13 thereof, amending Section 11 of RA No. 6977, states that:

*“Creation of Small Business Guarantee and Finance Corporation – There is hereby created a body corporate to be known as the Small Business Guarantee and Finance Corporation, hereinafter referred to as the Small Business Corporation (SB Corporation), which shall be charged with the primary responsibility of implementing comprehensive policies and programs to assist MSMEs in all areas, including but not limited to finance and information services, training and marketing.”*

## **CORPORATE FUNDED PROGRAMS**

Using its own corporate funds, SBCorp is engaged in a) Regular Retail Lending for duly registered MSMEs and b) Venture Capital for selected start-up MSMEs. The two financing programs are consistent with the policy statement that SB Corp shall not duplicate existing financing interventions available in the market.

### **Program: Regular Retail Lending**

**Priority Beneficiaries: Targeted Micro and Small Enterprise Markets**

### **Program: Venture Capital Program**

**Priority Beneficiaries: Selected Start-up MSMES thru Partner State Universities and Colleges**

### **Program: Capacity Building Programs**

**Priority Beneficiaries: Targeted Financing Institutions**

## **NATIONAL GOVERNMENT- SUPPORTED PROGRAMS**

### **Program: Enterprise Rehabilitation Financing**

**Priority Beneficiaries: MSMEs who suffered business reversal from calamity**

The program was initially funded by corporate funds when it started in January 2014. SB Corp allotted around P 600 million in support of MSMEs badly affected by Typhoon Yolanda

In response the National Government (NG) granted P200 million credit risk subsidy to SB Corp.

**Program: Pondo sa Pagbabago at Pag-asenso (P3)**

**Priority Beneficiaries: Microenterprises who are economically active**

The National Government implemented its P3 Fund for microenterprises (MEs) starting 2017 via a GAA allocation for SB Corp.

The strategic objective is to provide all MEs that are economically active in all 81 provinces throughout the country, the opportunity to access credit at more reasonable interest rates capped at 2.5% per month.

Not more than 5% of the P3 fund was allocated to higher risk sectors such as internally displaced persons (IDPs) arising from war in Marawi, killed and wounded in action (KIA/WIA) soldiers or their families, MSMEs affected by the temporary closure of Boracay Island and MEs affected by earthquake in Batanes.