



TAPI Administrative Order No. 2025- 004
Series of 2025

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SUBJECT: Revised Implementing Guidelines of the Expanded Venture Financing Program (EVFP)

Section 1. Program Description

1.1. The Technology Application and Promotion Institute of the Department of Science and Technology (DOST-TAPI)'s Expanded Venture Financing Program (EVFP) aims to accelerate the commercialization and utilization of innovative technologies or inventions by providing the necessary financial support to start-ups, spin-offs, and graduates of Technology Innovation for Commercialization (TECHNICOM) program and Startup Grant Fund (SGF).

Section 2. Background

Pursuant to Article XIV, Section 10 of the 1987 Philippine Constitution, the State shall prioritize research and development, invention, innovation, and their utilization, supporting indigenous and self-reliant scientific and technological capabilities for national development.

In line with this mandate, DOST-TAPI was created under Executive Order No. 128, series of 1987, to provide financial and technical assistance for the commercialization of Filipino inventions and innovations. Specifically, Section 28(C) of the Executive Order authorizes DOST-TAPI to provide grants and/or venture financing for new and emerging projects to strengthen technology-based enterprises.

To further enhance support for innovation, DOST-TAPI expanded the Venture Financing Program (VFP) in accordance with Republic Act (RA) No. 11337, or the Innovative Start-up Act, and RA No. 10055, or the Philippine Technology Transfer Act of 2009. This expansion aims to provide funding assistance to innovative start-ups, spin-offs, and graduates of the TECHNICOM and SGF Programs, ensuring that Filipino enterprises gain access to resources necessary for commercialization.

Additionally, the Program is aligned with RA No. 7459, which promotes the commercial production of patented Filipino inventions. Through the Invention Guarantee Fund (IGF), financial support is extended to qualified borrower-beneficiaries to facilitate the scaling up of Filipino technologies.

In support of these policy objectives, these guidelines are hereby issued to establish a structured framework for the implementation of the EVFP, ensuring equitable access to financial assistance for both men and women and reinforcing the government's commitment to fostering innovation-driven economic growth.

Section 3. Definition of Terms

The terms used in the Implementing Guidelines shall mean as follows:

- 3.1. **Active IP Application** – For purposes of this Guidelines, active IP application shall mean that the same has been duly file before IPOPHL and has not been abandoned, withdrawn, and/or finally rejected by said office; provided that, in case of patents, payments for the annuity is updated.
- 3.2. **Active IP Registration** – For purposes of this Guidelines, the term active IP registration shall mean that the term of protection has not lapsed and the necessary fees and/or documents are timely paid and filed, if any.
- 3.3. **Commercialization** - refers to the process of deriving income or profit from a technology, such as the creation of a spin-off firm, licensing, and/or the sale of the technology and/or intellectual property rights (IPRs).
- 3.4. **Counterpart fund** – refers to the funds provided by the Proponent in the proposed project. The Proponent shall put up at least thirty percent (30%) of the total project cost.
- 3.5. **Deed of Assignment** – is a legal document that transfers or assigns the legal rights and obligations to another party.
- 3.6. **DOST-TAPI Executive Committee (EXECOM)** – refers to the committee composed of DOST-TAPI Director, Division Chiefs, and Head of Legal Unit, who facilitates the recommendation and approval of a project proposal.
- 3.7. **Emerging Technologies** – refers to radically novel and fast-growing technologies.
- 3.8. **Expanded Venture Financing Program (EVFP)** - refers to the program of DOST-TAPI to help startups, spin-offs, SGF and TECHNICOM graduates accelerate the commercialization and utilization of innovative technologies or inventions by providing the necessary financial and technical support to technology-based start-ups, and spin-off projects.
- 3.9. **Fixed Asset** – refers to long-term tangible assets owned by the firm that are used in operations of the business to generate income. These include, but are not limited to, production, office, and ICT Equipment. Fixed assets are also known as property, plant, and equipment (PPE).
- 3.10. **Innovative Product** – a good or service that is new or significantly improved, such as improvements in technical specifications, component materials, software, user friendliness, or other functional characteristics.
- 3.11. **Innovative Technologies** – refers to innovative products and/or processes which result from the creation of new ideas which are then spread or transferred across the market.

- 3.12. Invention Guarantee Fund or IGF – refers to the fund created by RA 7459 to pay for the finance and guarantee of the loan assistance, cash rewards, special financing, and other incentives provided under the Act.
- 3.13. Land Bank of the Philippines (LBP) – refers to the Landbank of the Philippines, a government financial institution that strikes a balance in fulfilling its social mandate of promoting countryside development while remaining financially viable.
- 3.14. Land Bank of the Philippines - Trust Banking Group (LANDBANK-TBG)- is responsible for the safekeeping and collection of payment amortization of the Proponent. Part of the unit or department that manages the IGF fund includes the LBP Lending Center/Unit, Lending Programs Management Group, Lending Support Department and Program Management Department II of LANDBANK.
- 3.15. Pre-operating Expenses – refers to the expenses before the startup or formation and operation of a spin-off company. Pre-operating costs include expenses related to the market study/validation, as well as actual costs associated with forming or registering the company. These expenses include consulting fees paid to experts and advisors during start-up, such as legal and accounting costs. Expenses related to securing the following are also included:
- a. Food and Drug Administration License-to-Operate (FDA-LTO),
 - b. FDA certificate of product registration (CPR); and
 - c. Other similar permits and licensing fees.
- 3.16. Priority Sectors - refers to the list of priority sectors identified by DOST-TAPI through an appropriate official issuance.
- 3.17. Proponent - refers to an entity or individual that prepares and submits project proposals for DOST-TAPI's approval and assistance under the Expanded Venture Financing Program.
- 3.18. Raw Materials - refers to materials or substances or reagents used in the primary production or manufacturing of goods.
- 3.19. Research and Development Institute (RDI) - refers to a public or private organization, association, partnership, joint venture, higher education institution, or corporation that performs R&D activities and is duly registered and/or licensed to do business in the Philippines, or otherwise possesses legal personality in the Philippines. For purposes of these Guidelines, it shall refer to DOST-RDIs and all Offices or Agencies within the DOST System, DOST-funded technologies in State Universities and Colleges (SUCs), and other RDIs funded by the government that developed a technology subject of spin-off activity as defined herein.
- 3.20. Researcher-Employee - refers to an active employee of the RDI who, at the same time, is a researcher in a government-funded R&D, the IP and/or IPRs of which are subject to commercialization through the creation of a spin-off company.

- 3.21. Spin-off Activity – refers to the act of either (a) creating, owning, controlling, or managing a company that undertakes the commercialization of the technology; or (b) accepting employment as an officer, employee, or consultant in a company that was created through the initiative of the researcher-employee for the purpose of undertaking the commercialization of the subject technology. For easy referencing, the first refers to “Establishing a spin-off company” while the second is “Accepting a spin-off employment”.
- 3.22. Spin-off Agreement – refers to an agreement between the technology licensor (DOST-RDI) and the researcher-employee (spin-off firm) to transfer or assign legal rights of the technology for commercialization.
- 3.23. Spin-off Companies or firms – are companies established by the DOST-Research and Development Institute (RDIs) researcher-employee to commercialize their developed technologies. Spin-off companies may also come from State University and College (SUCs) or other government RDIs using government funds in the generated technologies for commercialization.
- 3.24. Start-up Company – refers to a newly formed business that is innovative and has a current high market demand to commercialize its products or services. These companies may fall under the program's target sector for possible funding assistance. Start-ups companies utilizing emerging technologies and/or innovative technologies through the provision of seed-capital to upscale the operation and commercialize its developed technologies.
- 3.25. Start-up Grant Fund (SGF) – fund allocated by DOST-Councils from the DOST-GIA to fund the innovative programs or projects of start-up and start-up enablers in implementing the Philippine Startup Development Program (PSDP);
- 3.26. Start-up Grant Fund graduates – refers to Start-up beneficiaries of DOST SGF programs who finished the project implementation term or its approved extension, if any, regardless of their completion or liquidation status. For purposes of this Guidelines, SGF Graduates shall exclude startup enablers funded under the DOST Startup Grant Fund.
- 3.27. Technology-based Company - refers to a company utilizing innovative technology in its business operations.
- 3.28. Total Project Cost - refers to the total amount of funds for the project. It is the sum of the funds provided by DOST-TAPI and the counterpart of the Proponent.
- 3.29. Working Capital Requirement - refers to the amount of money required to cover the operating costs. It represents the company's financing requirements linked to the primary activity of the business operations.

Section 4. Objectives

Generally, the Program aims to accelerate the commercialization and utilization of technologies and inventions, improve business viability, and enhance the business competitiveness by providing financial assistance to technology-based enterprises.

Specific objectives are as follows:

- 4.1. To provide support to spin-off and innovative start-up companies;
- 4.2. To scale-up the operation of the start-up and spin-off companies;
- 4.3. Gender Equality Goals and Outcomes:
 - 4.3.1 To have equal opportunity principles of men and women beneficiaries of Expanded VFP in their employment process; and
 - 4.3.2 To have enhanced gender responsiveness in the entire operation of the Institute to ensure that services are participatory, fair, empowering, and sustainable.

Section 5. Assistance Coverage

- 5.1. *Assistance Covered.* The financial assistance under this Program may cover any or both of the following costs:
 - 5.1.1. Pre-operating Expense in the amount of not more than Five Hundred Thousand Pesos (₱500,000.00) in the form of a grant charged to TAPI-GIA;
 - 5.1.2. Working Capital in the amount of not more than Four Million Five Hundred Thousand Pesos (₱4,500,000.00) with full refund charged to TAPI-IGF for the acquisition of the following items for the operational requirement among others:
 1. Fixed assets/or production equipment;
 2. Rental for the use of space of RDI facilities;
 3. Rental for the use of space of TBI facilities;
 4. Leasehold for the use of space of administrative and marketing office;
 5. Laboratory testing expenses;
 6. Production materials;
 7. Packaging materials;
 8. ICT software and subscription;
 9. Labor expenses in the production;
 10. Utilities; and
 11. Other indirect expenses needed in the operation of the business.

- 5.2. *Counterpart Fund.* In all cases, a counterpart fund in the amount of least thirty percent (30%) of the total project cost shall be shouldered by the Proponent defined under Section 3.2 of these Guidelines, subject to the recommendation of the Program Manager and approval of the DOST-TAPI

Section 6. Eligibility

- 6.1 To qualify for the Program, the Proponent must satisfy ALL of the following:
- 6.1.1. Technology-based company which falling under any of the following:
 - 6.1.1.1 start-up graduate of DOST Start-up Grant Fund (SGF);
 - 6.1.1.2 start-up graduate of TECHNICOM Program;
 - 6.1.1.3 spin-off company from DOST-RDI and DOST funded/supported SUC/HEI who owns the technology subject of commercialization through a deed of assignment, original ownership, or other modes.
 - 6.1.1.4 innovative startup company who owns the technology subject of commercialization
 - 6.1.2. Duly registered as a Corporation, the 60% of ownership and control of which belongs to Filipino citizens;
 - 6.1.3 Start-up/spin-off companies that have successfully implemented projects previously assisted by DOST-TAPI which have been fully-liquidated and without any outstanding financial obligations; AND
 - 6.1.4 Owns the technology subject of the commercialization, with either an active IP registration (Invention, Utility Model or Industrial Design) or with active IP application
 - 6.1.5. The IP registration or application, whichever is applicable, must be active both at the time of the application/request for financial assistance and the release of funds.
- 6.2 Conditions for Applicants with Pending IPR Applications
- 6.2.1 For purposes of application, a Registered Business Enterprise (Corporation) with an active intellectual property rights (IPR) application filed with Intellectual Property Office of the Philippines (IPOPHL) may submit an application.
 - 6.2.2 In case of withdrawal, abandonment or final rejection of the IPR application, the proponent shall be required to immediately refund the remaining balance of the financial assistance, if any. The refund of the grant portion shall be determined based on the stage of project implementation and the extent of fund utilization, subject to evaluation by DOST-TAPI.
 - 6.2.3 DOST-TAPI shall monitor the status of IPR Application from the start of the project implementation until 5 years after the implementation period. Thereafter, the project shall be tagged as completed only with respect to the IPR requirement for monitoring purposes, without prejudice to other project obligations, including proper liquidation in accordance with government audit and accounting rules and regulations.

Section 7. Criteria for Evaluation

The Proponent shall submit the complete requirements as indicated in Annex A hereof.

- 7.1. The proposal shall be evaluated upon completion of the documentary requirements submitted.
- 7.2. The proposal shall be evaluated according to the following criteria as indicated in Annex B hereof:
 - 7.2.1. Responsiveness (10%)
 - 7.2.2. Technical Aspect (30%);
 - 7.2.3. Marketing Aspect (40%); and
 - 7.2.4. Financial Aspect (20%).
- 7.3. A Proponent should have an overall weighted average rate of at least three (3) to be considered for the final evaluation or endorsement for Execom presentation.
- 7.4. The project should fall under any of the priority sectors as mentioned in Section 3.14 of these Guidelines.

Section 8. Role of Landbank

- 8.1. Facilitate the release of funds for approved proposals duly endorsed by DOST-TAPI;
- 8.2. Safekeep postdated checks covering the refund of financial assistance, subject to minimal service charge or fee, which shall be covered under IGF funds;
- 8.3. Transfer the repayments of financial assistance to the TAPI-IGF Trust Account; and
- 8.5. Share monthly updates with **DOST-TAPI** on the status of all accounts under the EVFP

Section 9. Fund Release and Monitoring

- 9.1. DOST-TAPI shall facilitate the checking, evaluation and approval of the project proposal.
- 9.2. Upon signing of the Memorandum of Agreement (MOA) and release of funds, the Proponent shall issue post-dated checks (PDCs) payable to TAPI Invention Guarantee Fund to cover the refund of the financial assistance, in accordance with the approved Schedule of Refund.
- 9.3. DOST-TAPI shall release the grant portion directly to the Proponent/borrower through LDDAP-ADA.
- 9.4. DOST-TAPI shall issue Letter of Instruction to LBP, directing the release of the funds subject to repayment to the applicant-borrower.
- 9.5. LANDBANK shall release the funds to the Proponent/borrower. No financial assistance amount shall be released to the borrower unless the latter has submitted, in addition to other documentary requirements, an IP registration certificate or a proof of filed active registration application for the subject technology.

- 9.6 The DOST-TAPI and LANDBANK shall recover the financial assistance, which is subject to repayment, in an amount commensurate with the full value of the funds provided, without interest. The mode and manner of recovery shall be based on the company's projected implementation cycle, as reflected in the projected financial statements or cash flows, and as agreed upon by DOST-TAPI and the Proponent. These terms shall be indicated in the MOA, provided that the total period of implementation, including the grace and the refund period, shall in no case exceed five (5) years after the release of funds. A penalty of 0.5 percent (0.5%) per month on the principal amortization due shall be charged to the Proponent in case of delay of remittance until fully paid.
- 9.7 Failure of the Proponent to refund the installment amounts for three (3) consecutive payments shall render the entire unpaid obligation due and demandable, including penalty charges incurred therein.
- 9.8 In case of denial of the IPR application, the proponent shall be required to refund the remaining balance of the financial assistance, if any. The refund of the grant portion shall be determined based on the stage of project implementation and the extent of fund utilization, subject to evaluation by DOST-TAPI.
- 9.9. DOST-TAPI shall monitor the status of IPR Application from the start of the project implementation until 5 years after the implementation period. Thereafter, the project shall be tagged as completed only with respect to the IPR requirement for monitoring purposes, without prejudice to other project obligations, including proper liquidation in accordance with government audit and accounting rules and regulations.

Section 10. Collateral

The Proponent shall use the object of financing and technology subject of the approved project as collateral for the portion of financial assistance with refund, if any. In case the Proponent is legally incapable of using the technology as collateral, the Institute may require the Proponent other acceptable forms of collateral in lieu thereof. The Institute may value the collateral(s) based on the applicable generally acceptable accounting rules. The Institute shall take appropriate steps to protect its interest over the collateral at the earliest possible time. In case of termination due to breach of contract on the part of the Proponent, the collateral shall be used to satisfy the Proponent's financial obligation up to the value of the technology. The cost of valuation shall be borne by the Proponent. In case of failure or refusal on the part of the Proponent to cause the valuation of the technology for purposes of satisfying the Proponent's financial obligation, the collateral may be forfeited in favor of the Institute, subject to applicable laws.

Section 11. Termination and Legal Action

- 11.1 The Account may be terminated by DOST-TAPI under any of the conditions specified herein, including but not limited to default, fraud, or other causes of action. Termination of project will be in accordance to TAPI Memorandum Circular Number 2016-001 and TAPI Resolution Number 2019-14, and any other applicable policies and resolutions issued by DOST-TAPI, which outline office policies on enforcement for delinquent and termination of TAPI-GIA projects; and

11.2. DOST-TAPI shall act in accordance with its applicable procedures and regulations. For the recovery of payment, DOST-TAPI shall take appropriate legal actions as necessary. All payments due for recovery shall be deposited into LANDBANK IGF account.

Section 12. Separability Clause

In case any provision in this Order shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Repealing Clause

All previously issued DOST-TAPI issuances inconsistent with these Guidelines are hereby revised or amended accordingly.

Section 14. Effectivity

This Order shall take effect after fifteen (15) calendar days from its publication either to the Official Gazette or upon filing copies thereof at the University of the Philippines (UP) Law Center.

Taguig City, Philippines, _____ 2025.


ATTY. MARION IVY D. DECENA
Director

**ANNEX A
EXPANDED VENTURE FINANCING PROGRAM
CHECKLIST OF REQUIREMENTS**

1	Proponent's application letter and commitment to avail the financial assistance addressed to TAPI Director
2	Status of previous and or on-going assistance/Endorsement of the concerned DOST Agencies/ Higher Education Institution (HEIs)/ State Colleges and Universities (SUCs), if applicable
3	Duly-Accomplished Data Privacy Consent Form
4	FULL BLOWN PROJECT PROPOSAL/ Feasibility Study Company's Background; Marketing Aspect; Technological Aspect; Waste Management/Disposal/ Social Aspect; and Financial Aspect.
5	Business Model Canvas (BMC), (if applicable)
6	Certificate of registration of business name with SEC including the Latest General Information Sheet (GIS)
7	Notarized Board resolution or Secretary's Certificate authorizing the borrowing and designating authorized signatories for the financial assistance
8	Mayor's / Business Permit
9	Projected financial statements for the next five (5) years
10	Latest Audited Financial Statement for at least one (1) year (if applicable)
11	Proof of Ownership by the proponent of the subject technology sought to be commercialized, such as IP Documents/IP Certificates, Deed of assignment/ Spin-off Agreement or Technology Licensing Agreement (TLA)
12	Purchase orders, sales contracts or letter of intent by the client to buy the products or any proof to justify the marketability of the proposed project (if applicable)
13	For Pre-operating Expenses Requirement (whichever is applicable) Quotation for legal expenses and accounting costs Quotation for consultancy fee in securing FDA licenses Quotation in securing FDA related expenses Quotations for other related expenses in securing other similar permits and licenses needed by the company
14	For Working Capital Requirement (whichever is applicable) Three (3) quotations from suppliers/ fabricators for all the equipment to be purchased/ fabricated Quotation/ billings for laboratory testing expenses and utilities Quotation for leasehold agreement/ rent for the use of space Quotation for ICT software and subscription Copies of delivery receipts or sales invoice for raw and packaging materials requirement Copy of payroll/ contract of services for labor expenses requirement Quotations for other indirect expenses needed by the company

**Annex B: Criteria of Evaluation
Expanded Venture Financing Program**

Scale	RATING	Responsiveness (10%)	Technical Aspect (30%)	Financial Aspect (20%)	Marketing Aspect (40%)
		Comments/ Remarks	Comments/ Remarks	Comments/ Remarks	Comments/ Remarks
Outstanding	5	The proponent has responded to the concerns, documents requested by the IATEC/TEC within the deadline.	The Technology Readiness Level (TRL) is at 9 and Investment Readiness Level (IRL) is at least 9 Has the existing capability to implement the project	The computed Return on Investment of the project is above 20% . The company's liquidity ratio of the project is more than 1:1 .	The proponent has: - at least potential for export market-reach - potential nationwide market. - existing captured market regionwide. - existing distribution channels and high competitive edge.
Very Satisfactory	4	The proponent has responded to the IATEC/TEC one (1) working day after the deadline.	The TRL is at 9 and IRL is at least 8 Has the possible capability to implement the project	The computed Return on Investment of the project is between 16-20% . The company's liquidity ratio of the project is at least 1:1 .	The proponent has: - potential nationwide market. - existing captured market regionwide. - existing distribution channels. - average competitive edge
Satisfactory	3	The proponent has responded to the IATEC/TEC the IATEC/TEC two (2) working days after the deadline.	The TRL is at least 8 and IRL is at least 8 Has the potential capability to implement the project	The computed Return on Investment of the project is between 11-15% . The liquidity ratio of the project is less than 1:1.	The proponent has: - potential region wide market - existing market within the province/city - can supply/distribute the product within the province/city - average competitive edge
Fair	2	The proponent has responded incompletely to the IATEC/TEC	The TRL is at least 7 and IRL is at least 8 The company may have the capability to implement the project	The computed Return on Investment of the project is between 6-10% . The liquidity ratio of the project is negative	The proponent has: - market and can distribute the product within the community - low competitive edge

<p>Poor</p> <p>1</p>	<p>The proponent has not responded to the IATEC/TEC</p>	<p>The TRL is at least 6 and IRL is at least 8 The company has no capability to implement the proposed project</p>	<p>The computed Return on Investment of the project is 5% or below. The liquidity ratio of the project is negative and don't have the potential to be positive within the proposed implementation of the project</p>	<p>The proponent has:</p> <ul style="list-style-type: none"> - low market - don't have the potential market to sustain the operation and implement the proposed project.
<p>Passing Score: 3.0</p>	<p>1. Ability to respond and provide the clarifications requested by the IATEC/TEC</p> <p>Basis:</p>	<p>1. IP Documents 2. Proposal 3. Business Model Canvass 4. National Aeronautics and Space Administration – European Association of Research and Technology Organization (NASA-EARTO) TRL Scale</p> <p>Basis:</p>	<p>1. Audited Financial Statement (if applicable) 2. Projected Financial Statement 3. Interim Financial Statement (if applicable)</p> <p>Basis:</p>	<p>1. Marketing Plan 2. List of existing customers 3. List of Potential Customers 4. PO/ Intent to purchase</p> <p>Basis:</p>