

# BUSINESS REGISTRATION REFORMS

BY

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**South-South Expert Knowledge Sharing Forum**  
**On Policy Innovations and Lessons Learned on Enterprise Formalization**  
**to Achieve Decent Work in the Philippines**  
**through Peer to Peer Learning**

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**16 July 2018**  
**Hotel Jen Manila, Pasay City**



# KEY TOPICS




- I. CONTEXT
- II. POLICY TOOLS AND INTERVENTIONS
- III. ROLE OF THE DTI COMPETITIVENESS BUREAU
- III. BUSINESS REGISTRATION REFORMS
- IV. ASEAN REFORMS
- V. LESSONS LEARNED



# TRABAHO NEGOSYO KABUHAYIN

Employment and Livelihood Summit

Blueprint for Decent Job Creation through  
Employment and Entrepreneurship 2017-2022  
Preparing Our Workforce for Industry's Needs  
Today and Tomorrow

 DTI.philippines  dtiphillippines  dti.philippines

hosted by:



**#8** Spur an entrepreneurial revolution and encourage the **formalization and growth of MSMEs** through the full implementation of the Go Negosyo Law, MSME Development Plan, and the APEC 2015 Action Agenda to Globalize MSMEs.

# Chapter 9 Expanding Economic Opportunities in Industry and Services through Trabaho at Negosyo

**Subsector Outcome 2: Competitiveness, innovativeness, and resilience of industries and services increased**

**Improve the business climate**

Simplify the rules and regulations on business registration and licensing, entry and exit, paying taxes, and access to finance to encourage the rapid growth of businesses of all sizes and the **movement of small firms to the formal sector**. Harmonizing and streamlining procedures among national government agencies and local government units will minimize, if not eliminate, redundancies and overlaps. Full implementation of the Philippine Business Registry and the Business Permit Licensing System will also facilitate start-ups and help reduce transaction costs.

Philippine Development Plan, Chapter 9, page 132

Department of Trade and Industry

Figure 9.1 Strategic Framework to Expand Economic Opportunities in I&S, 2017 – 2022





# PHILIPPINE POLICY TOOLS AND INTERVENTIONS



# BMBE registration

Republic Act No. 9178

November 13, 2002

AN ACT TO PROMOTE THE ESTABLISHMENT OF BARANGAY MICRO BUSINESS ENTERPRISES (BMBEs), PROVIDING INCENTIVES AND BENEFITS THEREFOR, AND FOR OTHER PURPOSES.

- Exemption from taxes and fees
- Exemption from the coverage of the minimum wage law
- Credit delivery

## Barangay Micro Business Enterprise



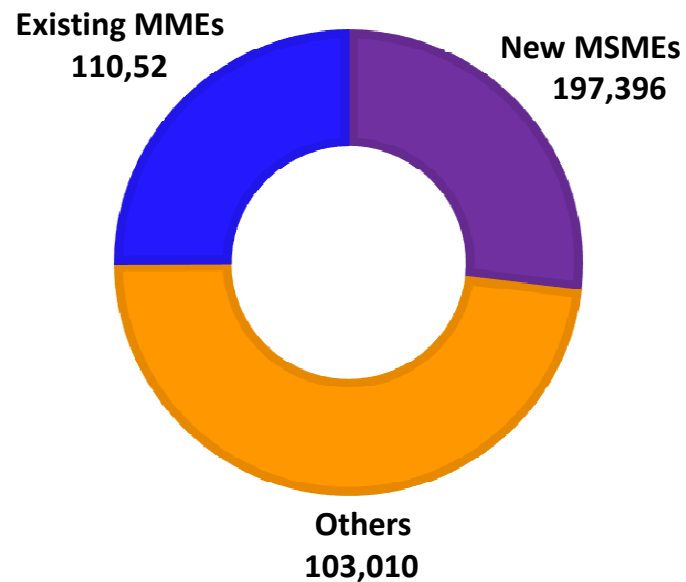
*It is hereby declared to be the policy of the State to hasten the country's economic development by encouraging the formation and growth of barangay micro business enterprises which effectively serve as seedbeds of Filipino entrepreneurial talents, and **integrating those in the informal sector with the mainstream economy**, through the rationalization of bureaucratic restrictions, the active intervention of the government specially in the local level, and the granting of incentives and benefits to generate muchneeded employment and alleviate poverty.*



**REPUBLIC ACT No. 10644**

**July 15, 2014**

**AN ACT PROMOTING JOB  
GENERATION AND INCLUSIVE  
GROWTH THROUGH THE  
DEVELOPMENT OF MICRO,  
SMALL AND MEDIUM  
ENTERPRISES**



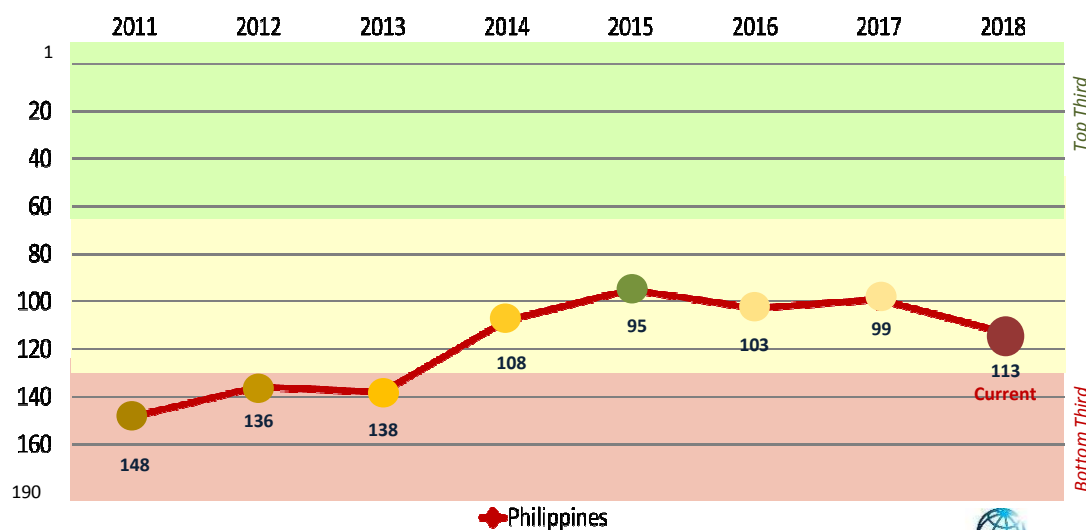
Clients Assisted As of May 2018	
Clients Assisted	410,934
BN Registered	244,941
BMBE Registered	14,078
Trainings (Skills, Managerial/Entrep)	4,418
Loans Granted/Approved	P152M



## Administrative Order 38 May 17, 2013

CREATING AN INTERAGENCY  
TASK FORCE TO INITIATE,  
IMPLEMENT AND MONITOR  
EASE OF DOING BUSINESS  
REFORMS

### Ease of Doing Business Philippine ranking, 2011-2018



Source:



# DOING BUSINESS SURVEY: OUR BENCHMARK

Indicator	Philippines		Who sets the Frontier?	Frontier DTF Points
	Rank	DTF Points		
Starting a Business	173	68.88	New Zealand	99.96
Dealing With Construction Permits	101	66.84	Denmark	86.79
Getting Electricity	31	84.31	UAE	99.92
Registering Property	114	57.55	New Zealand	94.47
Getting Credit	142	30.00	New Zealand	100
Protecting Investors	146	40.00	Kazakhstan	85.00
Paying Taxes	105	69.27	UAE & Qatar	99.44
Trading Across Borders	99	69.39	16 Economies	100
Enforcing Contracts	149	45.96	Korea, Rep.	84.15
Resolving Insolvency	59	55.22	Japan	93.44





# RA 11032: Ease of Doing Business and Efficient Government Service Delivery Act of 2018

28 May 2018

## REPUBLIC ACT NO. 11032

"AN ACT PROMOTING EASE OF DOING BUSINESS AND EFFICIENT DELIVERY OF GOVERNMENT SERVICES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9485 OTHERWISE KNOWN AS THE ANTI-RED TAPE ACT OF 2007, AND FOR OTHER PURPOSES"

*Be it enacted by the Senate of the Philippines and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. Section 1 Republic Act No. 9485, otherwise known as the "Anti-Red Tape Act of 2007", is hereby amended as follows:

"SECTION 1. *Short Title.* – This Act shall be known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018."

SEC 2. Section 2 of the same Act is hereby amended as follows:

"SEC. 2. *Declaration of Policy.* – It is hereby declared that the policy of the State to promote integrity, accountability, proper management of public affairs and public property as well as to establish effective practices, aimed at efficient turnaround of the delivery of government services and the prevention of graft and corruption in the government. Towards this end, the State shall maintain honesty and responsibility among its public officials and employees, and shall take appropriate measures to promote transparency in each agency with regard to the manner of transacting with the public, which shall encompass a program for the adoption of simplified requirements and procedures that will reduce red tape and expedite business and nonbusiness related transactions in government."

SEC. 3. Section 3 of the same Act is hereby amended to read as follows:

"SEC. 3. *Coverage.*— This Act shall apply to all government offices and agencies including local government units (LGUs), government-owned or controlled corporations and other government instrumentalities, whether located in the Philippines or abroad, that provide services covering business and nonbusiness related transactions as defined in this Act".





## COMPETITIVENESS BUREAU

*“We make doing business easier,  
because competitiveness is our business”*

**NOW ALSO:**

*The Temporary Secretariat of the  
Anti Red Tape Authority*





# MANDATE



*Enhance the development and pursuit of competitiveness of Philippine trade and local industries through focused efforts on the implementation of programs/ projects/ activities intended to improve the quality of industry outputs and services, as well as their productivity, through improvement in business systems and processes and the flow of inputs and outputs.*



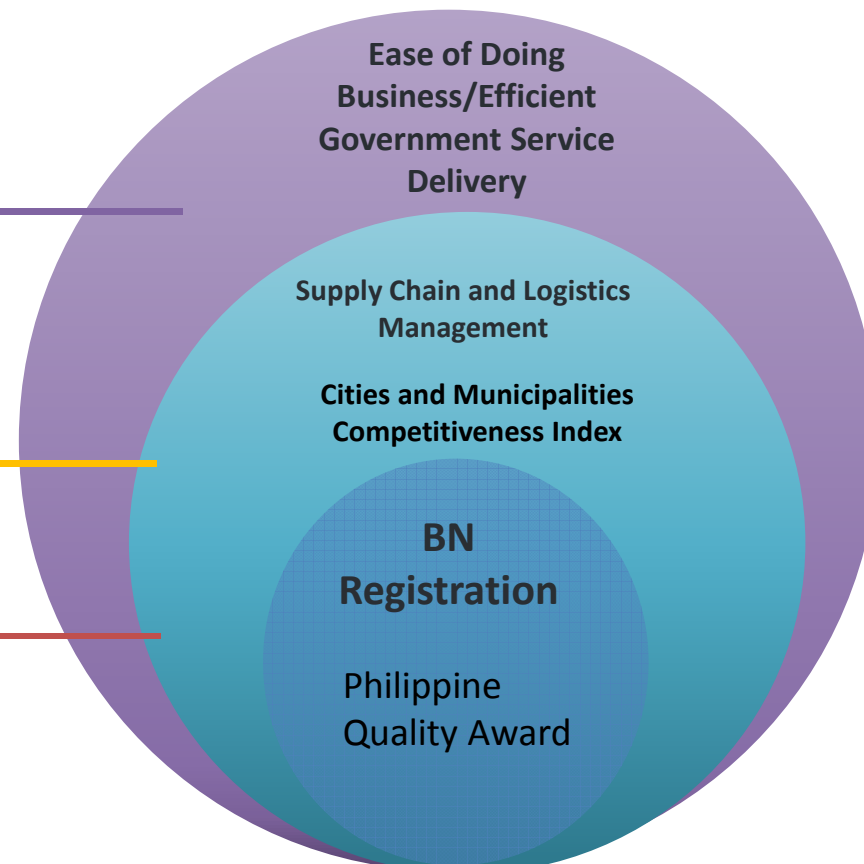
“We make doing business easier..  
Competitiveness is our business.”



**Macro**

**Meso**

**Micro**



# BUSINESS REGISTRATION REFORMS



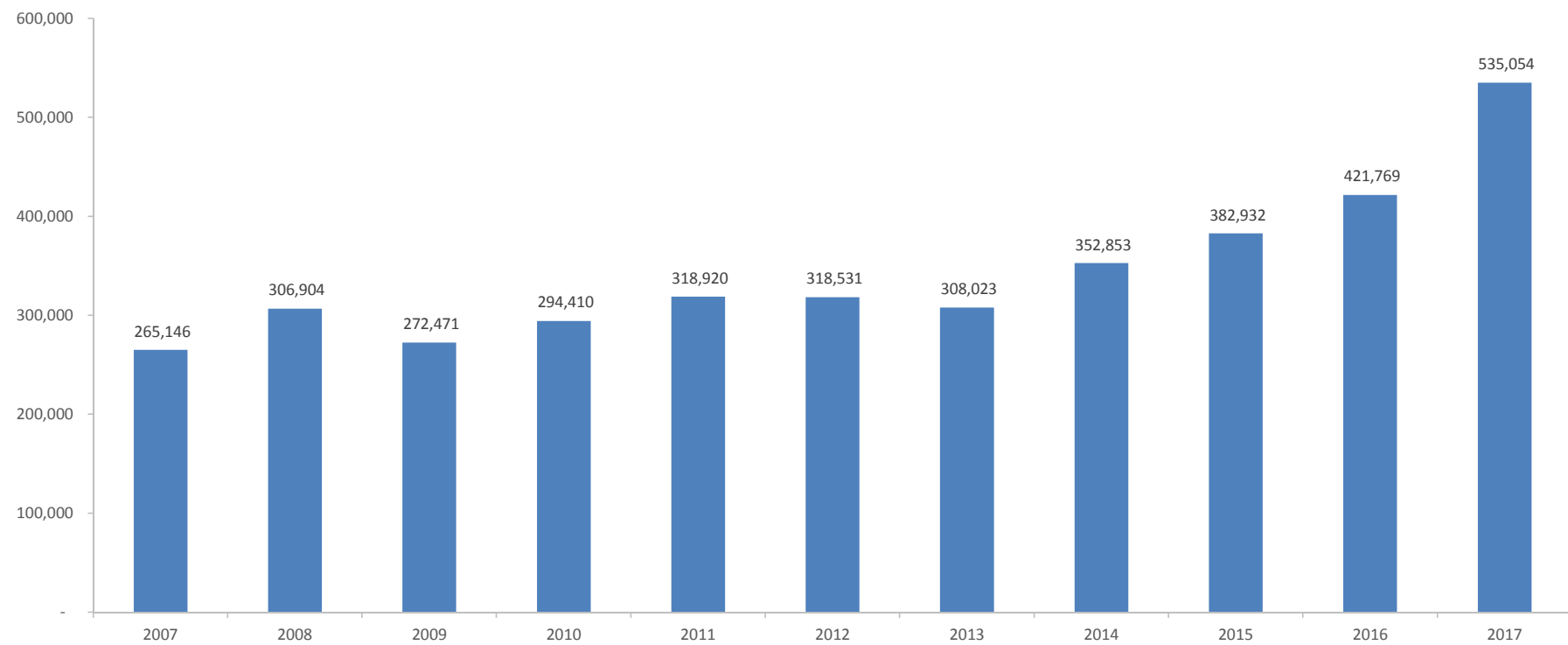


# BUSINESS REGISTRATION IN THE PHILIPPINES

AGENCY	Active Business Registrations as of December 2017	January to June (same period)		Inc/Dec
		2017	2018	
Securities and Exchange Commission (SEC)	679,554	8,095	11,192	38%
DTI Business Name	503,522	320,880	367,900	15%
Quezon City - LGU	72,329	7,022	7,349	5%



# Business Name Registration 2007-2017



# Business Name Registration



	new	renewal
2013	-7%	19%
2014	13%	23%
2015	11%	-5%
2016	11%	7%
2017	30%	5%

# STARTING A BUSINESS

Reduced number of steps from 16 to **10**

Reduced number of days from 28 to **16**



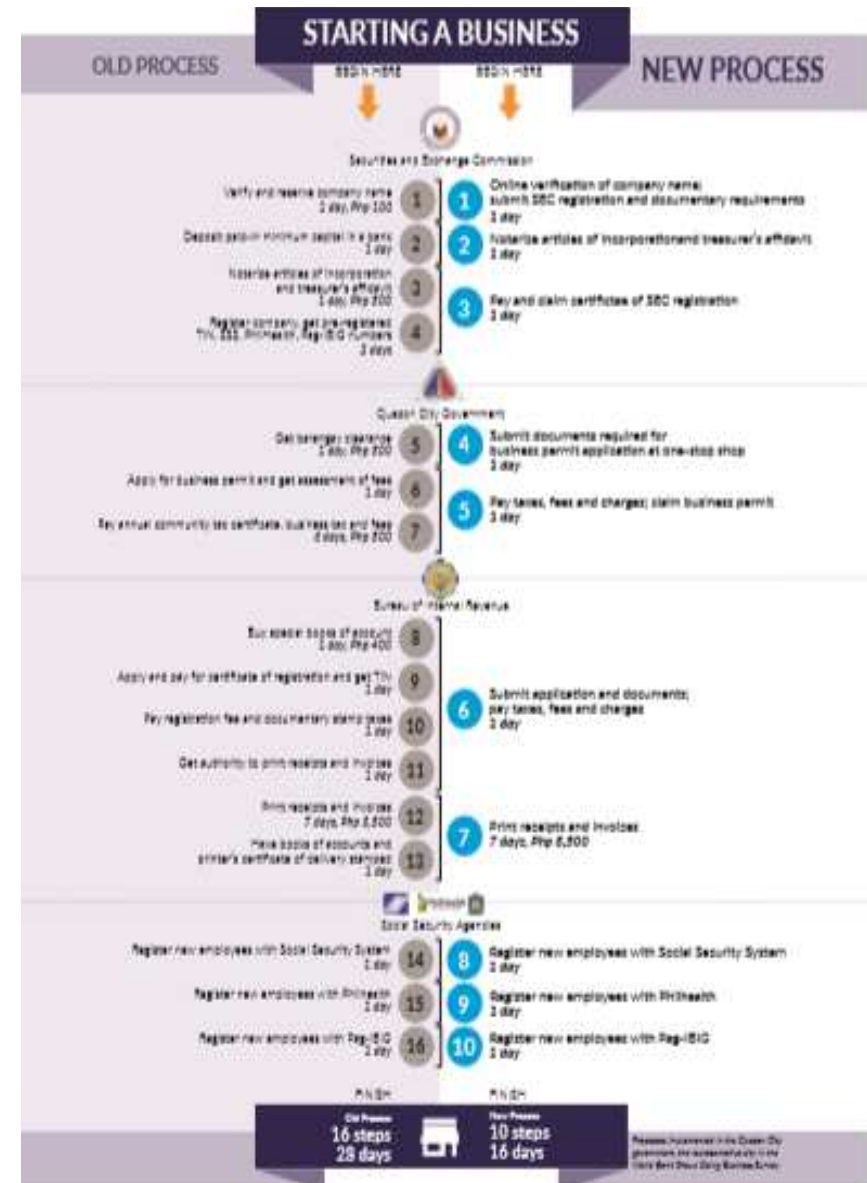
**Company Registration System (CRS)** implemented in November 2017: Full automation and online pre-processing of corporations and partnerships, licensing of foreign corporations, amendments of the articles of incorporation and other corporate applications requiring SEC approval



**Executive Order 11** issued by Quezon City creating a **One-stop Shop (OSS)** for business and building permits. Barangay clearance shall no longer be held as a prior requirement for business and building permit application



**Single Window Transaction** initiated by the Bureau of Internal Revenue (BIR)



# GAMECHANGERS:



- Landmark legislation – Implementation of RA No. 11032: Ease of Doing Business and Efficient Government Service Delivery Act of 2018
- GovTech Revolution: Make government more efficient through automation.

PROJECT ONE: One form, One portal, One PHBN to:

- ✓ Create a pleasant customer experience (easy, not cumbersome nor confusing)
- ✓ address bureaucratic singularity (whole of government, one door policy)
- ✓ promote governance (data sharing, data accuracy, access to data, privacy issues)





# RA: 11032 EASE OF DOING BUSINESS AND EFFICIENT DELIVERY OF GOVERNMENT SERVICES ACT OF 2018



# Coverage (Sec. 3)

All government offices and agencies including:



**National Government  
Agencies (NGAs)**



**Local Government Units  
(LGUs)**



**Government Owned & Controlled  
Corporations (GOCCs)**



**Other Government Instrumentalities (whether located in the  
Philippines or abroad)**



# RA No. 11032: in a nutshell

- Reengineering government systems and procedures;
- Setting standards on prescribed processing time;
- Automating government;
- Changing the way we do things in Government
- Institutional arrangements



# Reengineering Government Systems and Procedures

# Reengineering of Systems and Procedures (Sec. 5)

All government agencies shall:

- Undertake cost compliance analysis, time and motion studies;
- Undergo evaluation and improvement of their transaction systems and procedures;
- Undergo regulatory impact assessment to the proposed regulations;
- Initiate review of existing policies and operations; and
- Commence with the reengineering of their systems and procedures.

**All LGUs and NGAs are directed to initiate review of existing policies and operations and commence with the reengineering of their systems and procedures in compliance with the provisions of the law.**





# Citizen's Charter (Sec. 6)

All government agencies shall set up their most current and updated Citizen's Charter. Must indicate:



Comprehensive and uniform checklist of requirements for each type of application or request



Procedure to obtain a particular service



Person/s responsible for each step



Maximum time to conclude the process



Document/s to be presented by the applicant or requesting party



Amount of fees



# Streamlined Procedures for the Issuance of Local Business Licenses, Clearances, Permits or Authorizations (Sec. 11)



Use of Unified Business Application Form



Establishment of Business One Stop Shop (BOSS)



Cities/Municipalities are mandated to automate their business permitting and licensing system within 3 years.



Barangay clearances and permits related to doing business shall be applied, issued, and collected at the city/municipality.  
(Co-location with LGUs)

At the local government level, the city or municipal business process and licensing office shall not require the same documents already provided by an applicant or requesting party to the local government departments.



# Setting Standards on Prescribed Processing Time

# Reduced Processing Time and Signatories (Sec. 9.B.1, 9.D)



Working days for **simple transactions**



Working days for **Highly Technical Application**



Working days for **complex transactions**

The *number of signatories* in any document shall be limited to a **maximum of three (3) signatures from 5 signatories**.

**45 working days**  
This can be extended for another twenty (20) working days

*Application or request for license, clearance, permit or authorization which require the approval of the local Sangguniang Bayan, Sangguniang Panlungsod, or the Sangguniang Panlalawigan.*



# Automating Government

# Creation of Central Business Portal (Sec. 13)

- DICT is primarily responsible in establishing, operating and maintaining a central business portal or other similar technology
- Serve as a central system to receive applications and capture application data involving business-related transactions, including primary and secondary licenses, and business clearances, permits or authorizations issued by the local government units.
- Provide links to the online registration or application systems established by NGAs.



# Establishment of Philippine Business Databank (Sec. 14)

- DICT in coordination with other government agencies will establish a Philippine Business Databank within a period of one (1) year.
- Provide concerned NGAs and LGUs access to data and information of registered business entities for purposes of verifying the validity, existence of and other relevant information pertaining to business entities.
- All concerned NGAs and LGUs shall either link their own database with the system or periodically submit to the system updates relevant to the information registered with them.



# Transition from Manual to Software Enabled Business Related Transaction (Sec. 26)

- The DICT, in coordination with other concerned agencies, shall within three (3) years after the effectivity of this Act, automate business-related transactions by developing the necessary software and technology-neutral platforms and secure infrastructure that is web-based and accessible to the public.
- The DICT shall ensure that all municipalities and provinces classified as third (3rd), fourth (4th), fifth (5th) and sixth (6th) class are provided with appropriate equipment and connectivity, ICT platform, training and capability building to ensure the LGUs compliance.





Changing the way we do  
things in Government

# Accessing Government Services (Sec. 9)

All government agencies and offices shall adopt the following:

- Acceptance of Applications or Requests
- Issue the applicant a unique Identification Number
- Denial of Request for Access to Government Service (you need to have a written
- Limit signatories to 3. In case authorized signatory is on OB, an alternate shall be designated.
- Electronic Versions of Licenses, Permits, Certifications or Authorizations
- Adoption of Working Schedules to Serve Applicants or Requesting Parties
- Establishment of Public Assistance/Complaints Desk



# Adoption of Zero Contact Policy (Sec. 7)

- All government agencies including local government units (LGUs) shall adopt a zero-contact policy.
- Exception is during the preliminary assessment of the request and evaluation of sufficiency of submitted requirements.
- No government officer or employee shall have any contact, in any manner, unless strictly necessary with any requesting party concerning an application or request.



# Violations and Persons Liable (Sec. 21)

**Any person who performs or cause the performance of the following acts shall be liable:**

- a. Refusal to accept application or request with complete requirements being submitted by an applicant or requesting party without due cause;
- b. Imposition of additional requirements other than those listed in the Citizen's Charter;
- c. Imposition of additional costs not reflected in the Citizen's Charter;
- d. Failure to give the applicant or requesting party a written notice on the disapproval of an application/request;



- e. Failure to render government services within the prescribed processing time on any application and/or request without due cause;
- f. Failure to attend to applicants or requesting parties who are within the premises of the office or agency concerned prior to the end of official working hours and during lunch break;
- g. Failure or refusal to issue official receipts; and
- h. Fixing and/or collusion with fixers in consideration of economic and/or other gain or advantage.



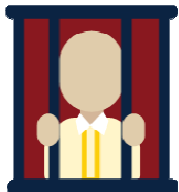
# Penalties and Liabilities (Sec. 22)

## PENALTY



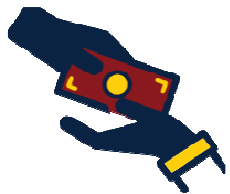
### FIRST OFFENSE

6 months suspension without pay  
(administrative liability)



### SECOND OFFENSE

Disqualification from public office and  
forfeiture of retirement benefits and  
imprisonment of one (1) to six (6) years  
with a fine of not less than Five  
Hundred Thousand Pesos (P500,000.00)  
but not more than Two Million Pesos  
(P2,000,000.00) (administrative and  
criminal liability)



Criminal liability shall also be incurred through the commission of bribery,  
extortion, or when the violation was done deliberately and maliciously to  
solicit favor in cash or in kind.



## Report Card Survey (Sec. 20)

- All offices and agencies providing government services shall be subjected to a Report Card Survey to be initiated by the Authority, in coordination with Civil Service Commission (CSC) and the Philippine Statistical Authority (PSA) to **obtain feedback and information in compliance with the requirements under the Citizen Charter.**
- The RCS will also be used as **basis for granting of awards, recognition, and/or incentives for excellent delivery of services in all government agencies.**



# Institutional Arrangements



# Anti-Red Tape Unit in Civil Service Commission (Sec. 16)



**The Anti-Red Tape Unit in Civil Service Commission (CSC) shall:**

1. Maintain an anti-red tape unit in its central and all its regional offices
2. Utilize Report Card Survey (for purposive and integrated government-wide human resource systems and programs)
3. Receive, review, hear, and decide on complaints on erring government employees and officials and non-compliance.



# Structure of the EODB/ARTA Advisory Council (Sec. 19)



**Chairperson** - Secretary of the DTI

**Vice-Chairperson** - Director General of the Authority

**Members:** Secretaries of the DICT, DILG and Department of Finance (DOF), and two (2) representatives from the private sector

- **National Competitiveness Council will be renamed and reorganized as Ease of Doing Business and Anti-Red Tape Advisory Council, will be the policy and advisory body to the Authority.**

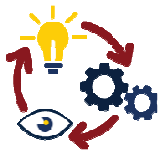


# Functions of the EODB/ARTA Advisory Council (Sec. 19)

- Plan, draft and propose a national policy on ease of doing business and anti-red tape;
- Recommend policies, processes and systems to improve regulatory management to increase the productivity, efficiency, and effectiveness of permitting and licensing agencies;
- Design and identify systems that will continuously enhance and improve the delivery of services in government and ease of doing business in the country;
- Authorize the creation or appointment of specific working groups or taskforces in aid of the implementation of this Act;



# Creation of the Anti-Red Tape Authority (Sec. 17)



## COMPOSITION

- Director General (DG) with a rank of Secretary
- (3) Deputy Directors – General (DDG) for legal, operations, and administration and finance. The DDG are career officials with a rank equivalent to Undersecretary
- DG – Appointed and co-terminus with the President of the Philippines
- DDG – Appointed by the President of the Philippines



## TENURE AND EMPLOYMENT STATUS

- **Attached to the Office of the President (OP).**
- **ARTA to deputize the regional personnel of the DTI to perform its powers and functions.**



# Powers and functions of the Anti-Red Tape Authority (Sec. 17)

- (a) Implement and oversee a national policy on anti-red tape and ease of doing business;
- (b) Implement various ease of doing business and anti-red tape reform initiatives aimed at improving the ranking of the Philippines;
- (c) Monitor and evaluate the compliance of agencies covered under Section 3 of this Act, and issue notice of warning to erring and/or non-complying government employees or officials;
- (d) Initiate investigation, *motu proprio* or upon receipt of a complaint, refer the same to the appropriate agency, or file cases for violations of this Act;





## Powers and functions of the Anti-Red Tape Authority (Sec. 17)

- (e) Assist complainants in filing necessary cases with the CSC, the Ombudsman and other appropriate courts, as the case may be;
- (f) Recommend policies, processes and systems to improve regulatory management to increase the productivity, efficiency, and effectiveness of business permitting and licensing agencies;
- (g) Review proposed major regulations of government agencies, using submitted regulatory impact assessments, subject to proportionality rules to be determined by the Authority;
- (h) Conduct regulatory management training programs to capacitate NGAs and LGUs to comply with sound regulatory management practices;



# ASEAN REFORMS

# Lessons Learned



# Lessons on *Competitiveness*



A close-up photograph of a magnifying glass with a black frame and handle, resting on a document. The lens is focused on a section of the document that appears to be a financial statement or ledger, showing various numerical entries and some text. The background is slightly blurred, emphasizing the magnified area. The overall color palette is cool, with blues and greys.

Transparency Leads to Competitiveness  
*Governance Matters*

Work in-progress is no longer good enough

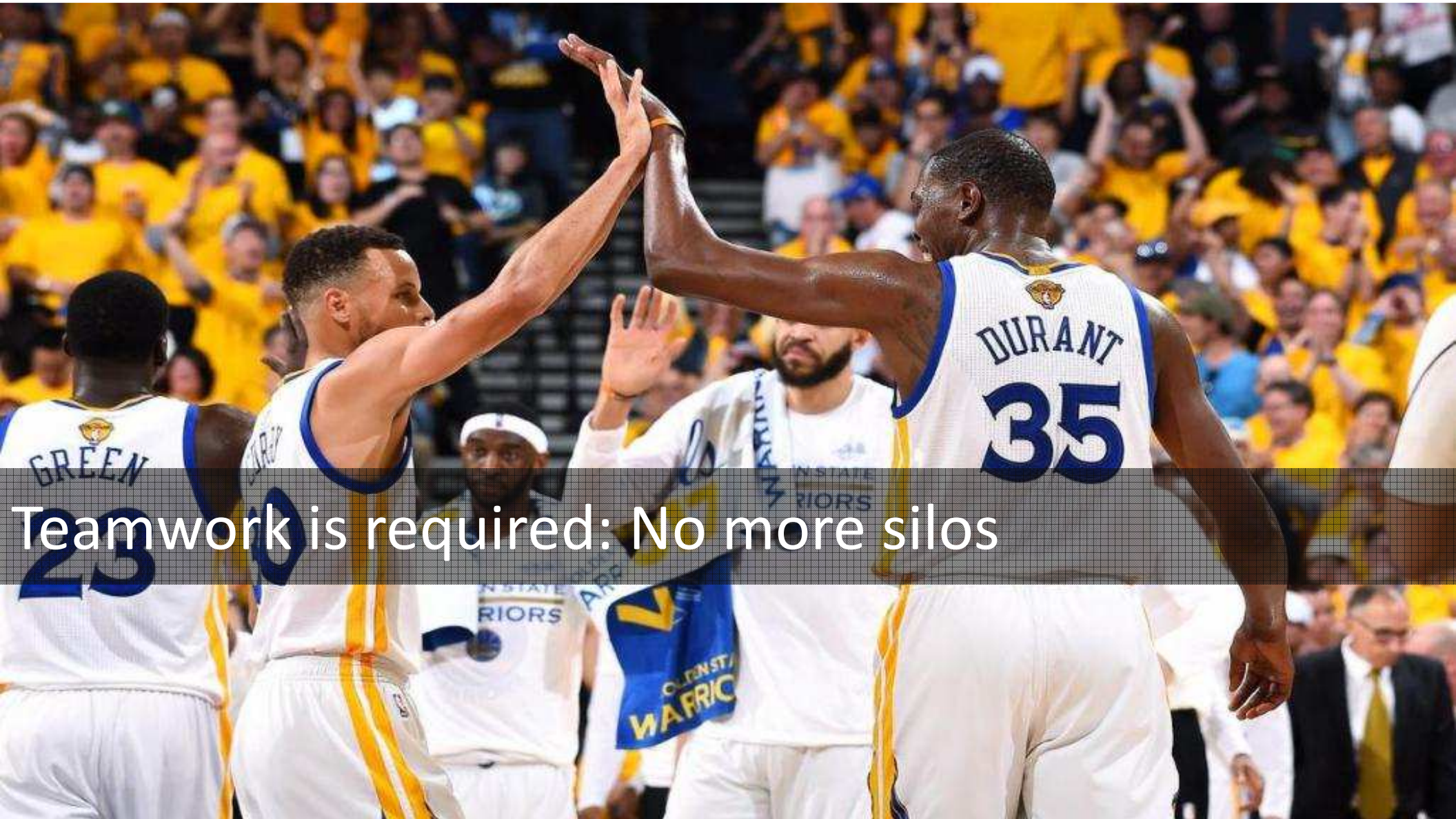
work in  
progress



A photograph of a delivery person in a dark blue uniform smiling while handing a large cardboard box to a customer. The customer's hands are visible at the bottom of the frame, holding the box. The background is a blurred outdoor scene with green foliage. A semi-transparent dark banner with white text is overlaid across the middle of the image.

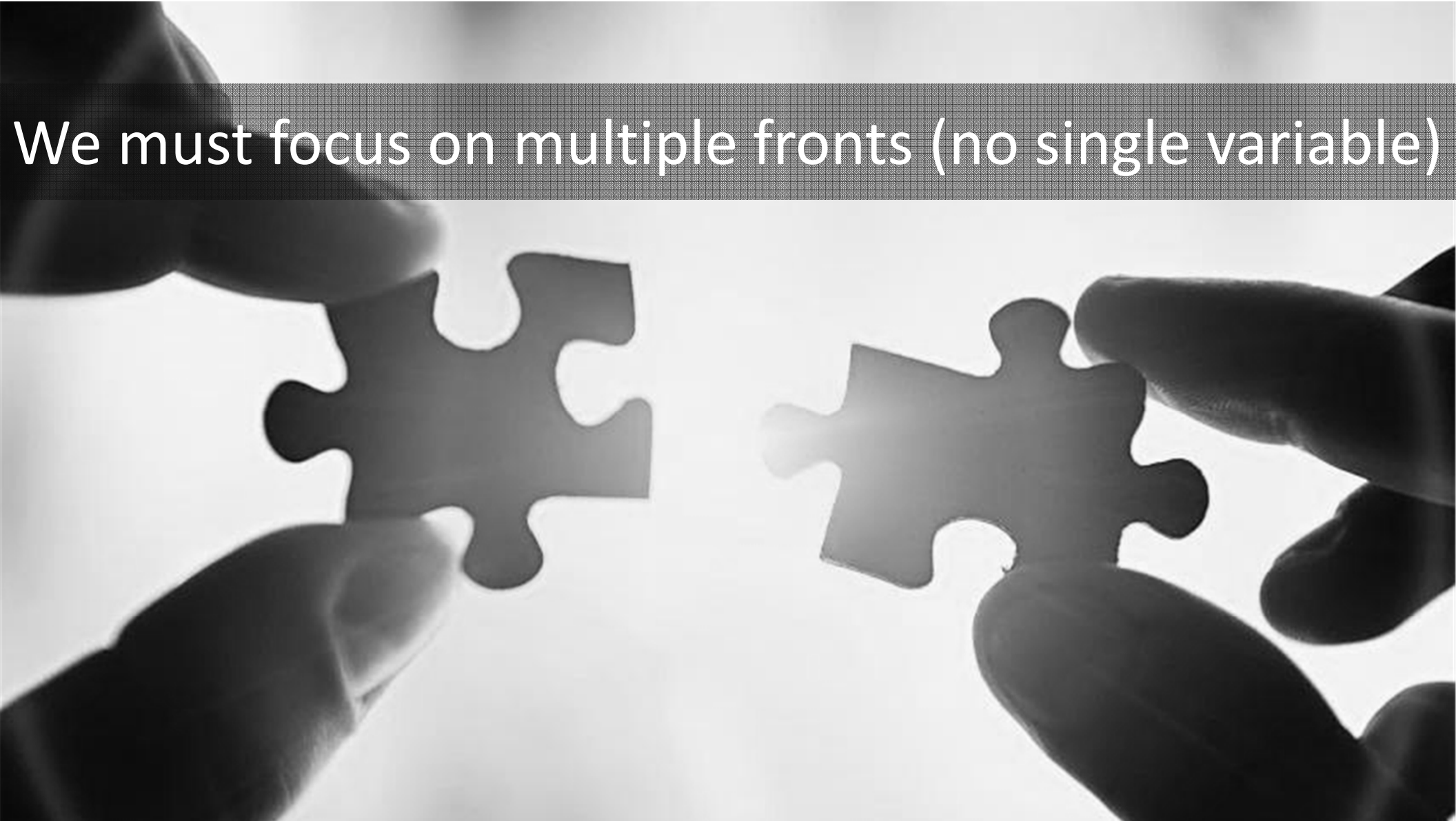
Importance of Execution and Delivery





Teamwork is required: No more silos

We must focus on multiple fronts (no single variable)





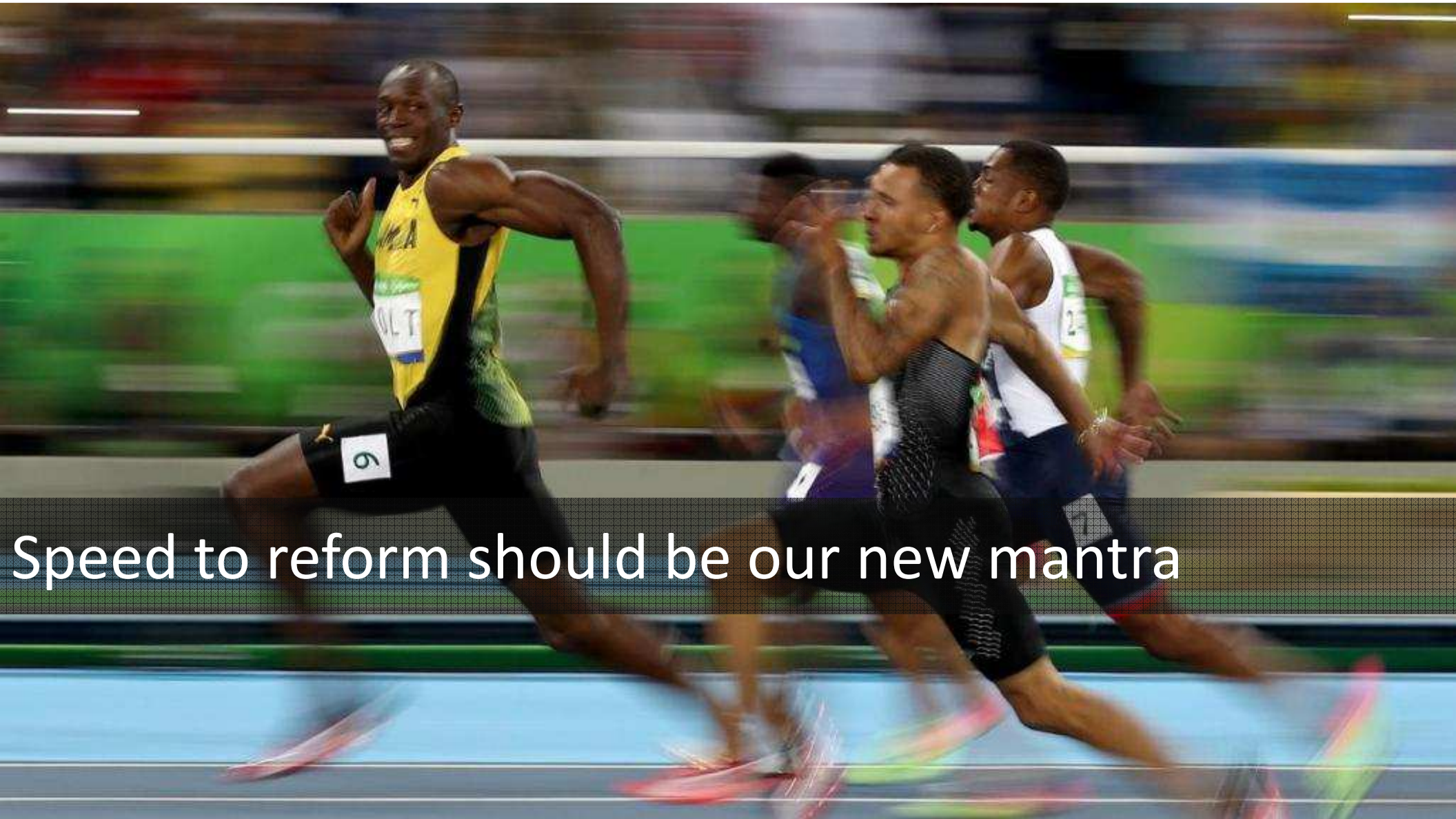
A full-page image showing two men in business attire (white shirts, dark trousers, and suspenders) running on a red athletic track. They are both holding laptops and appear to be in a race. The background features a city skyline under a cloudy sky. A semi-transparent dark banner with a grid pattern is positioned across the middle of the image, containing the text "The Competition never sleeps".

The Competition never sleeps



The bar always rises





Speed to reform should be our new mantra



Maintaining momentum is important (gain speed)



Embed and institutionalize change

A green road sign with the word "Change" in white, set against a blue sky with clouds. The sign is tilted and mounted on two wooden posts. The word "Change" is written in a large, white, sans-serif font. The sign has a white border with a dotted pattern. The background is a bright blue sky with scattered white clouds. The sign is positioned diagonally across the frame, with the top left corner pointing towards the upper left and the bottom right corner pointing towards the lower right.

Change

A low-angle photograph of two business people shaking hands in front of several tall skyscrapers. The person on the left is wearing a dark suit, and the person on the right is wearing a grey pinstripe suit. The background shows a clear blue sky with some clouds and the glass facades of the buildings.

Public-Private Partnership is important





WE WANT GO FROM THIS.....



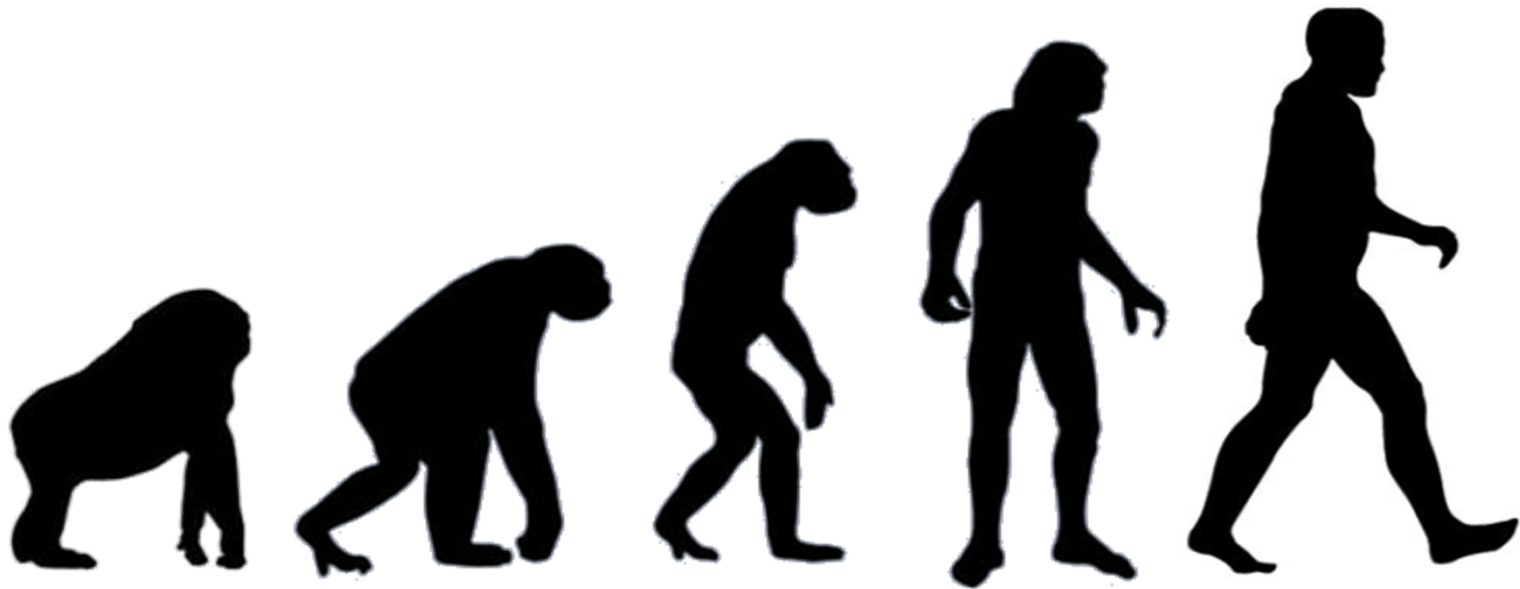


...TO THIS ....  
Everyone is a VIP...

A close-up photograph of a person's hands holding a smartphone. The phone's screen is lit up, showing a grid of various app icons such as Messages, Calendar, Photos, Camera, Weather, Maps, App Store, and others. The person is wearing a blue and white checkered shirt. The background is a blurred city street at night, with yellow traffic lights and a white vehicle visible.

...OR THIS.  
MOBILE PHONES TO GET  
SOME PERMITS

# EVOLUTION





# REVOLUTION



Thank you.

