

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session



House Bill No. **4655**

Introduced by Honorable CARMELO B. LAZATIN II

EXPLANATORY NOTE

The strength of a country's economy rests not only on its macroeconomic fundamentals, but more importantly on the vibrancy of business and economic activity at the municipal level.

This necessarily requires a business environment that is conducive, and not hostile, to growth. For verily, it is only by having an efficient, competent, and transparent system that the country is able to earn the trust of investors both local and foreign.

Unfortunately, doing business in the Philippines has been a source of complaints for many potential entrepreneurs and investors who find the initiatory process of business registration cumbersome and at times subject to political influence.

In fact, the reality on the ground reveals a pattern of bureaucratic red tape, incompetence, and unnecessary meddling into transactions by certain public officials keen on protecting their own interests at the expense of legitimate would-be businesspeople deprived of the opportunity to engage in an industry or trade of their own liking.

In World Bank's recent Doing Business Report, which measures business regulations in countries across the globe, the Philippines ranked 171st in a pool of 190 countries in terms of starting a business. Although the country ranked higher at 99th when all other factors, such as dealing with construction permits and getting electricity, were taken into account, it is evident that the country still has a lot of things to improve in order to better its global ranking.

This Bill seeks to provide a solution to this longstanding problem. By allowing valid and complete business registration applications to be deemed approved after 30 days of inaction from concerned public officials, the usual problems cited in the preceding paragraphs can be effectively dispensed with.

In sum, improving the ease of doing business in the Philippines, beginning from the local level, will result in a more vibrant economic atmosphere conducive to growth and investor confidence. The growth in the local level is seen to translate into increased employment opportunities, diversity of goods and services, healthy competition, and more vibrant markets, resulting in better and sturdier macroeconomic fundamentals that will benefit the nation as a whole.

Given the foregoing, the passage of this Bill is earnestly sought.



CARMELO B. LAZATIN II

First District, Pampanga

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AN ACT

MANDATING THE AUTOMATIC APPROVAL OF BUSINESS PERMIT APPLICATIONS NOT
ACTED UPON WITHIN THIRTY DAYS

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

SECTION 1. *Short Title.* – This Act shall be known as the “Ease of Doing Business Act”.

SECTION 2. *Declaration of Policy.* – The State hereby promotes the improvement of quality of life by ensuring efficient delivery of public services and providing policies that expand productivity and promote a more equitable distribution of opportunities, income, and wealth to its people. The State also recognizes the role of enterprises and foreign investments as major agents of economic development and as a source of employment and livelihood opportunities.

To this end, the State provides for measures and policies that will remove barriers to entrepreneurial opportunities and promote the ease of doing business in the country.

SECTION 3. *Automatic Approval of Business Permit.* – All applications for business permits shall be deemed approved after thirty (30) days of inaction from the receipt of such application by the approving authority: *Provided,* That all the required documents have been submitted and corresponding fees and charges have been paid.

SECTION 4. *Validity of Business Permit.* – The business permit shall be valid for a period of one (1) year from the date of its issuance.

SECTION 5. *Retroactive Effect.* – This Act shall have a retroactive effect on all pending applications for business permit in so far as it does not impair or prejudice any vested or acquired rights of the applicant or the approving authority.

SECTION 6. *Implementing Rules and Regulations.* – After ninety (90) days from the approval of this Act, the Department of the Interior and Local Government, in consultation with the Department of Trade and Industry and the Union of Local Authorities of the Philippines, shall issue the necessary rules and regulations for the effective implementation of this Act

SECTION 7. *Repealing Clause* – All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly.

SECTION 8. *Effectivity Clause* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) national newspapers of general circulation.

Approved,