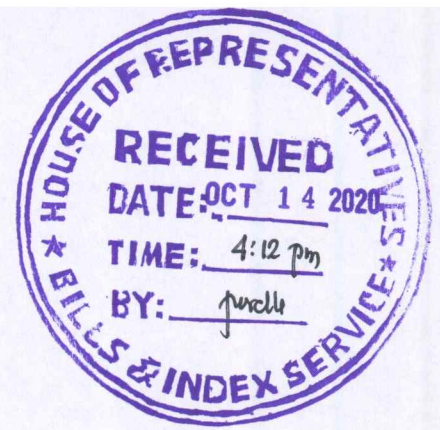


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7880



Introduced by REP. JOEY SARTE SALCEDA

AN ACT
AUTHORIZING THE PRESIDENT TO EXPEDITE THE PROCESSING
AND ISSUANCE OF NATIONAL AND LOCAL PERMITS, LICENSES
AND CERTIFICATIONS

EXPLANATORY NOTE

The Philippines is pursuing a serious bid for investments seeking more promising destinations, as trade tensions between global economic powers persist, and as enterprises seek markets and bases with greater economic potentials. In recent years, the country has achieved significant progress in the area of making doing business easier.

The World Bank's 2020 Doing Business Report demonstrates the country's significant improvements in the area. According to the report, the country improved by 29 notches, ranking 95th from 124th last year. The Philippines got an Ease of Doing Business score of 62.8 in the 2020 report, an improvement over its grade in the previous year of 57.68. The report underscores the country's improvement in three key areas: starting a business, dealing with construction permits, and protecting minority investors. Nonetheless, the ranking still leaves the Philippines in last place among the founding members of Southeast Asian Nations.

As the country pursues aggressive investments in infrastructure, health and human capital development, and digital transformation, ease of doing business and citizen services must also be enhanced.

For instance, a review of registration procedures across key economies in ASEAN will reveal that business registration procedures in the Philippines are among the longest in the region. Furthermore, Philippine businesses have to interact with at least 10 agencies, as opposed to just 5 or 6 in Indonesia and Vietnam, and just one agency in Singapore.

Looking into the respective Citizen's Charters of agencies involved in processing business registration procedures reveals that while it may appear that registration procedures are straightforward and simplified, the wide array of documentary requirements that the various registration processes feed each other weaves everything together into a process that can get long and convoluted.

There is also a lack of proper and navigable digitization of registration services, even despite Anti-Red Tape Authority (ARTA) guidelines to digitize services due to the COVID-19 pandemic. Some agencies only have online appointment platforms which allow clients to set their appointments with offices in advance and eliminating walk-in processing. In effect, some processes remain unchanged and still require in-person appearances to complete.

All this reveals that while individual government agencies have been implementing measures to streamline their own processes, the bulk of the red tape that needs cutting actually lies in the relationships between agencies. This further highlights the urgent need for the whole-of-government reengineering guidelines that the Implementing Rules and Regulations (IRR) of the current Ease of Doing Business (EODB) Law calls for.

This bill answers the call of President Duterte to provide the Executive Branch with the power to expedite the issuance of licenses, permits, and certifications.

Beyond these powers, however, this bill acknowledges that many of the delays in the processing and issuance of these documents and authorizations are structural. This bill thus authorizes the President to direct relevant agencies to formulate and pursue recommendations to address structural and systemic issues that cause unintended red-tape.

The bill also grants the President the power to direct the Commissioner of Internal Revenue and the Commissioner of Customs to expedite taxpayer processes and enhance taxpayer experience. Enhancing taxpayer experience will encourage taxpayer compliance, which will boost revenue collection during this time of critical need.

If the powers provided in this bill are used fully, business registration in the country could be reduced to just one day, with the client facing just one clearing agency. The bill will also empower the President to eliminate redundant authorizations within the Executive Branch.

In view of the necessity of enacting this measure in the timeliest manner possible, as emphasized by the President's certification of the Senate counterpart of this measure as urgent, the immediate approval of this bill is earnestly sought.



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

SECTION 1. *Coverage.* – This Act shall cover all agencies of the Executive branch, including departments, bureaus, offices, commissions, boards, councils; government instrumentalities, government owned and controlled corporations.

SEC. 2. *Authority of the President to cause the reengineering of government processes.* – The President is hereby authorized to direct the Civil Service Commission (CSC), the Department of Budget and Management (DBM), and the National Economic and Development Authority (NEDA) to craft guidelines and general principles of a whole-of-government reengineering of the processes for the processing of issuance of national and local permits, licenses, and certifications issued by the Executive Branch and by Local Government Units, except those which are explicitly required under law.

For highly technical transactions specifically mandated by existing laws, the President may direct the CSC and DBM to authorize the augmentation of personnel performing tasks directly related to the processing and issuance of such licenses, permits, and certifications, whenever the CSC and DBM find the necessity for such augmentation.

SEC. 3. *Authority of the President to Suspend the Requirements for National and Local Permits, Licenses and Certifications, and to Streamline and Expedite the Process for the Issuance thereof.* – Notwithstanding any law, decree, order or ordinance to the contrary, the President, in times of national emergency shall have the authority to:

(a) accelerate and streamline regulatory processes and procedures for new and pending applications for permits, licenses, clearances, certifications, or authorizations, including fixing or shortening the periods provided for under existing laws, regulations, issuances, and ordinances;

(b) suspend or waive the requirements in securing such permits, licenses, clearances, certifications, or authorizations;

(c) use intelligence funds under the Office of the President to augment the personnel performing tasks directly related to the processing and issuance of such licenses, permits, and certifications; and

(d) direct any other agency under the Executive branch, including military and uniformed personnel, to assist any other agency or office in the processing and issuance of license, permits, and certifications.

SEC. 4. *Power to suspend or remove personnel in the Executive Branch.* – Consistent with Article VII Sections 17 and 18 of the Constitution, the Revised Administrative Code, other existing laws, and jurisprudence, the President shall have the authority to suspend or remove, upon the determination of a competent body, any government official or employee performing acts contrary to the preceding section.

SEC. 5. *Power to direct the Anti-Red Tape Authority to recommend capacitation.* – The Anti-Red Tape Authority (ARTA) is hereby given the additional mandate of recommending structural and personnel augmentation, and or reorganization reforms whenever it is determined that the cause of delays in the issuance of permits, licenses, and certifications by a relevant agency is a systemic or structural issue. The Department of Budget and Management (DBM) is mandated to study and comment on ARTA recommendations pursuant to this Section, and whenever deemed meritorious and as may be relevant and appropriate, to cause the inclusion of the relevant recommendations to the immediately succeeding National Expenditure Plan.

SEC. 6. *Study and report to reduce basic business registration process to one day and with one registration agency.* – The Department of Trade and Industry (DTI), the Department of Budget and Management (DBM), the Securities and Exchange Commission (SEC), the ARTA, and other relevant agencies, are directed to formulate a joint study and report to Congress and the President on the elimination of redundant business registration requirements, with the aim of reducing business registration to just one (1) working day. The ARTA shall be the coordinator of efforts to complete the joint study and report.

The feasibility of a single business entities registration agency as the receiving office and clearing house of registration requirements shall also be included in the joint study and report.

The joint study and report shall be submitted to Congress and the President within ninety (90) days upon the effectivity of this Act.

SEC. 7. *Power of the President to repeal or amend rules and regulations which preclude agency or process digitalization.* – Notwithstanding any law to the contrary, the President shall have the power to repeal or amend any rule, regulation, or issuance issued by any agency or instrumentality under the Executive Branch, which prevents any agency or office from making their processes compatible with the digital space, or which makes compulsory the physical appearance of the client to complete the processing and/or issuance of any license, permit, or certification.

SEC. 8. *Power to Direct the Commissioner of Internal Revenue and the Commissioner of Customs to expedite the processing of tax filings and payment.* – Notwithstanding any law

to the contrary, the President shall have the power to direct the Commissioner of Internal Revenue and the Commissioner of Customs to issue such regulations and perform such tasks as may be necessary to expedite the processing of tax filings and payments, and to enhance taxpayer experience.

SEC 9. *Separability Clause.* – If any part or provision of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC 10. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations inconsistent with the provisions of this Decree are hereby repealed or modified accordingly.

SEC 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,