

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 419



Introduced by **Representative JOEY SARTE SALCEDA**

**AN ACT
INSTITUTING COMPREHENSIVE REFORMS
TO MODERNIZE THE DELIVERY OF CITIZEN SERVICES**

EXPLANATORY NOTE

The state responding to the needs of its citizens in an efficient, effective, and judicious manner is the most essential function of government. Because such response is mediated through administrative services and processes, efficiency in these areas is critical to fulfilling this basic function.

Most government services fall under one of the following categories: (1) Payment of taxes, fees, and charges; (2) business registration and licenses; (3) common citizen services (such as basic documentary requirements); (4) delivery of social welfare services; and (5) procurement. Reforms that result in an improvement in client experience necessarily introduces enhancements in the whole “value-chain” of these transactions: from client interface, to institutional capacity, to user experience and morale. Payment of taxes, charges, and fees may further be subdivided into national government taxes and charges (such as those with the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC)), and taxes and fees imposed by the local government units (LGUs).

A conceptual framework promoted by the Organization for Economic Cooperation and Development (OECD) is the measurement of “administrative burden,” and the development of policy approaches to lessen administrative burden. Administrative burden is what another publication has so aptly called the “fine print of the social contract between citizens and their government.” These are all the legal and regulatory processes citizens go through in their interactions with government.

An economic understanding of administrative burdens must ultimately consider them as “costs.” Here, a framework developed by Herd and Moynihan¹ would be useful: Administrative burden is composed of the learning costs to compliance, the psychological

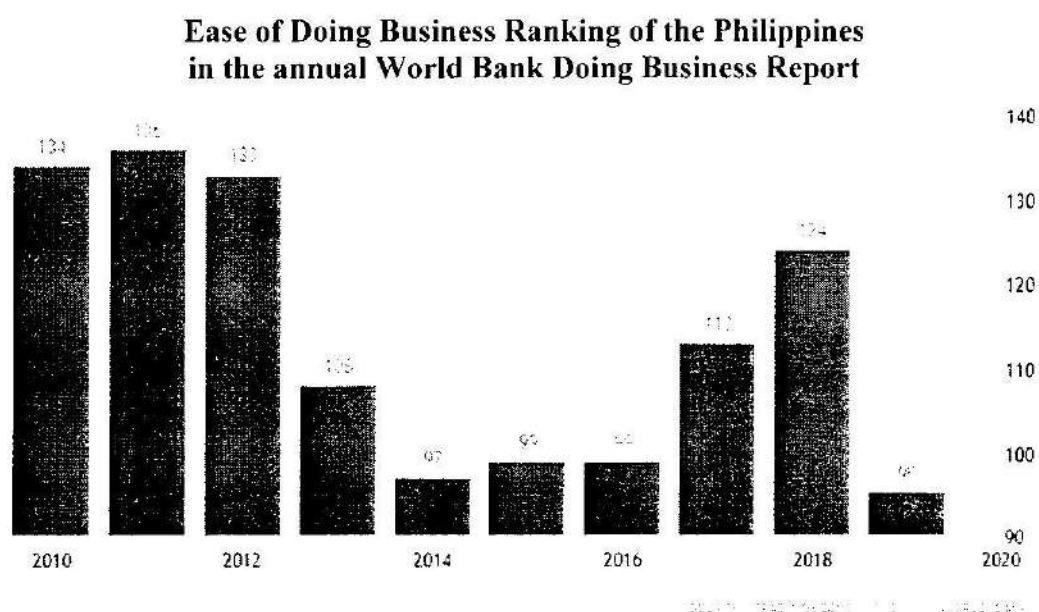
¹ Herd P and Moynihan DP, *Administrative Burden: Policymaking by Other Means* (Russell Sage Foundation 2018)

costs, and the compliance costs. This would be a more holistic view of red tape, beyond mere deadlines and steps.

Learning costs are the time and effort dedicated to learning about a program or service, ascertaining eligibility and category, conditions that must be satisfied, and gaining access. Psychological costs involve the frustrations of dealing with unjust, obnoxious, or onerous procedures, and the stresses that arise from uncertainty and discretion in processes. Finally, compliance costs are costs incurred by the citizen for documentation, representation, fees, and travel, as well as the opportunity costs of time devoted to regulatory compliance. This bill, as will be explained in succeeding parts, seeks to lower these costs through a whole-of-government approach to reengineering the processes where these costs are incurred.

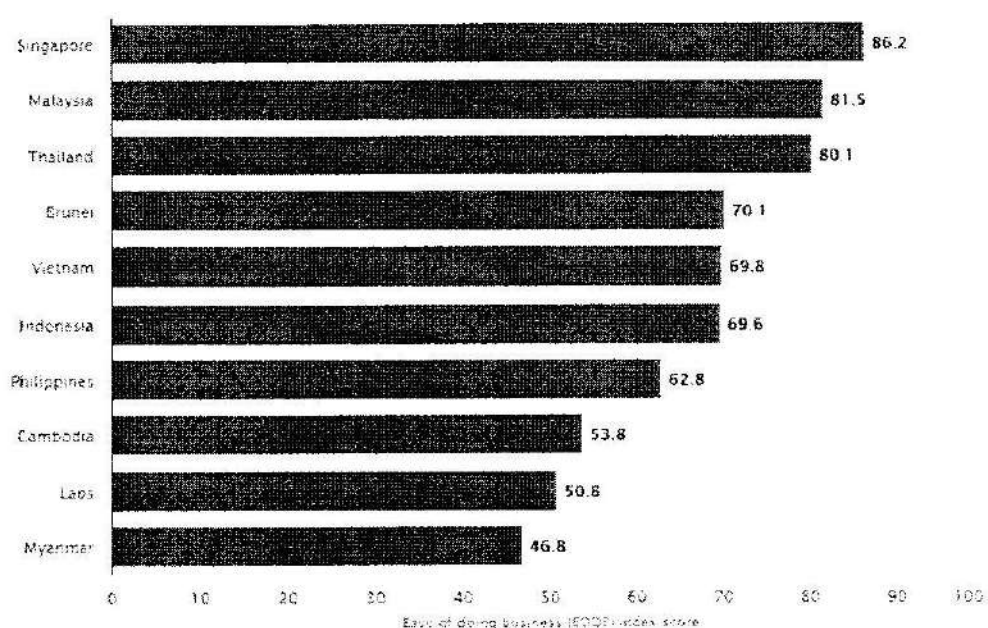
Ease of doing business

A rudimentary measure of the effectivity of government service delivery is the ease of doing business. Over the years, the Philippines' performance on ease of doing business has been a mixed bag. The country's international standing on ease of doing business has fluctuated. Nonetheless, in 2019, the country saw significant improvement in its comparative ranking, which coincided with the first year of implementation of the Ease of Doing Business Law (Republic Act No. 11032), which was signed in May 2018.



In regional terms, however this ranking still leaves the country below the median in Southeast Asia, where our real competitors for foreign investment and overall economic attractiveness are.

Philippine EODB standing, ASEAN 2019



To address issues on red tape, the Republic Act No. 11032 or the Ease of Doing Business (EODB) and Efficient Government Service Delivery Act of 2018, was enacted in May 2018 to amend Republic Act 9485 or the Anti-Red Tape Act of 2007. It aims to streamline government processes and improve ease of doing business in the Philippines.

The EODB places an emphasis on the prompt and efficient resolution of all government transactions. The law imposes deadlines on government agencies, after which the request shall have been deemed approved. The law applies to all government offices and agencies in the Executive Department including local government units (LGUs), government-owned or -controlled corporations, and other government instrumentalities, located in the Philippines or abroad, that provide services covering business-related and non-business transactions as defined in the law's Implementing Rules and Regulations (IRR).

This emphasis can be supplemented. **Processing time in government agencies is an outcome of several institutional factors, some of which require solutions far beyond the scope of the current deadline-oriented law.** Processing time, of course, is also different from the quality of service and the ease of user experience. Some processes, for instance, could be completed in time, in theory, but in practice, may be challenging to navigate for the client. This is why this bill proposes a more holistic modernization instead of merely cutting processing times down.

Red tape in focus

In complex organizations, red tape is when there are regulations, mechanisms, and standards which are claimed to be excessive, rigid or redundant, or hinder or prevent action or decision-making. When government processes are labyrinthine for its clients, and when processing times are excessively long, there is greater space for "fixing," where either officials or third parties 'facilitate' the processes for bribes or fees. The EODB law also operates under the theory that the greater the physical contacts there are, the greater the opportunities for fixing.

While the EODB law significantly cuts red tape within agencies, efforts can be made to establish a hierarchy of credence across government agencies, such that there should not be a need to apply for accreditation from a broad host of agencies when accreditation from one agency should suffice. Furthermore, red tape, that is, strictly unnecessary processes, is not the only cause of delays in government service delivery. In many cases, a complete overhaul of the process design, and supplementary capacity to deliver these needs, is the solution.

Benefits of Government Modernization Act

To effect a whole-of-government modernization of state services and processes, the following are the key reforms proposed under this Act:

	Title	Nature of reform	Rationale
1)	Abolition of cedula as requirement for transactions	Removal of the Community Tax Certificate (CTC) or 'cedula' as a required proof of residency or identity (especially once the National ID system is instituted) for all national government processes, and as a prerequisite for engaging in business. This can be carried out without having to remove the local government authority to levy a community tax.	The CTC itself was found to be highly ineffective as a source of government revenue and as an identity document. The CTC often requires a proof of identity in many local government units, which defeats the purpose of it being a basic identity document. The CTC as a proof of identity and residency will be made redundant by the National ID system.
2)	Single-contact, single-day business registration processing	Single registration portal for all basic registration requirements, with forms that are automatically filed based on the registrant's supplied information. The portal (which can be a National Business Registration Agency) will then forward these forms to the other agencies (many of which may no longer need to process registration requirements under reengineered processes and removal of redundant	This will allow businesses which pose no threat to the common good to immediately do business upon registration. This will also cut the registration time by weeks or even months. This will reduce registration costs significantly for businesses. The portal will also allow registrants to face just one agency as opposed to at least

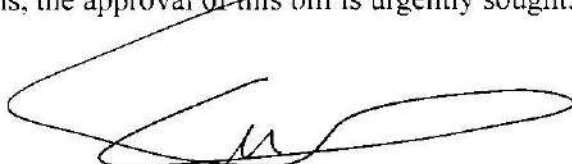
	Title	Nature of reform	Rationale
		registrations, see National ID for businesses). Upon complete submission of requirements during the same day, a tentative certificate of registration (akin to a 'red herring prospectus') can be issued to the business, with a collatilla for review if it involves public health, public safety, public order, or public morals.	10 under the current system. This will also dramatically reduce transaction costs for registering businesses, and will encourage formal, legally-compliant, tax-paying entrepreneurship in the country.
	3) Single-patient, single-record system	Under this reform, all Filipinos will have one unified health record to be digitally stored and updated. This can be linked with the national ID system. To ensure security, this can make use of distributed ledger technology (i.e. blockchain)	To reduce hospital administrative burden, reduce patient waiting time before treatment, and mitigate fraud in PhilHealth claims
	4) Single-registration for mandatory social contributions such as SSS, PhilHealth, Pag-IBIG (can be linked with the National ID system)	Enterprises will need to register once for all mandatory social contributions; National ID system can be used as the ID for all mandatory social contributions and benefits.	To reduce the need for redundant transactions to establish identity and registration with different agencies; To allow agencies to focus on member services, which could be optimized if front-desk registration services can be reduced.
	5) Online TIN application and fully online services for small taxpayers and wage earners (taxpayer identity can be linked with the National ID system)	Under this reform, small taxpayers and wage earners will no longer need to physically appear before their Bureau of Internal Revenue (BIR) Revenue District Office (RDO) to change RDOs, register their TINs, file returns, and transact other business.	To reduce the taxpayer costs and burden of physically appearing before the BIR.

	Title	Nature of reform	Rationale
6)	All required government payments via electronic payment system (such as Landbank business portal)	All required government fees can be paid online in an easy-to-use payment system.	To allow citizens to settle fees and charges remotely; To ensure that there will be no excess charges and fees, and to promote transparency and integrity among frontline offices.
7)	Online taxpayer account for filing and payment of almost all non-large taxpayer taxes (with forms automatically filled, assessment automatically calculated; no professional help needed).	Under this reform, small taxpayers and wage earners will no longer need to physically appear before their BIR Revenue District Office (RDO) to file returns and pay taxes Forms will be automatically filled, and assessment will be calculated in an easy-to-navigate electronic filing and payment system	To reduce the taxpayer costs and burden of physically appearing before the BIR; To dispense with the need for small taxpayers to hire professional assistance for the most basic tax transactions.
8)	National ID for businesses (or the National Registry of Businesses)	This will be a unified registry of businesses that will abolish redundant registrations (where one agency registration will be enough, multiple agency registrations will no longer be necessary.) Special permits and licenses can be tagged into the registry account.	This will dispense with redundant business licenses and help the government deliver support services for businesses more effectively. (For example, the small business wage subsidy could have been delivered more quickly and effectively with a national registry of business) This will also ensure that vendors to the government can be vetted more easily.
9)	Expanded personnel capacity for highly technical transactions, where needed.	Enabling Anti Red Tape Authority (ARTA) to make recommendations for personnel expansion where bottlenecks are caused by lack of personnel; Review of capacity of government agencies to deliver highly technical	Highly technical processes involve the conduct of inspections and the submission of technical documents that require specialized personnel to make sound evaluations and judgment. There may not be enough personnel for many offices to complete

	Title	Nature of reform	Rationale
		transactions given their present plantilla; Review of EO 366 impact on delivery time and quality	transactions within the deadlines prescribed in the EODB Law.
	10) Recognition of electronic signature in most transactions	This reform will allow for the recognition and authentication of electronic signatures for most transactions.	Many transactions already recognize electronic signatures, but limited means of legal authentication; Enabling full recognition of electronic signatures in most cases will allow almost all legal and regulatory transactions to be done remotely.
	11) Portability of socially invested programs	Cash transfers, social benefits can be accessed anywhere in the country, as long as recipient is tagged as eligible; This will also involve the use of records technology such as digital ledger technology (i.e. blockchain technology) to ensure no duplication in the social benefits; This can also be linked with the National ID system	To shift the burden of benefits claiming away from the poor. To allow the poor, wherever they are in the country, to access social benefits. To depoliticize the distribution of national social benefits by ensuring that they do not have to be linked with local officials.

These benefits are complemented by the Ease of Paying Taxes Act (House Bill No. 7881), which this representation has also filed.

In view of the benefits of these reforms, the approval of this bill is urgently sought.



JOEY SARTE SALCEDA

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

**CHAPTER ONE
GENERAL PROVISIONS**

SECTION 1. *Short title.* – This Act shall also be referred to as the “Clean and Efficient Government Act of 2020.”

SEC. 2. *Declaration of policy.* – It is the policy of the State to promote a high standard of ethics and efficiency in public service. Public offices, officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost efficiency, responsibility, integrity, competence, and loyalty.

SEC. 3. *Objectives.* – This Act aims to:

- a) Modernize the delivery of local and national government services and remove redundant requirements and processes;
- b) Build the capacities of government offices to promote efficient service delivery;
- c) Initiate a Government Transformation Program (GTP) to modernize the most essential government services and processes;
- d) Improve ease of doing business by reducing business requirement processing time, bureaucratic red tape and discretion, and transaction costs to enterprises;
- e) Simplify government procedures and make them more inclusive and accessible;
- f) Allow fully remote processing of government transactions wherever allowed by law;
- g) Simplify requirements for beneficiaries of social welfare programs;
- h) Improve the monitoring and evaluation of government modernization, anti-red tape measures, and process simplification programs;
- i) Improve the efficient and transparency of essential social programs, such as healthcare;
- j) Promote the digitalization of government processes and transactions;

- k) Encourage compliance with government requirements; and
- l) Improve the standard and quality of life of citizens by enhancing public service delivery.

CHAPTER TWO MODERNIZED LOCAL GOVERNANCE

SEC. 4. *Removal of the Community Tax Certificate as requirement for government transactions.* – Section 163 of the Local Government Code is hereby amended as follows:

SEC. 163. *Presentation of Community Tax Certificate On Certain Occasions.* -

(a) When an individual subject to the community tax [acknowledges any document before a notary public,] takes the oath of office upon election [or appointment] to any position in the government service[;] [receives any license, certificate, or permit from any public authority; pays any tax or fee; receives any money from any public fund; transacts other official business; or receives any salary or wage from any person or corporation,] it shall be the duty of any person, officer, or corporation [with whom such transaction is made or business done or from whom any salary or wage is received] **WHICH ADMINISTERS THE OATH OF OFFICE** to require such individual to exhibit the community tax certificate. The presentation of community tax certificate shall not be required in connection with the registration of a voter.

[(b) When, through its authorized officers, any corporation subject to the community tax receives any license, certificate, or permit from any public authority, pays any tax or fee, receives money from public funds, or transacts other official business, it shall be the duty of the public official with whom such transaction is made or business done, to require such corporation to exhibit the community tax certificate.]

[(c)] (B) The community tax certificate required in the [two] preceding paragraph[s] shall be the one issued for the current year, except for the period from January until the fifteenth (15th) of April each year, in which case, the certificate issued for the preceding year shall suffice.

SEC. 5. *Local Government Transformation Program.* – To ensure that local government agencies are capable of delivering public services in a timely, efficient, and effective manner, and to assist local governments in expediting citizen transactions, the Department of Interior and Local Government (DILG) shall undertake a Local Government Transformation Program (LGTP) which shall identify areas for improvement in local governance, propose solutions for existing issues, provide concrete, time-bound, and practical model programs for local government modernization, and propose programs for private-public partnerships in improving local governance.

Through the LGTP, the DILG shall annually set key performance indicators on local government service delivery and citizen transactions. The DILG shall also identify government and private resources which local government units may access to meet these indicators.

SEC. 6. *New Mandates of the Bureau of Local Government Development.* – Section 14 of Executive Order No. 262 s. of 1988 is hereby amended to read as:

SEC. 13. Bureau of Local Government Development. The Bureau of Local Government Development, to be headed by a Bureau Director appointed by the President upon the recommendation of the Secretary, shall have the following functions:

- (a) Establish and prescribe plans, policies, programs and standards to strengthen the administrative, fiscal and technical capabilities of local government offices and personnel;
- (b) Provide technical assistance to enhance the administrative, fiscal and technical capabilities of local government officers and personnel;
- (c) Formulate, prescribe, monitor and periodically evaluate local development policies, plans, programs and projects designed to enhance the participation of local governments in planning and implementation;
- (d) Establish a system of incentives and grants to local governments and prescribe policies, procedures and guidelines in the implementation of self-help assistance projects;
- (e) Formulate and develop models, standards and technical materials on local government development;
- (f) Provide consultation services and advice on local government involved in development programs;
- (g) Establish viable systems of strategies and approaches for local governments anchored on citizens participation within a wholistic and integrated framework for the development of communities;
- (H) OVERSEE THE LOCAL GOVERNMENT TRANSFORMATION PROGRAM (LGTP) AND CAPACITATE LOCAL GOVERNMENT UNITS TO MEET PERFORMANCE INDICATORS SET BY THE PROGRAM;**
- (I) COLLABORATE WITH RELEVANT GOVERNMENT AGENCIES TO FACILITATE LOCAL GOVERNMENT ACCESS TO NATIONAL GOVERNMENT PROGRAMS AND PUBLIC-PRIVATE PARTNERSHIPS TO MODERNIZE PUBLIC SERVICE DELIVERY;**
- (J) ASSIST LOCAL GOVERNMENTS IN MODERNIZING AND DIGITALIZING CITIZEN SERVICES AND TRANSACTIONS;**
- [(h)] (K) Perform other functions as may be delegated by the Secretary or as provided for by law.**

SEC. 7. Staffing and appropriations for the Bureau of Local Government Development.

– The amount needed to carry out the added mandates of the Bureau of Local Government Development shall be charged against the current operative budget sourced from the internal funds of the DILG. Thereafter, such sum representing the responsibility of the National Government for the continued operations and maintenance of the Bureau shall be included in the annual General Appropriations Act (GAA).

Congress shall annually appropriate the necessary amount to meet the funding requirement for personal services (PS) and the maintenance and other operating expenses (MOOE) of the Bureau. Nothing in this Act shall prevent the National Government from allocating funds for the operation or implementation of any of the programs or services stated herein, including the budget for capital outlay (CO).

CHAPTER TWO

EASE OF BUSINESS REGISTRATION

SEC. 8. *Single office for business registration* – There is hereby created, under the Department of Trade and Industry (DTI) an Enterprise Registration Authority (ERA) which shall perform the following functions:

- a) Administer, in cooperation with the Department of Information and Communication Technology (DICT), the National Registry of Businesses;
- b) Create and administer a centralized online business registration platform that shall receive all business application requirements;
- c) Forward business application requirements received through its online registration facility and facilitate their processing with relevant government offices, including local government units;
- d) Set up, within the business registration platform, an electronic payment system for paying business registration charges and fees;
- e) Update registration applicants about the status of requirements forwarded with relevant government agencies;
- f) Within one day, issue tentative licenses to operate to applicants which have completed submitting all registration requirements pending final approval and do not require special permits and licenses to safeguard public safety, public order, public health, or public morals;
- g) Work with Negosyo Centers to set up on-site facilities where business registration through the online business registration platform can be conducted, for the benefit of applicants who, for whatever reason, are unable to access the online facility;
- h) Recommend the elimination of redundant processes in the business registration process; and
- i) Perform such other functions as may be necessary or as are inherent in role as the central business registration platform and agency of the government.

As far as practicable, the online business registration platform which the ERA is mandated to administer shall have a user interface that can be navigated by the applicant without professional assistance.

The funds required to create the office, hire personnel, and perform its functions shall be sourced from the DTI's existing funds for the current fiscal year, after which, appropriations for the ERA shall be made in the General Appropriations Act (GAA). The Authority shall be headed by a Director-General which shall have the rank and privileges of an Assistant Secretary.

SEC. 9. *Removal of redundant permits and licenses*. – To effectively establish a one-day, one-office business registration process, the ARTA and the DTI shall conduct a thorough review and time-and-motion study of the business registration process and recommend the removal of redundant permits and licenses.

The review and study shall be submitted to Congress within ninety (90) days after the effectivity of this Act. The DTI and ARTA shall also propose to the President executive action, such as Executive Orders and Administrative Orders, whenever the removal of redundant permits and licenses do not require Acts of Congress.

SEC. 10. *National Registry of Businesses.* – There shall be established, under the administration of the ERA created under Section 5 of this Act, a National Registry of Businesses, which shall be the centralized business registration platform of the government. Within two (2) years upon the effectivity of this Act, all business registration applications shall be processed and stored through the Registry.

Each duly completed business application shall have one unified record in the Registry. The Record shall contain all of the completed application's registration requirements, licenses and permits obtained, and other mandatory disclosures and filings. The files and disclosures held by the ERA shall be subject to the laws, rules, and regulations governing the privacy of information contained in such documents.

As it requires complete registration with all relevant government agencies, the issuance of a Certification of Registration by the ERA, through the National Registry of Business, shall be considered a valid proof of duly completed business registration.

CHAPTER THREE

EFFICIENT AND TRANSPARENT DELIVERY OF SOCIAL SERVICES

SEC. 11. *National Patient Registry for Universal Health Care.* – The Philippine Health Insurance Corporation (PHIC) shall maintain an electronic national health records system where patient data, including all requested and actually granted and paid claims and benefits, and all health information during patient's encounters with health service providers or professionals accredited with the PHIC, shall be stored, and may be obtained upon request by the patient.

The DICT shall provide support in designing a secure database with mechanisms for detecting probable fraud, provided, that the database shall abide by the 'one-patient, one-record' principle.

SEC. 12. *Portability of social services.* – It shall be the objective of national government agencies to ensure that the receipt of national social services shall be delinked from venue requirements. The Performance Management and Delivery Office, created under Section 16 of this Act, shall formulate a comprehensive report to Congress and the President identifying government services that require the beneficiary to be physically present in a certain locality, and propose changes in government regulations and practices to ensure that beneficiaries of social services can access their social benefits conveniently in any locality in the country.

Once its recommendations are approved by the Cabinet, the Performance Management and Delivery Office shall monitor the implementation of its proposals, and perform functions and powers given to it under Section 16 of this Act to ensure that identified government services are delinked from venue requirements.

SEC. 13. *Relaxation of data privacy rules for government social services.* – Section 4 of Republic Act No. 10173 is hereby amended as follows:

Section 4. *Scope.* – This Act applies to the processing of all types of personal information and to any natural and juridical person involved in personal information processing including those personal information controllers and processors who, although not found or established in the Philippines, use

equipment that are located in the Philippines, or those who maintain an office, branch or agency in the Philippines subject to the immediately succeeding paragraph: *Provided*, That the requirements of Section 5 are complied with.

This Act does not apply to the following:

(a) Information about any individual who is or was an officer or employee of a government institution that relates to the position or functions of the individual, including:

(1) The fact that the individual is or was an officer or employee of the government institution;

(2) The title, business address and office telephone number of the individual;

(3) The classification, salary range and responsibilities of the position held by the individual; and

(4) The name of the individual on a document prepared by the individual in the course of employment with the government;

(b) Information about an individual who is or was performing service under contract for a government institution that relates to the services performed, including the terms of the contract, and the name of the individual given in the course of the performance of those services;

(c) Information relating to any discretionary benefit of a financial nature such as the granting of a license or permit given by the government to an individual, including the name of the individual and the exact nature of the benefit;

(d) Personal information processed for journalistic, artistic, literary or research purposes;

(e) Information necessary in order to carry out the functions of public authority which includes the processing of personal data for the performance by the independent, central monetary authority and law enforcement and regulatory agencies of their constitutionally and statutorily mandated functions. Nothing in this Act shall be construed as to have amended or repealed Republic Act No. 1405, otherwise known as the Secrecy of Bank Deposits Act; Republic Act No. 6426, otherwise known as the Foreign Currency Deposit Act; and Republic Act No. 9510, otherwise known as the Credit Information System Act (CISA);

(f) Information necessary for banks and other financial institutions under the jurisdiction of the independent, central monetary authority or Bangko Sentral ng Pilipinas to comply with Republic Act No. 9510, and Republic Act No. 9160, as amended, otherwise known as the Anti-Money Laundering Act and other applicable laws; [and]

(g) Personal information originally collected from residents of foreign jurisdictions in accordance with the laws of those foreign jurisdictions, including any applicable data privacy laws, which is being processed in the Philippines; **AND**

(H) PERSONAL INFORMATION NECESSARY FOR THE TARGETING, PROCESSING, AND DISTRIBUTION OF GOVERNMENT ASSISTANCE, SUCH AS SOCIAL WELFARE BENEFITS AND OTHER FORMS OF FINANCIAL ASSISTANCE.

SEC. 14. Simplification and streamlining of rules and procedures on data-sharing by government social welfare agencies. – Within ninety (90) days after the effectivity of this Act, the National Privacy Commission (NPC) shall issue simplified rules and procedures to govern the data sharing among government agencies with social benefits programs, including but not

limited to, the Social Security System (SSS), the Philippine Health Insurance Corporation (PHIC), and the Department of Social Welfare and Development (DSWD).

CHAPTER FOUR

EFFICIENT CITIZEN SERVICES AND TRANSACTIONS

SEC. 15. *Electronic payment systems for government requirements.* – The DICT, in coordination with the Bangko Sentral ng Pilipinas (BSP), Land Bank of the Philippines, and the Development Bank of the Philippines, shall establish convenient electronic payment mechanisms for government fees and charges. The DICT, LBP, BSP, and DBP shall issue simplified rules and procedures for the participation of government offices in such mechanisms.

Within one (1) year after the effectivity of this Act, national government agencies shall provide electronic payment, through the mechanisms created pursuant to this Section, as an option for the payment of government fees and charges. The DICT and ARTA shall monitor compliance with this paragraph.

Within two (2) years after the effectivity of this Act, and notwithstanding any law to the contrary, local government units shall provide electronic payment, through the mechanisms created pursuant to this Section, as an option for the payment of all local government fees and charges. The DICT, DILG, and ARTA shall monitor compliance with this paragraph.

SEC. 16. *Electronic signatures for government requirements.* – Section 27 of Republic Act No. 8792 is hereby amended as follows:

Section 27. Government Use of Electronic Data Messages, Electronic Documents and Electronic Signatures. - Notwithstanding any law to the contrary, within two (2) years from the date of the effectivity of this Act, all departments, bureaus, offices and agencies of the government, as well as all government-owned and -controlled corporations, that pursuant to law require or accept the filing of documents, require that documents be created, or retained and/or submitted, issue permits, licenses or certificates of registration or approval, or provide for the method and manner of payment or settlement of fees and other obligations to the government, shall -

- (a) accept the creation, filing or retention of such documents in the form of electronic data messages or electronic documents;
- (b) issue permits, licenses, or approval in the form of electronic data messages or electronic documents;
- (c) require and/or accept payments, and issue receipts acknowledging such payments, through systems using electronic data messages or electronic documents; or
- (d) transact the government business and/or perform governmental functions using electronic data messages or electronic documents, **THE DEPARTMENT OF INFORMATION AND COMMUNICATION TECHNOLOGY, IN CONSULTATION WITH THE NATIONAL PRIVACY COMMISSION AND OTHER RELEVANT AGENCIES, SHALL [and] for the purpose, [are authorized to] adopt and promulgate, after appropriate public hearing and with due publication in newspapers of general**

circulation, the appropriate rules, regulations, or guidelines, to, among others, specify -

- 1) the manner and format in which such electronic data messages or electronic documents shall be filed, created, retained or issued;
- 2) where and when such electronic data messages or electronic documents have to be signed, the use of an electronic signature, the type of electronic signature required;
- 3) the format of an electronic data message or electronic document and the manner the electronic signature shall be affixed to the electronic data message or electronic document;
- 4) the control processes and procedures as appropriate to ensure adequate integrity, security and confidentiality of electronic data messages or electronic documents or records of payments;
- 5) other attributes required to electronic data messages or electronic documents or payments; and
- 6) the full or limited use of the documents and papers for compliance with the government requirements: *Provided*, that this Act shall be itself mandate any department of the government, organ of state or statutory corporation to accept or issue any document in the form of electronic data messages or electronic documents upon the adoption, promulgation and publication of the appropriate rules, regulations or guidelines.

SEC. 17. *Adoption of rules on electronic signatures for government transactions.* – The DICT shall adopt and promulgate the appropriate rules, regulations, or guidelines on electronic signatures for government transactions as mandated by Sec. 16 of this Act within ninety (90) days after the effectivity of this Act.

SEC. 18. *Capacity-building functions of the Anti-Red Tape Authority.* – There shall be created, within the ARTA, a Government Offices Capacity-Building Bureau (GOCBB), which may be supported by an appropriate number of sub-offices as may be determined by law through executive action, and which shall perform the following functions:

- a) Establish and prescribe plans, policies, programs, and standards to strengthen the administrative and technical capabilities of national government offices and personnel to deliver citizen services more efficiently;
- b) Formulate, prescribe, monitor, and periodically evaluate policies, plans, programs, and projects designed to enhance government processes and service delivery;
- c) Formulate and develop models, standards and materials on efficient government transactions and service delivery;
- d) Whenever necessary and upon request of the relevant agency, provide technical assistance and advice to government agencies seeking to optimize their processes;
- e) Establish strategies and approaches for governments offices to make processes simpler and more inclusive; and
- f) Perform such other functions as may be inherent in its role as the leading government office for process optimization strategies, and as may be delegated by the Director-General of the ARTA.

As far as practicable, the Office shall assign units or divisions to specialize in specific areas of government service delivery such as procurement, basic citizen services, and social welfare benefits, or in the operations of clusters of closely-related government offices. These

units or divisions shall work closely with relevant government agencies in performing the functions of the Office within these units' or divisions' area of specialization or assignment.

The amount needed to carry out the mandate of the GOCB shall be charged against the current operative budget sourced from the internal funds of the ARTA. Thereafter, such sum representing the responsibility of the National Government for the continued operations and maintenance of the Bureau shall be included in the annual General Appropriations Act (GAA).

Congress shall annually appropriate the necessary amount to meet the funding requirement for personal services (PS) and the maintenance and other operating expenses (MOOE) of the Bureau. Nothing in this Act shall prevent the National Government from allocating funds for the operation or implementation of any of the programs or services stated herein, including the budget for capital outlay (CO).

Sec. 19. *Inclusivity of government processes.* – All government agencies, offices, and instrumentalities shall ensure that their processes are inclusive and intelligible. To this effect, the Komisyon ng Wikang Filipino (KWF) shall extend technical assistance to government agencies, offices, and instrumentalities to translate procedures, processes, instructions, and guidelines in the language or languages most accessible to the clients or participants of such procedures, processes, instructions, and guidelines. Congress shall annually appropriate the necessary amount to meet the funding requirement for technical assistance.

The National Council for Disability Affairs (NCDA) shall also ensure that government processes comply with the Republic Act No. 7277 otherwise known as Magna Carta for Disabled Persons, Batas Pambansa Blg. 344 or Accessibility Law, Republic Act 6759 or White Cane Act and the International Labor Organization (ILO) Convention No. 159 or the Vocational Rehabilitation of Persons with Disability. The NCDA shall be consulted in the formulation of guidelines, rules, and regulations mandated by this Act.

The Philippine Commission on Women (PCW) shall also ensure that government processes comply with Republic Act 9710, also known as the Magna Carta of Women, and other relevant laws. For this purpose, the PCW shall be consulted in the formulation of guidelines, rules, and regulations mandated by this Act.

The formulation of guidelines, rules, and regulations mandated by this Act shall be undertaken in a manner that is consultative and inclusive and shall take into consideration the concerns of vulnerable groups and sectors.

CHAPTER FIVE PERFORMANCE MANAGEMENT AND EVALUATION

SEC. 20. *Performance Management and Delivery Office.* – There shall be created under the Office of the President, a Performance Management and Delivery Office (PMDO), which shall be headed by a Director-General with the rank of Undersecretary, and which shall coordinate, monitor, and propose enhancements to the modernization of public-service delivery and the implementation of key government programs as identified by the President with the Cabinet.

The unit shall perform the following functions:

- a) Facilitate the identification by the Cabinet of key government programs for monitoring, acceleration, and improvement;
- b) Coordinate the formulation by the Cabinet of a Government Transformation Program (GTP) to modernize public service delivery, and monitor its implementation;
- c) Promote the acceleration of key government programs and priorities by coordinating the direction of Executive Branch resources and attention towards these programs and priorities;
- d) Promote strategic, time-bound, and practical planning among government agencies involved in the GTP and in key programs and priorities;
- e) Identify the most important key performance indicators (KPIs) for the GTP and for key government programs;
- f) Assist implementing agencies in meeting KPIs, and whenever necessary, elevate necessary action to the Cabinet and the President;
- g) Work with other agencies in communicating the results of the GTP and of key programs and priorities to the general public; and
- h) Perform other functions delegated by the President to ensure that public service delivery is improved.

The amount needed to carry out the mandates of the PMDO shall be charged against the current operative budget sourced from the internal funds of the Office of the President. Thereafter, such sum representing the responsibility of the National Government for the continued operations and maintenance of the Bureau shall be included in the annual General Appropriations Act (GAA).

Congress shall annually appropriate the necessary amount to meet the funding requirement for personal services (PS) and the maintenance and other operating expenses (MOOE) of the Office. Nothing in this Act shall prevent the National Government from allocating funds for the operation or implementation of any of the programs or services stated herein, including the budget for capital outlay (CO).

The Office may retain or employ independent counsel, research staff, and service staff, as its duly appointed head deems necessary to carry out the functions, powers, and duties of the Office, notwithstanding relevant laws, rules, and regulations.

SEC. 21. *Congressional Oversight Committee on Government Modernization.* – There shall be created a Congressional Oversight Committee on Government Modernization, a standing joint committee of Congress which shall be composed of five (5) members and one co-chair from the Senate, and five (5) members and one co-chair from the House of Representatives.

The minority of both the Senate and the House shall be represented proportionally in the Oversight Committee, and shall have at least one (1) representative in each delegation.

The Oversight Committee shall convene at least once every session to oversee the implementation of this Act. The Oversight Committee shall receive a copy of all reports mandated to be accomplished in this Act.

The Oversight Committee shall adopt its own rules and procedures, in accordance with the Rules of the Senate and the House of Representatives. The Oversight Committee shall

exercise subpoena powers requiring a nominee or witness to testify at its hearing or for the taking of his deposition or to bring books, documents or other things under his control. The subpoena shall be signed, under the seal of the Oversight Committee, by the co-chairs of the Committee. The subpoena shall state the subject matter under inquiry and the nominee or witness whose attendance is required, and, in case of a subpoena duces tecum, shall particularly describe the books, documents or things to be produced.

CHAPTER SIX

POWERS TO REENGINEER GOVERNMENT PROCESSES

SEC. 22. *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. 23. *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. 24. *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. 25. *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. 26. 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. 27. 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. 28. 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. 29 Study and report to integrate the National Identification System with other mandatory registrations. The National Economic and Development Authority (NEDA) shall formulate a comprehensive study of all mandatory social contributions, registrations, and other required forms of identification and registration which may be subsumed into the Philippine Identification System established under Republic Act No. 11055. The study shall include recommendations to remove redundant registration and identification requirements.

The initial findings of the study shall be submitted to Congress and the President within ninety (90) days upon the effectivity of this Act. NEDA shall make subsequent reports to Congress and the President every thirty (30) days thereafter, and the final report shall be submitted to Congress and the President within one hundred and eighty (180) days after the date of effectivity of this Act.

SEC. 30. *Study and report on the digitization of databases for basic social services, including PhilHealth.* – The Department of Information and Communication Technology (DICT) shall formulate a comprehensive study of information and communication technology-based solutions to minimize fraud and strengthen data management and administration of mandatory social programs administered by such agencies as the Philippine Health Insurance Corporation and the Social Security System.

The DICT shall also seek the definitive opinion of the National Privacy Commission (NPC) on the measures that can be taken to facilitate the sharing and integration of databases among government agencies to facilitate the targeting and distribution of social services.

The initial findings of the study shall be submitted to Congress and the President within ninety (90) days upon the effectivity of this Act. DICT shall make subsequent reports to Congress and the President every thirty (30) days thereafter, and the final report shall be submitted to Congress and the President within one hundred and eighty (180) days after the date of effectivity of this Act.

The President may also request the DICT to prioritize the consideration of specific social services in the conduct of the study.

CHAPTER SEVEN OTHER PROVISIONS

SEC. 31. *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. 32. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations inconsistent with the provisions of this Decree are hereby repealed or modified accordingly.

SEC. 33. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,