



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



TWENTIETH (20TH) CONGRESS
First Regular Session

HOUSE BILL NO. **7213**

Introduced by KAMANGGAGAWA Partylist
Representative **ELIJAH R. SAN FERNANDO**

EXPLANATORY NOTE

The 1987 Constitution directs the State to regulate economic activity in a manner that promotes social justice, productive enterprise, and secure livelihoods. Article II, Section 9 declares that *"The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty."* In support of this objective, Article XIII, Section 3 mandates the State to *"afford full protection to labor"* and to guarantee *"humane conditions of work"* and *"a living wage."* These constitutional principles call for regulatory systems that protect the public interest while enabling enterprises to sustain employment and contribute to economic growth.

Under existing law, business permits are issued on an annual basis. This approach has long served as a mechanism for local governments to exercise regulatory oversight and ensure compliance with applicable standards. However, as business operations and regulatory systems have become more standardized and digitized, the requirement of yearly renewal for all enterprises, regardless of operational changes, warrants reexamination.

For many businesses, particularly the 1.24 million micro, small, and medium enterprises that constitute 99.63% of all registered establishments which employ nearly two-thirds of total private employment,¹ annual permit renewal entails recurring administrative costs and procedural demands that accumulate over time. While individually modest, these repeated obligations may affect business planning and continuity across a sector that underpins the bulk of domestic employment. A

¹ According to the Department of Trade and Industry's 2024 Philippine MSME Statistics. Available at <https://www.dti.gov.ph/dti-knowledge-hub/dti-statistics/dti-msme-statistics>

regulatory environment characterized by greater stability and predictability therefore supports sustained operations among MSMEs, which in turn strengthens employment security and compliance with labor standards.

This measure seeks to refine, not dismantle, the existing permitting framework. By extending the validity period of business permits, the State preserves the regulatory authority of local governments while reducing the frequency of procedural renewals, thus promoting efficiencies in their daily administrative operations. This approach allows regulatory resources to be directed toward substantive oversight and enforcement, while providing enterprises with a more stable legal footing.

By promoting regulatory continuity, the bill advances the constitutional goal of a dynamic social order grounded in productive work and responsible enterprise. It recognizes that effective regulation can coexist with administrative efficiency and that predictable governance contributes to formal employment and economic resilience.

In solidarity with the working class, the passage of this bill is earnestly sought.



ELIJAH R. SAN FERNANDO
Representative
KAMANGGAGAWA PARTYLIST



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AN ACT
EXTENDING THE VALIDITY OF LOCAL GOVERNMENT UNIT BUSINESS
PERMITS TO FIVE (5) YEARS, AMENDING FOR THE PURPOSE SECTION
11(e) OF REPUBLIC ACT NO. 9485, OTHERWISE KNOWN AS THE ANTI-RED
TAPE ACT OF 2007, AS AMENDED BY REPUBLIC ACT NO. 11032, OTHERWISE
KNOWN AS THE EASE OF DOING BUSINESS AND EFFICIENT
GOVERNMENT SERVICE DELIVERY ACT OF 2018

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

SECTION 1. *Extension of Validity of Business Permits.* – Section 11(e) of Republic Act No. 9485, otherwise known as the "Anti-Red Tape Act of 2007," as amended by Republic Act No. 11032, otherwise known as the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018," is hereby amended to read as follows:

“(e) Business permits shall be valid for a period of [one (1) year] FIVE (5) YEARS. The city/municipality may have the option to renew business permits within the first month [of the year] or on the anniversary date of the FIFTH YEAR of the issuance of the business permit.”

SEC. 2. *Transitory Clause.* – All business permits which are valid and subsisting at the time of the effectivity of this Act shall continue to be valid until the expiration of the period for which they were issued. Thereafter, any renewal of such business permits shall be governed by, and issued in accordance with, the five-year validity period prescribed under this Act.

SEC. 3. *Repealing Clause.* – All other laws, decrees, executive orders, implementing rules and regulations, issuances, or any part thereof inconsistent with the provisions of this Act are deemed repealed, amended, or modified accordingly.

SEC. 4. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remaining parts or provisions hereof not affected thereby shall remain in full force and effect.

SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication, in English and Filipino, in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,