

NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

4th Annual EASE OF DOING BUSINESS Summit

07 June 2016 | PICC





Opening Remarks

Guillermo M. Luz
Co-Chairman, Private Sector



Accomplishment vs Goal (Top One-Third)

REPORT	2010/2011	2015/2016	GOAL (Top 3rd)	CHANGE 4 or 5 yrs
1. Doing Business Report (IFC)	148/183	103/189	63	↑ 45
2. Economic Freedom Index (HF)*	115/179	70/178	59	↑ 45
3. Corruption Perception Index (TI)	134/178	95/175	58	↑ 39
4. Global Competitiveness Index (WEF)	85/139	47/140	47	↑ 38
5. Global Enabling Trade Index (WEF)	92/125	64/138	46	↑ 28
6. Travel and Tourism Report (WEF)	94/139	74/141	46	↑ 20
7. WIPO- Global Innovation Index (WIPO)	83/141	90/142	47	↑ 10
8. Global Information Technology Report (WEF)	86/138	76/148	48	↑ 10
9. Global Gender Gap Report (WEF)	9/142	7/145	47	↑ 2
10. World Competitiveness Report (IMD)	41/59	41/60	20	--
11. Fragile States Index (FFP)**	48/178	59/178	118	↓ 11
12. Logistics Performance Index (WB)	44/155	57/160	53	↓ 13

*with 2016 Results, **reverse ranking (1 as worst)

**** REACHED THE TOP THIRD





TOP 4 Biggest Gains



+45

No. 103
from No.148

DOING
BUSINESS
REPORT



+45

No. 70
from No. 115

2016 results
ECONOMIC
FREEDOM
INDEX



+39

No. 95
from No. 134

CORRUPTION
PERCEPTION
INDEX



+38

No. 47
from No. 85

GLOBAL
COMPETITIVENESS
REPORT





Gameplan History

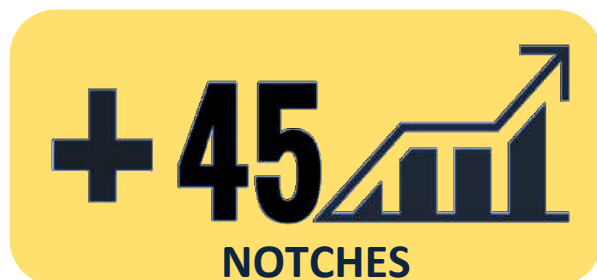
2011



2012



2016



No. 103
out of 189 economies

2013-2015

Gameplans
(1,2, &3)



REFORMs

2013



Administrative Order 38
Ease of Doing Business
Taskforce

AO 38- Ease of Doing Business Taskforce



DOF

SEC

DILG

BAP-Credit Bureau



BFP

BIR

BOC

DOJ

PagIBIG

SOCIAL SECURITY SYSTEM



DPWH

LRA

PSP

QUEZON CITY

LANDBANK

DBP

PSE

MERALCO

ACCRA



NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

EXPORT
DEVELOPMENT COUNCIL

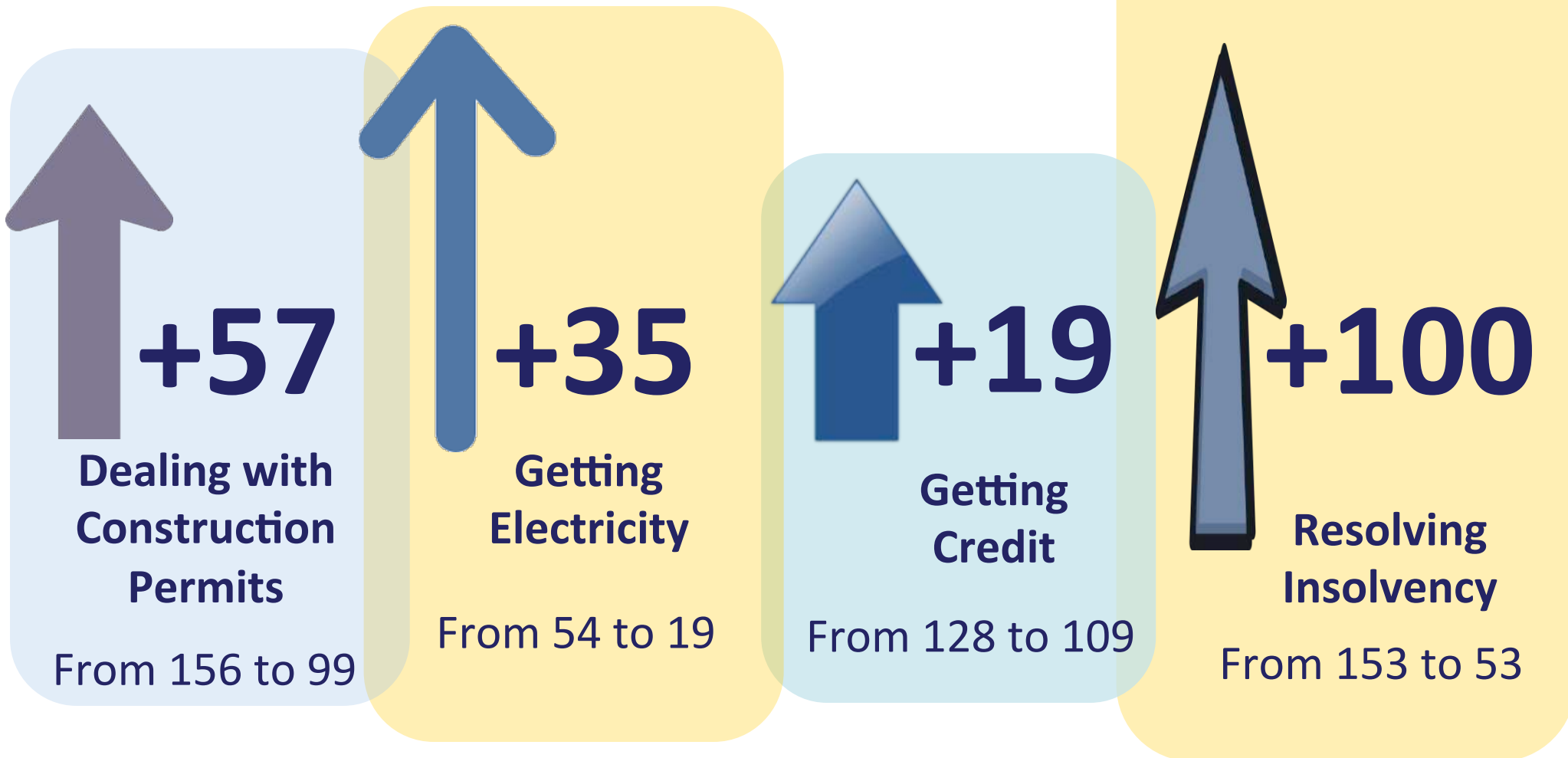




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Upgrades

Philippine Rankings (2011-2016)





Downgrades

Philippine Rankings (2011-2016)

Starting
a Business

-9

From 156
to 165

Registering
Property

-10

From 102
to 112

Protecting
Minority
Investors

-23

From 132
to 155

Paying
Taxes

-2

From 124
to 126

Trading
Across
Borders

-34

From 61
to 95

Enforcing
Contracts

-22

From 118
to 140



Sec. Adrian S. Cristobal Jr.

Department of Trade and Industry
Chairman, NCC





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COUNCIL | PHILIPPINES

Panel Discussion

Moderator:

RUY Y. MORENO

Operations Director, Private Sector

AO 38 - Ease of Doing Business Taskforce



CREDIT INFORMATION
CORPORATION



PhilHealth
Your Partner in Health



MERALCO



ACCRA LAW



THE PHILIPPINE
STOCK EXCHANGE
INC.



EXPORT
DEVELOPMENT COUNCIL



PHILIPPINE PORTS
AUTHORITY



Resolving Insolvency

Hon. Apolinario Bruselas Jr.
Associate Justice, Court of Appeals



RESOLVING INSOLVENCY

- **Financial Liquidation and Suspension of Payments (FLSP) Rules of Procedure for Insolvent Debtors**

Provide the rules of pleading, practice, and procedure to govern the proceedings for the liquidation of insolvent juridical and Individual Debtors, and suspension of payments of insolvent individual debtors.

RESOLVING INSOLVENCY

- **Financial Liquidation and Suspension of Payments (FLSP) Rules of Procedure**

liberally construed to promote timely, fair, transparent, effective and efficient liquidation and suspension of payments of debtors pursuant to the Financial Rehabilitation and Insolvency Act (FRIA)

RESOLVING INSOLVENCY

- **Financial Liquidation and Suspension of Payments (FLSP) Rules of Procedure for Insolvent Debtors**

Provide for seamless and speedy transition from rehabilitation or corporate recovery mode to insolvency mode

RESOLVING INSOLVENCY

- **Special Commercial Courts (69 Branches of Regional Trial Court) spread all over the archipelago;**
- **Exclusively dedicated to cases that involve: rehabilitation or corporate recovery; insolvency and suspension of payments; intellectual property rights; intra-corporate controversies; liquidation**

RESOLVING INSOLVENCY

- **Judges of Special Commercial Courts undergo special training on current laws, jurisprudence and trends concerning cases under their jurisdiction**

RESOLVING INSOLVENCY

- Reduce the cost and the time it takes to complete insolvency proceedings through the Financial Liquidation and Suspension of Payments Rules of Procedure for Insolvent Debtors

RESOLVING INSOLVENCY

FROM

21.4

RECOVERY
RATE

14.5

QUALITY
INDEX

TO

21.4

RECOVERY
RATE

15.5

QUALITY
INDEX



Starting a Business

Ferdinand B. Sales

Director, Company Registration and Monitoring Department,
Securities and Exchange Commission



STARTING A BUSINESS

FROM

TO

16
STEPS

29
DAYS

6
STEPS

8
DAYS

2015

2016



BEFORE

STARTING A BUSINESS

1

Verify and reserve the company name with SEC
(1 day, Php 40)

2

Deposit Paid in Capital at the bank
(1 day, Php 0)

3

Notarize articles of incorporation and treasurer's affidavit.
(1 day, Php 500)

4

Register the company with SEC and receive pre-registered TIN.
(2 days average, see procedure details)

5

Obtain barangay clearance.
(1 day, Php 500)

6

Pay annual community tax and obtain community tax certificate.
(1 day, Php 500)

7

Obtain business permit from BPLO.
(6 days, see procedure details)

8

Buy special books of account at book-store. (1 day, Php 400)

9

Apply and pay for Certificate of Registration and obtain TIN at BIR.
(1 day, see procedure details)

10

Pay registration fee and documentary stamp taxes
(1 day, see procedure details)

11

Obtain authority to print receipts and invoices from BIR.
(1 day, Php 0)

12

Print receipts and invoices.
(7 days, Php 3,500)

13

Have books of accounts and Printer's Certificate of Delivery stamped by BIR.
(1 day, Php 0)

14

Register with SSS.
(7 day, Php 0)

15

Register with PhilHealth.
(1 day, Php 0)

16

Register with Pag-IBIG.
(1 day, Php 0)

can be completed in 29 days

AFTER

STARTING A BUSINESS

1

Prepare articles of incorporation, by-laws, and treasurer's affidavit signed by the incorporators for notarization.

1 DAY

4

Obtain Business Permit to Operate from the Business Process and Licensing Office and pay necessary fees

2-3 DAYS

2

Obtain SEC Registration Number, BIR Tax Identification Number Pag-IBIG fund, PhilHealth, and SSS Employer numbers (ERNs) at the Securities and Exchange Commission through its Integrated

Business Registration System. Applicant will receive a Unified Registration Form (URF).

1 DAY

5

Secure Certificate of Registration and Registration of Books of accounts at the Bureau of Internal Revenue (BIR)

1 DAY

3

Obtain Barangay Clearance

1 DAY

6

A. Registration Cash Register Machine (CRM) / Point of Sale (POS)

1 DAY

B.

Secure Authority to Print Receipts/ Invoices (Manual Receipts)

1-7 DAYS

can now be completed in **8 days**

STARTING A BUSINESS

1 National Government

Register the company
with SEC + BIR + SSS
+ Pag-IBIG Fund +
PhilHealth
(All in one form and
transaction)

2 Local Government

Barangay Clearance
+ Community Tax
Certificate (CTC) +
Mayor's Permit

3 Bureau of Internal Revenue

Streamlining
BIR- related
procedures

can be further reduced to **3 days**

AFTER

UNIFIED REGISTRATION RECORD (URR)

The image shows a Unified Registration Record (URR) form for One Orange Communications Inc. The form is divided into several sections. At the top, there are logos for the Department of Trade and Industry (DTI), the Department of Labor (DOLE), the Department of Health (DOH), PhilHealth, and the Social Security System (SSS). The title 'UNIFIED REGISTRATION RECORD (URR)' is centered below the logos.

COMPANY NAME ONE ORANGE COMMUNICATIONS INC.		SEC REGISTRATION NUMBER CS201504528	
DOING BUSINESS AS (list down trade names) Telecommunications		TAX IDENTIFICATION NUMBER (TIN) 008008000	
PRINCIPAL ADDRESS 123 marvex pineda Kalookan City Metro Manila		PAG-IBIG EMPLOYER NUMBER (Eyer ID) 800170635509	
		PHILHEALTH EMPLOYER NUMBER (PEN) 002000008635	
		SSS EMPLOYER NUMBER (ER No.) 0392534831	
PHONE NO.	7846498	FAX NO.	7772345
MOBILE NO.		E-MAIL ADDRESS	
AUTHORIZED REPRESENTATIVE (to be filled up by company - for presentation to social agencies)			

SEC

BIR

Pag-IBIG

PhilHealth

SSS

Integrated Business Registration System Performance

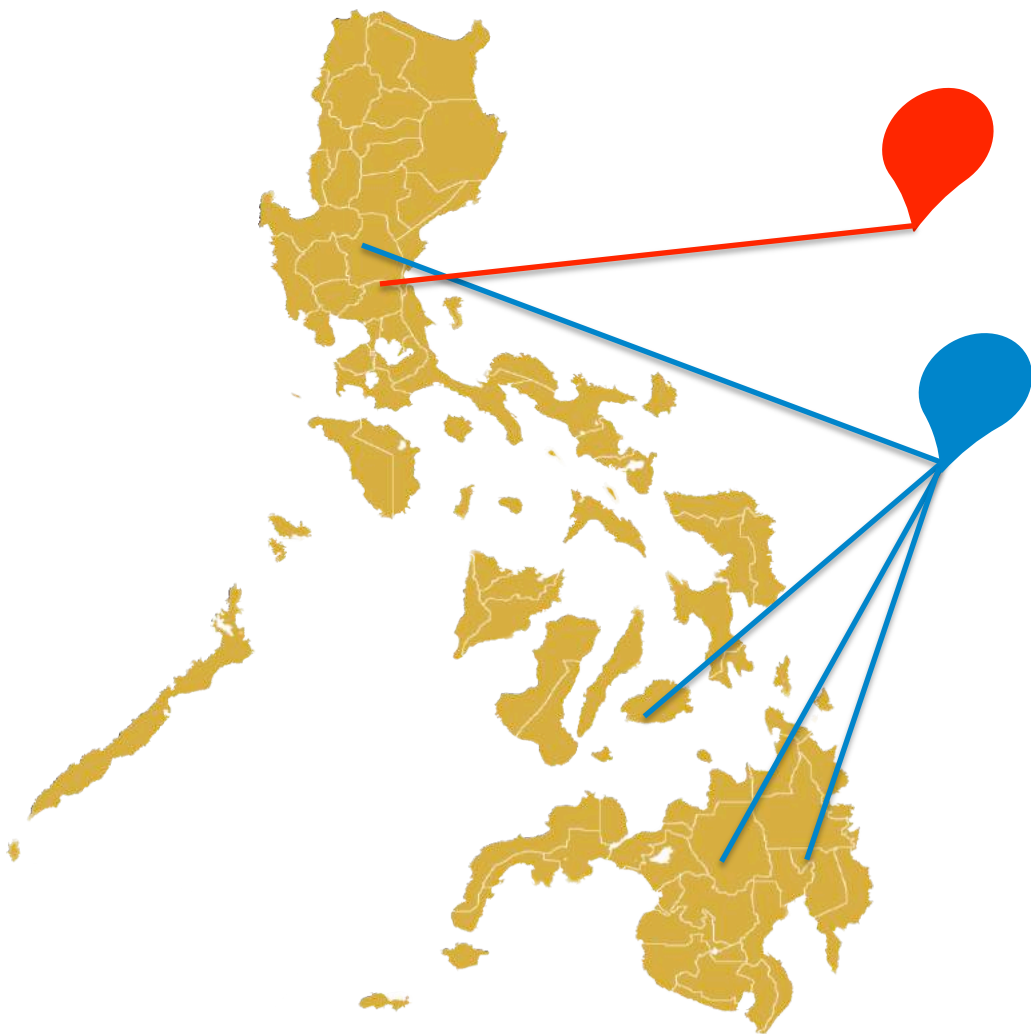
SEC Processing Time	Applications
within the day	22,674
1 day	3,816
2 days	793
3 days	270
4 days	141
others	503
TOTAL	28,197

DATE	PERFORMANCE
April 15, 2015 - May 31, 2016	Applications Received = 28,204 Applications Processed = 28,197 URRs Printed = 28,192 IBRS Performance = 99.17%

**Majority of corporations are processed and approved within one (1) business day. Among the 28,197 applications processed, 26,490 or 93.95% were approved within the day.*



Single transaction now takes place at **SEC Head Office** and selected satellite and extension offices.



SATELLITE OFFICES

1. Ali Mall
2. SM Manila
3. SM North EDSA
4. Robinsons Galleria

****SEC Makati Satellite Office,
to be announced***

EXTENSION OFFICES

1. Tarlac
2. Cebu
3. Davao
4. Cagayan de Oro

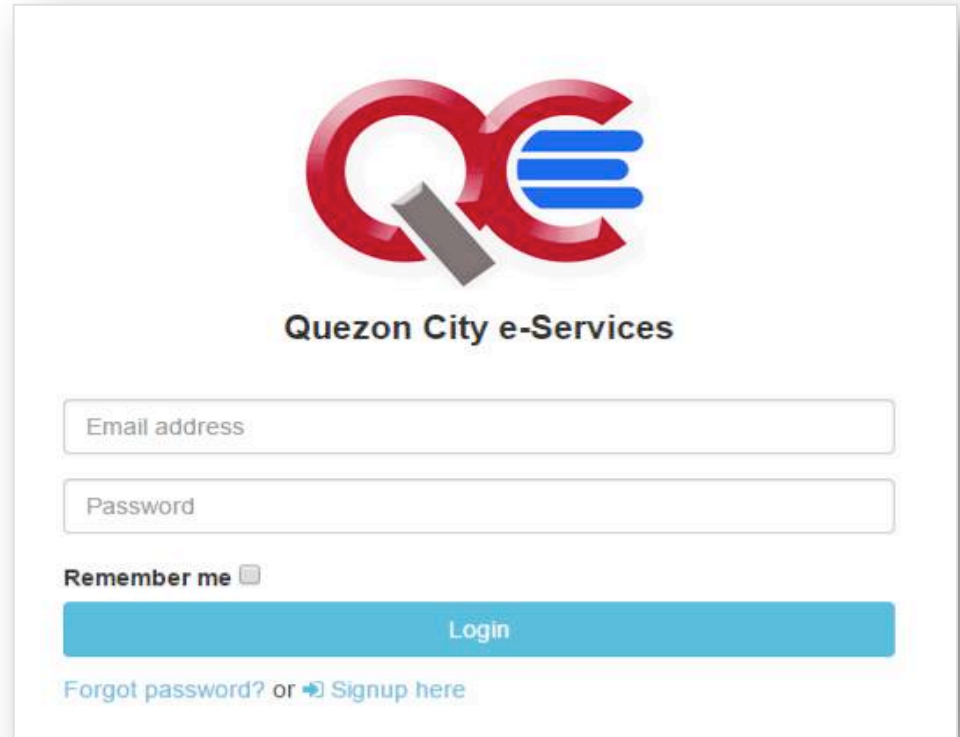


Quezon City has set up an **online portal** for business registration.

Website may be accessed through
www.quezoncity.gov.ph/qceservices > QC eServices.

This portal accepts business registrations of:

- New corporations
- New partnerships
- New foundations
- New cooperatives.



Quezon City e-Services

Email address

Password

Remember me ☐

Login

[Forgot password?](#) or [➔ Signup here](#)

Effective May 29, 2015



Quezon City easyPay Menu for Business and Real Property Taxes



1

ONLINE BANKING
Partnership of QC-LGU and Land Bank



3

POINT OF SALE (POS)

2

MOBILE MONEY
Partnership of QC-LGU and Gcash/Mynt



a. Using Bancnet ATM and debit cards - Partnership of QC-LGU and Land Bank

b. **COMING SOON** (within the year)
Payment via **CREDIT CARDS**



Streamlining BIR-related procedures

PROCEDURES

- Certificate of Registration (COR)
- Authority to Print (ATP) receipts
- Registration for books of accounts

BEFORE

Procedures done
separately in different
BIR buildings
(3 days)

AFTER

Procedures done
simultaneously in
one (1) day or eight
(8) working hours

Reference: Revenue Memorandum Circular no. 43 s. 2016
Effective April 07, 2016



Dealing with Construction Permits

Engr. Kennedy Diokno

Department of Building Official, Quezon City



DEALING WITH CONSTRUCTION PERMITS

FROM

24
STEPS

98
DAYS

2015

TO

18
STEPS

61
DAYS

2016



BEFORE

DEALING WITH CONSTRUCTION PERMITS

1. Obtain CTC of Land Title from Registry of Deeds (LRA-RD) 4 days

2. Obtain Lot plan with Site map from Geodetic Engineer 3 days

3. Obtain Barangay Clearance 1day

4. Apply for Locational Clearance (CPDO) 1 day

5. Receive Inspection for Locational Clearance(CPDO) 1 day

6. Obtain Locational Clearance (CPDO) 5 day

7. Apply and Obtain FSEC from BFP Fire Mashall (BFP) 7 days

8. Apply and obtain Building permit and ancillary permits from OBO 21 days

9. Receive inspection from BFP during Construction 1 day

10. Apply for FSIC at the BFP 1 day

11. Receive final inspection for the FSIC from the BFP 1 day

12. Obtain the FSIC from the BFP 5 days

13. Apply for the Certificate of Final Electrical Inspection (CFEI) at the OBO 1 day

14. Receive final inspection for the CFEI from the OBO 1 day

15. Obtain the CFEI from the OBO 3 days

16. Apply for the certificate of occupancy at the OBO 1 day

17. Receive final inspection for the certificate of occupancy from the OBO 1 day

18. Obtain the certificate of occupancy from the OBO 18 days

19. Apply for water and sewage connection. Manila Water 1 day

20. Receive inspection for water and sewage connection. Manila Water 1 day

21. Obtain water and sewage connection from Manila Water 21 days

22. Apply for the tax declaration of improvement at CAO 1 day

23. Receive inspection from the appraiser of CAO 1 day

24. Obtain tax declaration of improvement from the CAO 3 days

Can be completed in 98 Days

REFORM

DEALING WITH CONSTRUCTION PERMITS

1. Obtain CTC of Land Title from Registry of Deeds (LRA-RD) 4 days

2. Obtain Lot plan with Site map from Geodetic Engineer 3 days

3. Obtain Barangay Clearance 1day

4. Apply for Locational Clearance (CPDO) 1 day

5. Receive Inspection for Locational Clearance(CPDO) 1 day

6. Obtain Locational Clearance (CPDO) 5 day

7. Apply and Obtain FSEC from BFP Fire Mashall (BFP) 7 days

8. Apply and obtain Building permit and ancillary permits from OBO 21 days

9. Receive inspection from BFP during Construction 1 day

10. Apply for FSIC at the BFP 1 day

11. Receive final inspection for the FSIC from the BFP 1 day

12. Obtain the FSIC from the BFP 5 days

13. Apply for the Certificate of Final Electrical Inspection (CFEI) at the OBO 1 day

14. Receive final inspection for the CFEI from the OBO 1 day

15. Obtain the CFEI from the OBO 3 days

16. Apply for the certificate of occupancy at the OBO 1 day

17. Receive final inspection for the certificate of occupancy from the OBO 1 day

18. Obtain the certificate of occupancy from the OBO 18 days

19. Apply for water and sewage connection. Manila Water 1 day

20. Receive inspection for water and sewage connection. Manila Water 1 day

21. Obtain water and sewage connection from Manila Water 21 days

22. Apply for the tax declaration of improvement at CAO 1 day

23. Receive inspection from the appraiser of CAO 1 day

24. Obtain tax declaration of improvement from the CAO 3 days

AFTER

DEALING WITH CONSTRUCTION PERMITS

1. Obtain CTC of Land Title from Registry of Deeds (LRA-RD) **4 days**

2. Obtain Lot plan with Site map from Geodetic Engineer **3 days**

3. Obtain Barangay Clearance **1day**

4. Apply for Locational Clearance (CPDO) **1 day**

5. Receive Inspection for Locational Clearance(CPDO) **1 day**

6. Obtain Locational Clearance (CPDO) **5 day**

7. Apply for the following clearance and permits at the OBO
- Fire Safety Evaluation Clearance
- Locational Clearance
- Building Permit and Ancillary Permits

8. Submit pre-approved and complete documentary requirements for the Building Permit and Ancillary Permits at the OBO

9. Obtain the following clearance and permits at the OBO
- Fire Safety Evaluation Clearance
- Locational Clearance
- Building Permit and Ancillary Permits

10. Apply for the following at the OBO:
- Fire Safety Inspection Certificate
- Certificate of Final Electrical Inspection
- Certificate of Occupancy

11. Receive the following inspections:

- Final inspection for the FSIC from the BFP
- Final inspection for the CFEI from the OBO
- Final inspection for the certificate of occupancy from the OBO

12. Obtain the following certificates at the OBO

- Fire Safety Inspection Certificate FSIC
- Certificate of Final Electrical Inspection CFEI
- Certificate of Occupancy

13.Apply for water and sewage connection. Manila Water **1 day**

14. Receive inspection for water and sewage connection. Manila Water **1 day**

15. Obtain water and sewage connection from Manila Water **21 days**

16. Apply for the tax declaration of improvement at CAO **1 day**

17. Receive inspection from the appraiser of CAO **1 day**

18. Obtain tax declaration of improvement from the CAO **3 days**

Can now be completed in 61 days

Streamlining QC-OBO and BFP-related procedures

PROCEDURES

Apply and Obtain FSEC form BFP Fire Marshall (BFP)
Apply and obtain Building permit and ancillary permits from OBO
Receive inspection from BFP during Construction
Apply for FSIC at the BFP
Receive final inspection for the FSIC from the BFP
Obtain the FSIC from the BFP
Apply for the Certificate of Final Electrical Inspection (CFEI) at the OBO
Receive final inspection for the CFEI from the OBO
Obtain the CFEI from the OBO
Apply for the certificate of occupancy at the OBO
Receive final inspection for the certificate of occupancy from the OBO
Obtain the certificate of occupancy from the OBO

BEFORE

Procedures done separately in different areas

Inspections done separately

AFTER

Applications and obtaining of clearances/certificates are done in one window

Inspections are also done simultaneously.



Free, Online Access to the Building Code



THE BUILDING CODE (with IRR) is now available ONLINE through:

www.dpwh.gov.ph

www.competitive.org.ph/doingbusiness

and

www.quezoncity.gov.ph/index.php/qc-services/requirements-a-procedures



Getting Electricity

Ma. Cecilia Domingo

Assistant Vice President & Head, BIZ Partners Group
Manila Electric Company



GETTING ELECTRICITY

Advocacies for 2016:

Reduce the procedures in obtaining an electricity connection

FROM

4

STEPS

42

DAYS

TO

3

STEPS

38

DAYS

Improve scores on the Quality Control Index

Quality Index
Score:

6/8

Quality Index
Score:

7/8



GETTING ELECTRICITY

Reforms:

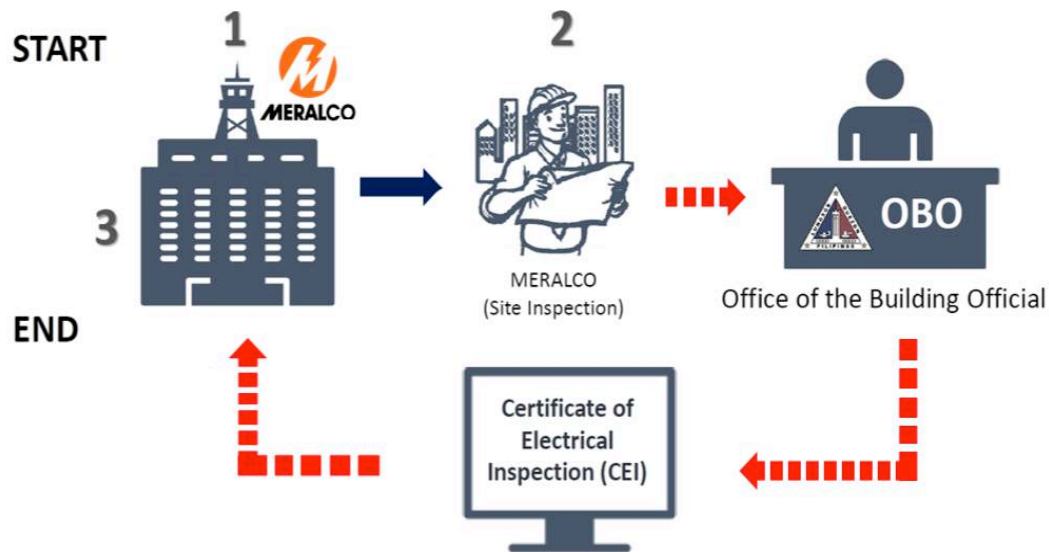
No need to request for Certificate of Electrical Inspection from Quezon City.

- implementation of online system transmittal of Certificate of Electrical Inspection (CEI) from **Quezon City** to **MERALCO**



Lowering the Security Deposit for Electricity Connections

- The amount of the security deposit has been reduced from PhP 251,770.00 to P231,661.16.



Refund of Bill Deposit to Customers

- Customer with 3 years good credit rating is entitled to Refund of Bill Deposit



GETTING ELECTRICITY

Service Application Procedures:

START

Submit application to MERALCO
and await site inspection
(STEP 1 - 3 days)

Receive site visit from MERALCO
and await estimate
(STEP 2 - 14 days)

Request and receive
Certificate of Electrical
Inspection (CEI) from Quezon
City (simultaneous with
previous procedure)
(STEP 3 - 7 days)

Submit CEI to MERALCO and
MERALCO completes
installation of overhead
distribution facilities and meter,
and electricity starts flowing
(STEP 4 - 25 days)

END

OLD PROCEDURES (4 Steps, 42 Days)

GETTING ELECTRICITY

Service Application Procedures:

START

Submit application to MERALCO
and await site inspection
(STEP 1 - 3 days)

Receive site visit from MERALCO
and await estimate
(STEP 2 - 14 days)

~~Request and receive
Certificate of Electrical
Inspection (CEI) from Quezon
City (simultaneous with
previous procedure)
(STEP 3 - 7 days)~~

MERALCO completes
installation of overhead
distribution facilities and meter,
and electricity starts flowing
(STEP 4 - 25 days)

END

NEW PROCEDURES (3 Steps, 38 Days)

GETTING ELECTRICITY

Reliability of Supply and Transparency of Tariff Index in Philippines	Before	After
Total duration and frequency of outages per customer a year (0-3)	1	2
System average interruption duration index (SAIDI)	5.8	3.8
System average interruption frequency index (SAIFI)	3.2	2.71
Mechanisms for monitoring outages (0-1)	1	1
Does the distribution utility use automated tools to monitor outages?	Yes	Yes
Mechanisms for restoring service (0-1)	1	1
Does the distribution utility use automated tools to restore service?	Yes	Yes
Regulatory monitoring (0-1)	1	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes	Yes
Financial deterrents aimed at limiting outages (0-1)	1	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes	Yes
Communication of tariffs and tariff changes (0-1)	1	1
Are effective tariffs available online?	Yes	Yes
Reliability of supply and transparency of tariff index (0-8)	6	7

Quality Index
Score:

6/8

Quality Index
Score:

7/8

GETTING ELECTRICITY

**Projects in the Pipeline to improve the process of Customer Connection
Targeted for 2017**

Implementation of Online Service Application

- submit service application requirements online
- monitor status of the SA through digital channels



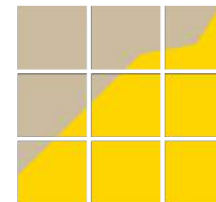
Use of Document Management System

- no need to submit the same requirement as Meralco already stores the previously submitted customer and transaction related documents

Thank you
&
God bless us all!

GETTING ELECTRICITY

Indicator Details:



SUB-INDICATORS	2013	2014	2015	2016
Procedures (number)	5	5	4	4
Time (days)	50	42	42	42
Cost (% of income per capita)	833.3	118.2	90.6	28.7
Reliability of supply and transparency of tariffs index (0-8)	-	-	-	6
Ease of getting electricity (percentile)	0.36	0.23	91	87
Ease of getting electricity RANK	57	33	16	19

Source: Published DB reports (2015-2016)

GETTING ELECTRICITY

Case Study Assumptions:

Getting Electricity indicators record all procedures required for a Business to obtain permanent electricity connection and supply for a standard warehouse.

Warehouse

- the premise is owned by a local entrepreneur
- it is located in Quezon City
- is in a area where there are no physical constraints
- is newly constructed and will be connected to electricity for the first time
- 2 storey building, with total area of 1,300.6 square meters
- will be used for the storage of refrigerated goods

Electricity Connection

- is a permanent connection
- is a 3 phase, 4 wire Y connection with subscribe capacity of 140VA with PF of 1
- Connection length is 150 meters.
 - Either low or medium voltage and either overhead or underground
- requires works that involve the crossing of a 10 meter wide road
- internal wiring of the warehouse has already been completed
- monthly energy consumption of 26,880 kwh/month and hourly consump of 112 kwh

Registering Property

Ronald Ortile

Deputy Administrator
Land Registration Authority



REGISTERING PROPERTY

FROM

9

STEPS

35

DAYS

2015

TO

7

STEPS

22

DAYS

2016



BEFORE

REGISTERING PROPERTY

START

1 Obtain certified true copy of the land title from the Register of Deeds (RD) and check if there are any encumbrances
(4 days)

4 Obtain certified true copy of latest tax declaration and certificate of "with improvement" from the City Assessor's Office (CAO)
(1 day, simultaneous)

7 Pay the transfer Tax at the CTO
(1 day)

2 Prepare the notarized deed of sale and related documents
(1 day)

5 Pay documentary stamp tax and final capital gains tax for the transfer of real property
(1 day)

8 Apply for registration with the Register of Deeds
(10 days)

3 Obtain tax clearance certificate of real property taxes from the Land Tax Division of the City Treasurer's Office (CTO)
(2 days, simultaneous)

6 Obtain Certificate Authorizing Registration (CAR) from the Bureau of Internal Revenue (BIR)
14 days

9 Obtain new tax declaration over the building and the land in the name of buyer from CAO
(2 days)

END

Can be completed in 35 days

AFTER

REGISTERING PROPERTY

START

1 Obtain certified true copy of the land title from the Register of Deeds (RD) and check if there are any encumbrances
(4 days)

2 Prepare the notarized deed of sale and related documents
(1 day)

3 Obtain tax clearance certificate of real property taxes, certified true copy of latest tax declaration and certificate of "with improvement, and Pay Transfer tax at the City Treasurer's Office (CTO)
(2 days, simultaneous)

4 Pay documentary stamp tax and final capital gains tax for the transfer of real property
(1 day)

5 Obtain Electronic Certificate Authorizing Registration (eCAR) from the Bureau of Internal Revenue (BIR)
(5 days)

6 Apply for registration with the Register of Deeds
(7 days)

7 Obtain new tax declaration over the building and the land in the name of buyer from City Assessors Office
(2 days)

END

Can now be completed in 22 days

Streamlining QC-CAO, QC-CTO, and BIR-related procedures

PROCEDURES	BEFORE	AFTER
<ul style="list-style-type: none">- Certificate Authorizing Registration (CAR)	<p>Manually-issued Certificate Authorizing Registration (CAR) (14 days)</p>	<p>Electronic Certificate Authorizing Registration (eCAR) (5 days)</p>
<ul style="list-style-type: none">- tax clearance- certificate of real property taxes- certified true copy of latest tax declaration- certificate of "with improvement- Pay Transfer tax	<p>Procedures done separately in different QC Offices (4 days)</p>	<p>Procedures done simultaneously in QC City Treasurer's Office (2 days)</p>



REGISTERING PROPERTY

- **Upgrading Manually-Issued Titles**
 - Mandatory conversion of Manually-issued titles to e-Titles starting 2016 to 2019.



Getting Credit

Jaime G. Garchitorena
President, Credit Information Corporation



CREDIT INFORMATION
CORPORATION



GETTING CREDIT

FROM

TO

5/8

2015

7/8

2016

CREDIT
INFORMATION INDEX

FROM

TO

3/12

2015

8/12

2016

LEGAL RIGHTS
INDEX



BEFORE

DEPTH OF CREDIT INFORMATION INDEX

Depth of credit information index (0–8)	Private Credit Bureau	Public Credit Registry
Are data on both firms and individuals distributed?	YES	NO
Are both positive and negative data distributed?	YES	NO
Are data from retailers and utility companies, in addition to data from banks and financial institutions, distributed?	NO	NO
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component)	NO	NO
Are data on loan amounts below 1% of income per capita distributed?	YES	NO
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	YES	NO
*Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	YES	NO
*Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	NO	NO
Score	5/8	

AFTER

DEPTH OF CREDIT INFORMATION INDEX

Depth of credit information index (0–8)	Private Credit Bureau	Public Credit Registry
Are data on both firms and individuals distributed?	YES	YES
Are both positive and negative data distributed?	YES	YES
Are data from retailers and utility companies, in addition to data from banks and financial institutions, distributed?	NO	NO
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component)	NO	YES
Are data on loan amounts below 1% of income per capita distributed?	YES	YES
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	YES	YES
*Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	YES	YES
*Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	NO	YES
Score	7/8	

Milestones

2008 Oct	Republic Act 9510 passed into law
2009 May	Implementing Rules and Regulation created
2011 Dec	Start Operations Date as determined by the GCG in relation to its privatization mandate.
2013 Nov	Bid for systems design and implementation
2014 Apr	Contract for CIS development awarded
2015 June	Testing and Production Environment Commissioned
2015 Oct	Release of CIC Circular #1 reiterating the CIC mandate
2015 Sept	Release of CIC Circular #2 with submission schedule per FI type
2015 Dec	Submission of data to Production Database
2016 Feb	Board Approval of SAE applicants CIBI / CRIF / COMPUSCAN / CBS / Transunion / Dand B S.A.M.E (Support from the USAID and IFC)
2016 Q2	Testing by Accessing Entities of Data Base
2017 Q1	Target date for use of CIC Data



Deadlines for Submission

SECTION 2. Deadline for Production Submission

Submitting Entity	Deadline
Credit card issuers	30 November 2015
Universal and commercial banks, including their trust departments	31 March 2016
Thrift banks, including their trust departments	30 April 2016
Rural banks and entities with quasi-banking license issued by the BSP, including their subsidiaries and/or affiliates that are engaged in the business of providing credit	30 June 2016
Financing companies	31 August 2016
Government-owned and-controlled corporations engaged in lending	30 September 2016
Large cooperatives as defined by the CDA	30 October 2016
Medium cooperatives as defined by the CDA; insurance companies, mutual benefit associations and other similar entities supervised by the Insurance Commission; and non-stock savings and loan associations	31 December 2016



Current Summary of Participation

Submitting Entity Participation as of 16 May 2016

	Credit Card Issuers (16)	Universal & Commercial Banks (41)	Thrift Banks (67)	Rural Bank (497)	Coopera- tives	Cooperative Banks	Private Leasing & Financing (637)	GOCCs
Registration	16	41	42	251	8	12	20	1
Testing	3	10	24	31	0	0	3	1
Validation (Candidates for Production)	5	17	7	3	1	0	1	0
Production	7	6	5	0	1	0	0	0

Protecting Minority Investors

Atty. Justina F. Callangan
Director, Corporate Governance and Finance Department
Securities and Exchange Commission



PROTECTING MINORITY INVESTORS

FRO

Strength of
Minority
Investors
Protection
Index:

**3.8/
10**

2015

T

Strength of
Minority
Investors
Protection
Index:

**6.33/
10**

2016



PROTECTING MINORITY INVESTORS

Measures	DB 2016 (IFC Findings)	For DB 2017 (SEC Response)
Extent of conflict of interest regulation index (0-10)		
1. Extent of disclosure index (0-10)		
1.1 Which corporate body can provide legally sufficient approval for the Buyer-Seller transaction? (0-3)	CEO alone	The board of directors including Mr. James
2. Extent of director liability index (0-10)		
2.1 Can shareholders sue directly or derivatively for the damage caused by the Buyer-Seller transaction to the company? (0-1)	Yes	Yes



PROTECTING MINORITY INVESTORS

Measures	DB 2016 (IFC Findings)	For DB 2017 (SEC Response)
Extent of shareholder governance index (0-10)		
1. Extent of shareholder rights index (0-10)		
1.1 Does the sale of 51% of Buyer's assets require shareholder approval?	No	Yes
1.2 Can shareholders representing 10% of Buyer's share capital call for an extraordinary meeting of shareholders?	No	Yes
1.4 Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	Yes
1.5 Must shareholders approve the election and dismissal of the external auditor?	No	Yes
1.11 Are Restrictions on trading of shares prior to a major corporate action or meeting of shareholders (shareblockers) disallowed	No Data	Yes
1.12 Must Buyer distribute profits or pay dividends within a set maximum time period from the declaration date?	No Data	Yes



PROTECTING MINORITY INVESTORS

Measures	DB 2016 (IFC Findings)	For DB 2017 (SEC Response)
Extent of shareholder governance index (0-10)		
2. Extent of ownership and control index (0-10)		
2.2 Must the board of directors include independent and nonexecutive board members?	Yes	Yes
2.3 Can shareholders remove members of Buyer's board of directors without cause before the end of their term?	Yes	Yes
2.4 Must Buyer's board of directors include a separate audit committee?	No	Yes
2.7 Is there a percentage of acquired shares which triggers a mandatory bid rule, requiring a potential acquirer to make a tender offer to all remaining shareholders?	No	Yes



PROTECTING MINORITY INVESTORS

Measures	DB 2016 (IFC Findings)	For DB 2017 (SEC Response)
Extent of shareholder governance index (0-10)		
3. Extent of corporate transparency index (0-10)		
3.1 Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	Yes
3.2 Must Buyer disclose information about board members' other directorships as well as basic information on their primary employment?	Yes	Yes
3.3 Must Buyer disclose the compensation of individual managers?	No	Yes
3.5 Can shareholders representing 5% of Buyer's share capital put items on the agenda for the general meeting?	Yes	Yes
3.6 Must Buyer's annual financial statements be audited by an external auditor?	Yes	Yes
3.7 Must Buyer disclose its audit reports to the public?	Yes	Yes



PROTECTING MINORITY INVESTORS

Proposed amendments to the Corporation Code of the Philippines which includes the following:

- a. Corporations with ten (10) or more stockholders and with total assets of at least one hundred million pesos (P100,000,000.00), or such number and amount as may be later set by the commission, shall have at least one (1) independent director
- b. When related party transactions or self-dealings of a director are taken up, the concerned director shall absent himself from the meeting and his absence shall not be counted against him
- c. Each stockholder shall have the right to nominate any director or trustee who possesses all of the qualifications and none of the disqualifications set forth in this code or in the rules of the commission
- d. Stockholders shall have the right to vote in person, by remote communication, by proxy, and/or *in absentia*

PROTECTING MINORITY INVESTORS

- e. The maximum number of board representations any independent director shall have in other corporations shall be five (5)
- f. Per diems or compensation granted to directors shall be approved by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting
- g. When the sale is of less than all or substantially all of the corporation's property and assets, a majority vote of the stockholders shall be required
- h. The by-laws shall contain no provision suppressing or otherwise limiting in any manner the right of any stockholder to propose the holding of meetings and the items for discussion in the agenda

PROTECTING MINORITY INVESTORS

- i. Any stockholder may propose any other matter for discussion or inclusion in the agenda at any regular meeting of stockholders or members
- j. Attendance at regular or special meetings may be by remote communication and voting may be made *in absentia*
- k. The stockholder whose right to inspection and/or reproduction of records was denied may file, before a court of competent jurisdiction, an action to compel inspection of corporate records. The court may, after summary proceedings, order the corporation to permit the inspection and/or reproduction or issue any such other or further relief as it may deem just and proper
- l. A written notice of regular meetings shall be sent to all stockholders or members of record at least Three (3) weeks prior to the meeting

PROTECTING MINORITY INVESTORS

Proposed amendments to the present Code of Corporate Governance, including the following:

- a. All shareholders are notified of all material Related Party Transactions (RPTs) and extraordinary transactions
- b. Boards should have a designated Investor Relations Office (IRO) and Investor Relations Programs to ensure constant engagement with its shareholders
- c. Boards shall ensure effective means of redress for violaton of shareholders' rights, such as alternative dispute resolutions

PROTECTING MINORITY INVESTORS

- d. Minutes of meeting should be timely posted in the company website and accessible to all shareholders and other stakeholders
- e. Minority shareholders shall be given the opportunity to nominate candidates to the board
- f. Boards should give all shareholders, including minority shareholders, the right to propose the holding of meetings and items for discussion in the agenda

Paying Taxes

Marie Ada T. De Silva

Department Manager
Social Security System



Paying Taxes

The **Paying Taxes (PT)** Indicator records taxes and mandatory contributions (payroll and social service-related), detailed as follows:

1. Bureau of Internal Revenue (BIR) – income tax payments
2. Social Security System (SSS) – Social Security Program and Employee's Compensation contribution payments
3. Philippine Health Insurance Corporation (PhilHealth) – health insurance contribution payments
4. Pag-IBIG Fund – Housing Development Fund contribution payments



PAYING TAXES

FROM

36

PAYMENTS

193

HOURS

2015

TO

13

PAYMENTS

<193

HOURS

2016



Paying Taxes (Social Service Contributions/Payments)

Corporate Income Tax	Local Business Tax	Community Tax Certificate	Tax on Interest	Real Property Tax	Environmental Tax
Stamp Duty	Employer Compensation	Value Added Tax	Tax on Check Transactions	Tax on Insurance Contracts	SSS
Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance
Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance	Health Insurance
Pag-IBIG Fund	Pag-IBIG Fund	Pag-IBIG Fund	Pag-IBIG Fund	Pag-IBIG Fund	Pag-IBIG Fund
Pag-IBIG Fund	Pag-IBIG Fund	Pag-IBIG Fund	Pag-IBIG Fund	Pag-IBIG Fund	Pag-IBIG Fund

36 payments, 193 hours

Bureau of Internal Revenue

e-Payment Facilities

- ***e-Registration System*** for TIN Issuance, Payment of Registration Fee and Generation of Certificate of Registration
- ***Electronic Bureau of Internal Revenue Forms (eBIRForms)*** an alternative mode of preparing and filing tax returns.
- ***Electronic Filing and Payment System (eFPS)*** is the electronic processing and transmission of tax return information including attachments, and taxes due.
- Taxpayers can also use their mobile phone to pay for all types of taxes thru ***GCash Transactions***.



SSS Initiatives

Payment Channels

- Electronic Data Interchange (EDI)
- Automatic Debit Arrangement (ADA)
- Over-the-Counter (OTC)



Electronic Data Interchange (EDI)

✓ SSSNet

- Bancnet Online (BOL)
- Banco de Oro
- BPI Expresslink
- Union Bank (One Hub)



Auto Debit Arrangement (ADA)

- Banco de Oro
- Bank of the Philippine Islands
- Development Bank of the Philippines
- First Consolidated Bank
- Country Builders Bank
- Metrobank
- Philippine National Bank
- Philippine Savings Bank
- United Coconut Planters Bank



PhilHealth Payment Initiatives



Electronic Premium
Remittance System



Electronic Payment
Facilities



Deployed since November 2015



LANDBANK



Deployment on May 31, 2016

OneHUB (Unionbank Of The Philippines)

Expresslink (Bank Of The Philippine Islands)

Citiconnect (Citibank)

Digibanker (Security Bank)

e-Gov (Bancnet)

Asia United Bank

China Banking Corporation

CTBC Bank (Philippines) Corporation

Development Bank of the Philippines

East West Banking Corporation

Metropolitan Trust & Bank Company

Philippine National Bank

Philippine Veterans Bank

RCBC Savings Bank



Pag-IBIG Fund Payment Initiatives

Pag-IBIG Fund has offered various ***Electronic Payment and Disbursement Collection*** facilities for online payment and transactions

A. Over the Counter Payment

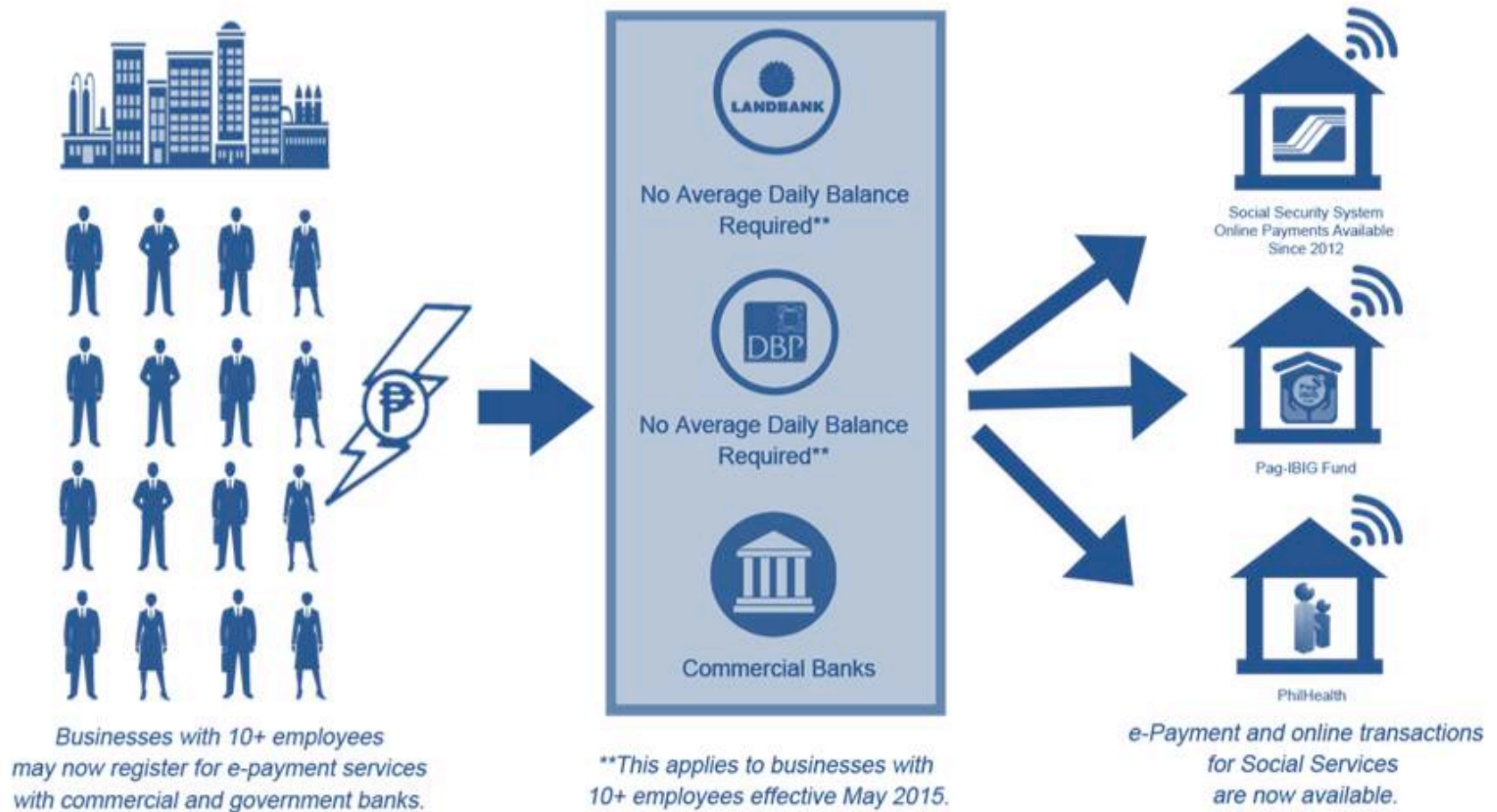
1. Bayad Center
2. SM Business Centers

B. Employers' Online Payment Facility

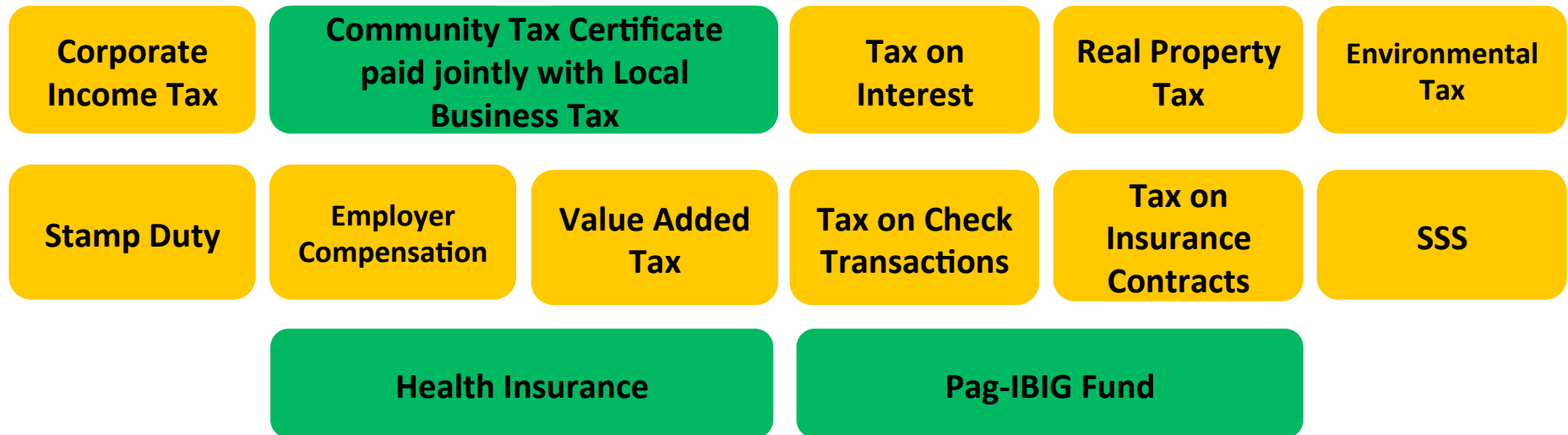
1. Union Bank of the Philippines (UBP)
2. Bank of the Philippine Islands (BPI)
3. Land Bank of the Philippines
4. Security Bank
5. Bancnet



Paying Taxes (Social Service Contributions/Payments)



Paying Taxes (Social Service Contributions/Payments)



13 payments, <193 hours

PAYING TAXES

FROM

36

PAYMENTS

193

HOURS

2016

TO

13

PAYMENTS

<193

HOURS

GAMEPLAN
4.0



Trading Across Borders

Commissioner Alberto Lina

Bureau of Customs



TRADING ACROSS BORDERS

Terminal Appointment Booking System (TABS) - allows efficient flow of containerized cargoes

UPDATES ON TABS (ICTSI):

- **15,270** Registered Trucks in MICT of which **7,958** are active.
- **2,526** Registered TABS Users composed of **Brokers, Shippers, Consignees, Forwarders (3PL/4PL)**
- **22.5% increase** in Total Containers Handled per day
- **233% increase** in Sunday Import pull outs.



TRADING ACROSS BORDERS

Terminal Appointment Booking System (TABS) allows efficient flow of containerized cargoes

UPDATES ON TABS (ATI):

- Average Truck Transactions per Day: from **1,500 (pre-TABS)** to **2,113 (TABS)**



TRADING ACROSS BORDERS

Revised Procedures and Documentation for Processing Formal Consumption Entries - reduce costs in customs clearance of imported articles by eliminating unnecessary use of papers and expensive forms.

Advance Cargo Manifest - expedite release of legitimate cargo

Foreign Ships Co-loading Act - allow foreign vessels to dock and co-load in multiple ports

Customs and Tariff Modernization Act - streamline customs processes



Enforcing Contracts

Hon. Fernanda Lampas Peralta

Associate Justice, Court of Appeals



ENFORCING CONTRACTS

1 Court Structure and Proceedings
(including small claims proceedings)

2 Alternative Dispute Resolution

3 Case Management and Automation



ENFORCING CONTRACTS

- **Revised Rules on Small Claims Cases**
- **Quezon City Practice Guidelines**
- **2015 Guidelines for Continuous Trial**



ENFORCING CONTRACTS

- **Enterprise Information Systems Plan (EISP)**
- **Supreme Court eLibrary**
- **Guidelines on eFiling in the Supreme Court**
- **eCourt system**



ENFORCING CONTRACTS

Future Actions

- Roll-out of existing initiatives
 - eCourts, Automated Hearing, Case Decongestion Initiatives, Continuous Trial System
- Review of the Rules of Civil Procedure





NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

Moderator:

RUY Y. MORENO

Operations Director,
Private Sector

Open Forum





NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

Closing Message

Guillermo M. Luz
Co-Chairman, Private Sector



First Repeal Day

- June 13, 2016, a day after Independence Day to signify freedom from over-regulation
- 4/F J.V. Del Rosario Room, AIM Conference Center, Makati City, 11:30 AM-2:00 PM



4th Annual
**EASE OF
DOING
BUSINESS
Summit**

7 June 2016 | PICC

Thank you

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Website: www.competitive.org.ph

