



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DEPARTMENT OF TRADE AND INDUSTRY
DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY

Joint Memorandum Circular No. 01, Series of 2016
August 30, 2016

TO: ALL CITY AND MUNICIPAL MAYORS, MEMBERS OF THE SANGGUNIANG PANLUNGSOD AND SANGGUNIANG BAYAN, REGIONAL DIRECTORS OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG), THE DEPARTMENT OF TRADE AND INDUSTRY(DTI) AND THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT), REGIONAL DIRECTORS OF THE BUREAU OF FIRE PROTECTION (BFP), AND OTHERS CONCERNED

SUBJECT: REVISED STANDARDS IN PROCESSING BUSINESS PERMITS AND LICENSES IN ALL CITIES AND MUNICIPALITIES

1.0 Background

- 1.1 Based on the June 2016 monitoring report of the DILG-LGA, more than 1,417 cities and municipalities are compliant and streamlined with the service standards set in 2010. Hence, the BPLS Oversight Committee agreed to further impose stricter performance standards for business permit processing and on regulatory process to further improve the competitiveness ranking of the Philippines in global surveys. A more compelling reason to improve the regulatory processes of the Philippines is to ensure the preparedness of cities and municipalities to more intense global competition that will arise from the 2015 ASEAN Economic Integration.
- 1.2 Relative to this, the Philippine's ranked 103rd in the 2016 IFC Ease of Doing Business specifically, for the indicator on "starting a business," where country's ranking slipped from 157 in 2015 out of 189 economies.
- 1.3 While past efforts towards reforming BPLS concentrated on streamlining and/or process re-engineering, the government would like to promote the automation or computerization of the BPLS in all cities and municipalities. Based on the experience of many cities/municipalities, automation is a critical element that will facilitate compliance with the minimum service standards set in the JMC.

2.0 Purpose

- 2.1 To comply with President Rodrigo Roa Duterte's pronouncement during his inaugural speech last June 30, 2016 and State of the Nation Address (SONA) on July 25, 2016 for all government agencies to reduce the requirements and processing time of all government transactions.



- 2.2 To disseminate a new set of service standards in processing business permit and licenses and guidelines to all cities and municipalities in streamlining the business permits and licensing system (BPLS) to comply with these standards and take action on the call of the new elected President.
- 2.3 To clarify the roles and responsibilities of the Department of the Interior and Local Government (DILG), Department of Trade and Industry (DTI), Department of Information and Communications Technology (DICT) and the various cities and municipalities and concerned leagues in the country in ensuring the implementation of the revised BPLS standards.

3.0 Legal Compliance

- 3.1 The Constitution mandates that the government shall promote the quality of life of the people. Towards this end, Section 16 of the Local Government Code of 1991 provides that the local government units shall pursue undertakings to enhance economic prosperity, among other concerns.
- 3.2 National laws providing requirements/conditions for the establishment/registration/operation of businesses as well as safety and labor standards.
- 3.3 Section 2 of Republic Act No. 9485, "Anti-Red Tape Act of 2007" which provides that the State shall establish effective practice aimed at the prevention of graft and corruption in government, and shall likewise take appropriate measure to promote transparency in each agency with regard to the manner of transacting with the public, which shall encompass a program for adoption of simplified procedures that will reduce tape and expedite transactions in government.
- 3.4 Joint Memorandum Circular No. 1 s 2010, "Guidelines in Implementing Standards in Processing Business Permits and Licenses in all Cities and Municipalities.
- 3.5 Memorandum Circular 2011-14, Documentary Requirements for a Business Permit.

4.0 Definition of Terms

- 4.1 **Business One-Stop-Shop (BOSS)** – refers to an arrangement where a single common site or location is designated for all concerned agencies in the BPLS system to receive and process applications for business registration.
- 4.2 **Business Permit** – is a document that must be secured from the city or municipal government, usually through its Business Permits and Licensing Office (BPLO), for a business to legally operate in the locality.
- 4.3 **Business Registration** – refers to a set of regulatory requirements that an entrepreneur must comply with to start operating a business entity in a city/ municipality, including, but not limited, to the collection or preparation of a number of documentation, submission to government authorities, approval of application submitted, and receipt of a formal certificate or certificates, licenses, permits, and similar documents which confirm the eligibility to operate as a legitimate business entity in the city or municipality.

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- 4.4 **Digital Signature** - is an electronic signature consisting of a transformation of an electronic document or an electronic data message using an asymmetric or public cryptosystem such that a person having the initial untransformed electronic document and the signer's public key can accurately determine: (a) whether the transformation was created using the private key that corresponds to the signer's public key; and (b) whether the initial electronic document had been altered after the transformation was made.
- 4.5 **Electronic Signature** - refers to any distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person and attached to, or logically associated with, the electronic message or electronic document or any methodology or procedures employed or adopted by a person and executed or adopted by such person with the intention of authenticating or approving an electronic data message or electronic document.
- 4.6 **Frontline Service** - refers to the process or transaction between clients and government offices or agencies involving applications for any privilege, right, permit, reward, license, concession, or for any modification, renewal or extension of the enumerated applications and/or requests which are acted upon in the ordinary course of business of the agency or office concerned.
- 4.7 **Joint Inspection Team (JIT)** - is a composite team whose members come from the various city/municipality departments implementing business-related regulations and local units of national agencies created and authorized by the city/municipality through an Executive Order or Ordinance to conduct joint inspection of business enterprises instead of individual/separate inspection.
- 4.8 **Negative List** - contains the names of establishments that have outstanding non-compliances with statutory requirements imposed by government agencies, including government-owned or controlled corporations such as the BFP, the SSS and the Philippine Health Insurance Corporation (PHIC) and other regulatory agencies and local government departments, which will trigger an action from the LGU to inform the establishment to act on the non-compliance findings within fifteen (15) working days from receipt of notice. The negative list is usually provided by the concerned national government agencies to the city/municipality prior to the business renewal period.
- 4.9 **Pre-registration Stage** - refers to prerequisite steps during the construction and occupancy stages required to be undertaken by businesses before being eligible to apply for business permit; these include securing building/construction permits and occupancy permits/certificate of occupancy from concerned agencies.
- 4.10 **Processing Time** - refers to the time spent by an applicant from the submission of application for business permit to the receipt of business permit, including transaction time, waiting time, and travel time, if applicable, within the site provided by the city/municipality for business registration or opting to pay taxes, charges, and fees at a later date than immediately possible, or such other similar instances outside the control of the concerned city/municipality office.

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4.11 **Signatory** –approving authorities whose initials or signatures are affixed in the various processes required in securing the business permit, including the unified form and the actual business permit.

4.12 **Step** – is any procedure taken by an applicant as part of the process of applying for and/or processing business permits and licenses, whether physical or online/virtual, with or an action on the part of the office/unit to which the applicant has presented or communicated with leading to the issuance of business permit.

4.13 **Unified Form** – is a single common document used by a business owner in applying for business registration in the city/municipality, that contains the information and approvals needed to complete the registration process and facilities exchange of information among city/municipality and National Government Agencies.

5.0 Scope/Coverage

All City and Municipal Mayors, Members of the Sangguniang Panlungsod and Sangguniang Bayan, Regional and Provincial Directors of the Department of the Interior and Local Government (DILG), Department of Trade and Industry (DTI), Department of Information and Communications Technology (DICT), Bureau of Fire Protection (BFP), and all others concerned.

6.0 Policy Content and Guidelines

6.1 REVISED BPLS REFORM STANDARDS

All cities and municipalities are enjoined to follow the following revised standards in the processing of business permits and licenses:

6.1.1. *Unified Form*

6.1.1.1 A single or unified business application form shall be used in processing new applications for business permits and business renewals which consolidates all the information on a business registrant needed by various local government departments, including the BFP (refer to Annex 1).

6.1.1.2 The unified form shall be made available using various channels for dissemination and make available for download either in the city/municipality official website or NGAs websites, in “fillable format” which can be filled up electronically and/or printed for submission or uploaded if the city/municipality has an online mechanism for submission of permit applications.

6.1.2 *Documentary Requirements Accompanying Application Submission*

6.1.2.1 Documentary requirements shall be limited to the following:



(1) New Business Registration

- (i) Proof of business registration, incorporation, or legal personality (i.e. DTI/ SEC/ Cooperative Development Authority (CDA) registration);

note: In certain cases like Sari-Sari Stores not using any or without business name the requirement of DTI/SEC registration may be dispense with during initial registration (see Act No. 3883).

- (ii) Basis for computing taxes, fees, and charges (e.g. business capitalization);
- (iii) Occupancy Permit, if required by national laws (e.g. Building Code) and local laws;
- (iv) Contract of Lease (if Lessee); and
- (v) Barangay clearance (for businesses which are not required occupancy permits).

(2) Renewal Applications

- (i) Basis for computing taxes, fees, and charges (e.g. Income Tax Returns); and
- (ii) Barangay clearance

6.1.2.2 The City/Municipal Business Permit and Licensing Office (BPLO) shall not require the same documents already provided by the business applicant to City/Municipal Engineer Office of the Building Official (OBO), or responsible department/division in connection with other business-related permits (e.g. tax clearances already submitted as part of construction-related permits, occupancy permits, *barangay* clearances).

6.1.2.3 If a city/municipality has an ordinance which requires post-audit, occupancy permit may not be a requirement for business registration.

6.1.3 Standard Steps

6.1.3.1 Business Permit Processing shall consist of the following:

- (1) Application Filing and Verification - submission of complete accomplished application form with attached documentary requirements and one-time verification.
- (2) Assessment - one-time assessment of taxes, fees and charges, and;
- (3) Pay and Claim - one-time payment of taxes, fees and charges, receipt of Official Receipt (OR) as proof of payment of taxes, fees and charges imposed by the city/municipality and BFP in securing Business Permit and other regulatory permits and clearances



Annexes 2 and 3, respectively, illustrate the standard steps, which applicants shall follow in securing the Business permit for new business applications and business renewals.

6.1.3.2 To lessen the transaction requirements, other local clearances such as but not limited to, sanitary permits, environmental, and agricultural clearances shall be issued together with the business permit,

6.1.3.3 Queuing mechanisms to better manage flow of applications and to provide priority to clients with special needs, including senior citizens, persons with disabilities (PWDs) and pregnant women shall be employed.

6.1.4 Standard Processing Time

Processing time for business registrations should not exceed:

- a. One (1) day to two (2) days for new business permit applications, and
- b. One (1) day for business permit renewals

6.1.5 Signatories

6.1.5.1 Maximum number of signatories in processing new business applications and business renewals shall have two (2) signatories, namely the Mayor (or designated representative) and the BPLO or Treasurer as recommending approval;

6.1.5.2 Electronic signatures or pre-signed permits with adequate control mechanisms may be used. However, cities/municipalities which prefer the use of manual signatures must designate alternative signatories when the Mayor or principal approving authority is not around.

6.2 Compliance to all National Laws and Regulatory Requirements

All business permit applicants shall comply with national laws and regulatory requirements.

6.2.1 For all new business applications, the requirements provided in 6.1.2.1 #1 of this JMC shall be complied with.

6.2.2 Upon renewal, all clearances/licenses/certificates required by national laws and regulatory bodies such as FSIC, occupational and safety standards and other similar requirements that will ensure public safety, health and welfare in all workplaces, shall be complied with.

All national government agencies and regulatory bodies requiring the abovementioned licenses/clearances/certificates shall provide cities and municipalities with the list of non-complying business establishments which the cities/municipalities should be the basis for non-renewal of business permit.

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In all cases, national government agencies and regulatory bodies requiring the abovementioned licenses/clearances/certificates shall notify the business establishments of their non-compliance and/or violation.

6.3 Complementary Reforms in Support of the Revised BPLS Standards

6.2.1 Streamlining Procedures for Securing Fire Safety Inspection Certificates

The amended Fire Code of 2008 stipulates that a Fire Safety Inspection Certificate (FSIC) must be secured by business applicants as a prerequisite for the issuance of the Business Permit. To harmonize with ARTA requiring speedy and transparent business processes, the following procedures shall be adopted as part of the reforms intended to make business permitting more efficient:

6.2.1.1 For new business permit application, the FSIC issued during the Occupancy Permit stage is already sufficient as basis for issuance of the FSIC for business, which is a requirement for the Business permit;

6.2.1.2 For renewal of business permits, the requirement for the presentation of FSIC to the city/municipality is with the BFP, either thru the copy of the FSIC or the negative list. If the BFP does not provide the city/municipality with the FSIC or does not inform them thru the negative list, it means that the business establishments has a valid FSIC and therefore, the basis for renewing the business permit.

6.2.1.3 To streamline the process of application for business permit, the following options are available:

A. Co-Location of Local BFP with the BPLO

- 1) For "one-time assessment and one-time payment" of business permit related fees, the local BFP shall co-locate with the city/municipality to assess and collect the "ordinary" fire safety inspection fees (FSIF).
- 2) The co-location system shall be year round for all cities and during the business permit renewal period for all municipalities. The BFP shall designate a Fire Code Fees Assessor and Fire Code Fees Collecting Agent in the BPLO. The BFP shall coordinate with the Local Chief Executive and BPLO for the accommodation of their personnel.

B. LGU as Collecting Agent

- 1) For "one-time assessment" of business-related fees for the Business Permit, LGUs may be designated to assess the "ordinary" fire safety inspection fees (FSIF) equivalent to 10 percent of all fees charged by the city or municipality in granting the business permit, provided that the BFP is able to check the accuracy of the computation and to certify the tax order of payment;



- 2) For "one-time payment" of business-related fees, the BFP may allow the designation of city/municipality as collecting agents for the FSIF provided that the remittance of the said fees to the BFP shall be made not later than two (2) days after the transaction is made. The BFP is not precluded from collecting additional fees after their assessment.

6.2.1.4 The BFP is strongly encouraged to develop and adopt an online and other electronic mechanisms in assessing fees, collecting/accepting electronic payments and sharing/exchange of other relevant data on business permit processing.

6.3 *Setting-up of a Business One-Stop-Shop (BOSS) Facility for Business Registrations*

Cities and municipalities shall set-up a BOSS facility whose layout (provided in Annex 4 of this JMC) supports the proposed steps on business permit processing which includes both frontline services and backroom operations, in which the latter allows co-location of city/municipality department representatives and the BFP in a physical space that is usually inconspicuous to or "behind-the scenes" from the business applicants.

6.4 *Conducting Joint Inspections*

6.4.1 *Organizing Several Joint Inspection Teams*

The city/municipality, in cooperation with concerned national agencies, including the Bureau of Fire Protection, are enjoined to organize and create joint inspection teams (JITs) as defined in Section 4.7 of this JMC. The city/municipality are encourage to create separate JITs for inspections related to pre and post business permit registration processes.

6.4.2 *Verification of Information Declared in the Business Permit Application Form ("Disclosure Verification"):*

The Joint Inspection Team (JIT) will be responsible for undertaking inspections within each year after the issuance of the business permit (new or renewal) to verify information declared by the business in the application for business permit and to identify unregistered businesses.

- 6.4.3 If **Joint Inspection Team** is not possible or has not yet been created, the various LGU departments implementing business-related regulations and local units of national agencies should conduct individual/ separate inspections, within each year after the issuance of the business permit (new or renewal) to verify information declared by the business in the application for business permit and to identify unregistered businesses.



6.5 Computerizing and Automating the Business Permit Process

- (1) Cities and municipalities that have streamlined their BPLS in accordance with the above standards are encouraged to computerize/automate their business permitting system. The DICT has produced two knowledge products on BPLS Automation that can be accessed in its website and used by the city/municipality:
 - (a) *BPLS planning and Implementation Guide” Computerizing Business Permits and Licensing Systems in the Philippines; and*
 - (b) *BPLS Automation and Baseline Design Guide: Automation System Flows and Baseline Design.*
- (2) Computerization/Automation of business permit application processes, shall include but not limited to the following:
 - (a) Retrieval of previously submitted information to minimize required forms or fields;
 - (b) Consolidation and retrieval of negative lists/positive findings for one-time verification;
 - (c) Assessment of business taxes, charges and fees;
 - (d) Printing of tax order of payment, and;
 - (e) Printing of business permit and other permits and clearances.
- (3) Training programs such as ICT Capacity Building Programs will be provided to the cities and municipalities that have participated in the *eReadiness Survey* conducted by DICT and DILG.

6.7 Use of Online and Electronic Mechanisms for More Efficient Business Processing

Cities and municipalities are further encouraged to develop online mechanisms for both new business registrations and permit renewal applications, including the following components:

- (1) *Online* portal located within the official city/municipal website to accept online applications through web-based forms or standard ‘fillable’ forms that can be uploaded;
- (2) *Electronic* means (e.g. electronic mail) of providing businesses with tax order of payments covering city/municipal government and BFP taxes, charges and fees;
- (3) *Online* means for accepting payments allowed under Commission on Audit Circular 2013-007, “Guidelines for the Use of Electronic Official Receipts (eORs) to Acknowledge Collection of Income and Other Receipts of Government.”
- (4) *Online* means (e.g. electronic mail) for transmitting business permit and other corresponding clearances and permits. City/Municipality are encouraged to develop electronic versions of permits and clearances with the same level of authority, which may be printed by businesses in the convenience of their offices.



- (5) Use of courier service and other modes of delivery of the Business Permit and other corresponding permits and clearances.

6.8 Some other reforms that need to be explored and considered

Cities and municipalities and the BFP may consider the following:

6.8.1 Integration of barangay clearance in the business permit process. Barangay clearance that are related in doing business may be applied, issued and collected at the city or municipality provided that all collections on the week shall be remitted to the concerned barangay.

6.8.2 Validity of FSIC for non-critical or low risk businesses can be more than one (1) year depending on the rules that would be issued by BFP on the matter.

6.9 ROLES AND RESPONSIBILITIES

6.9.1 Cities and Municipalities

6.9.1.1 The Local Chief Executive/Mayor, shall lead in the implementation of revised BPLS standards and shall:

- (a) Organize Technical Working Groups (TWGs) to oversee the implementation of the streamlined BPLS if these have not been created;
- (b) Participate in all BPLS reform activities that are initiated by the DILG, DTI and DICT at the LGU level;
- (c) Prepare and implement requisite orders, ordinances and directives relative to the revised BPLS standards and other complementary reforms;

6.9.1.2 Provide the enabling environment for BPLS reforms, namely the legal framework (i.e. executive issuances and/or ordinances in partnership with the local councils), and budget and logistical support necessary in instituting the revised BPLS reform standards to include, but not limited to, staff complement, creation of one-stop-shop facilities, utilization of unified forms, organization and operationalization of JITs, consolidation of lists and databases, development of automated processes, introduction of online mechanisms;

6.9.1.3 Engage local academic or research institutions to assist in capacity building and developing computer systems to comply with the standards.

6.9.1.4 Develop a database on BPLS-generated data and implement measures that will make available to the public BPLS related information, consistent with the current government's thrust towards open data.



6.9.2 Department of the Interior and Local Government (DILG)

- 6.9.2.1 The DILG, together with the DTI and the National Competitiveness Council (NCC), shall coordinate the adoption and scaling up of the revised BPLS reform standards nationwide with other agencies, development partners/donors, especially members of the Philippines Development Forum Working Groups on Decentralization and Local Government and Growth and Investment Climate, and among its regional, local government operations offices, bureaus and attached agencies;
- 6.9.2.2 The BPLS Oversight Committee, which is co-chaired by the DILG and the DTI, shall provide the overall policy direction in the nationwide scaling up of business regulatory reforms. The Bureau of Local Government Development under the DILG shall act as the overall coordinator for the nationwide BPLS enhanced streamlining program for LGUs
- 6.9.2.4 The DILG, together with DTI and the rest of the members of the BPLS Oversight Committee, shall develop a program to recognize LGUs that have surpassed the revised BPLS reform standards as models of good practice.
- 6.9.2.5 The DILG through BFP shall implement, modification/amendment to the Implementing Rules and Regulations (IRR) of the Fire Code to further streamline BPLS processes including but not limited to the following:
- (1) Explicitly allowing local fire marshals/BFP units to enter into agreements with LGUs allowing the latter to be deputized as assessors and/or collecting agents for BFP for business registration;
 - (2) Acceptance of FSIC for Occupancy for new business applications if still valid instead of requiring another FSIC for Business;
 - (3) Participation in Joint Inspection Teams to be organized by LGUs;
 - (4) Utilizing the LGU Unified Form as the same form for assessment of Fire Safety Inspection Fee;
 - (5) Co-location of BFP assessor/s and cashier/collecting agent as prescribed in this JMC.
 - (6) Submission of FSIC and negative list to cities and municipalities.
 - (7) Explore electronic modes of payment for fire inspection fees and other fees.
 - (8) Developing mechanisms for issuing electronic official receipts, and electronic mechanisms.

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6.9.2.6 The DILG, shall coordinate with the League of Cities of the Philippines (LCP), League of Municipalities of the Philippines (LMP) and Liga Ng Barangay (LnB) to promote the revised standards and facilitate peer learning between and among LGUs to further disseminate good practices and models of BPLS streamlining.

6.9.3 Department of Trade and Industry (DTI)

6.9.3.1 The DTI, together with the DILG, shall be responsible for providing policy directions in the implementation of the revised BPLS standards nationwide and in ensuring that the requirements for BPLS streamlining are in place among its regional and provincial offices. It shall revisit the monitoring system for tracking the progress of LGUs in reforming their BPLS. It shall continue to Co-Chair the BPLS Oversight Committee which provide the overall policy direction in the nationwide scaling-up of the BPLS Reforms;

6.9.3.2 Considering its mandate to promote investments and enhance competitiveness both at national and local levels, the DTI, together with the DILG, shall be responsible for developing the prioritization criteria for sequencing capacity building support on the revised BPLS reforms to LGUs based on the priorities of the government and other criteria that will be deemed necessary;

6.9.3.3 Consistent with the framework for public-private sector partnership (PPP), the DTI shall be responsible for coordinating with business groups at the national and local levels to support the new BPLS standards and enjoin private sector participation in activities and programs that would facilitate their adoption; and

6.9.3.4 The DTI, as Co-Convener of the Working Group on Growth and Investment Climate under the Philippines Development Forum (PDF), shall continue to promote BPLS streamlining initiatives and take responsibility in enjoining the development community to support its efforts.

6.9.4 Department of Information and Communications Technology (DICT)

6.9.4.1 The DICT, in partnership with the DILG through the Bureau of Local Government Development (BLGD) and the DTI, will be providing training programs to LGUs on the planning and implementation of a computerized BPLS. The results of the *eReadiness Survey* will be used by the DICT, in partnership with DILG-BLGD, in identifying the LGUs that will be given priority in the training programs to be conducted by the government;

6.9.4.2 The DICT shall conduct trainers' training for partner agencies, academe, private sector service providers who might be interested in conducting training programs on BPLS computerization. The DICT will make available a list of service providers that LGUs could contact for their training needs through the DICT, DILG and DTI websites. The LGUs will be responsible for the cost of conducting the training.

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6.9.4.3 The DICT shall organize a pool of trainers who are available to provide assistance to LGUs on computerized BPLS. The pool of trainers can be from partner agencies (DILG-BLGD and DTI), academe and interested service providers.

6.9.4.4 The DICT shall make available to qualified LGUs a software that can be used in computerizing their BPLS.

6.9.4.5 The DICT, in partnership with DILG and the DTI, shall organize and manage an online Help Desk, which will answer queries related to the new standards on business permit processing and those on the computerization of business permitting by LGUs.

6.9.5 All regional and provincial offices of DILG including BFP, DTI, DICT and ARMM Regional Governor are hereby directed to cause the immediate and widest dissemination of this Joint Memorandum Circular to all cities and municipalities.

7.0 References

7.0.1 R.A. No. 7160 or the Local Government Code of 1991.

7.0.2 R.A. No. 9485 or the "Anti-Red Tape Act of 2007."

7.0.3 Act No. 3883, an Act to Regulate the Use in Business Transactions the Duties of the Director of the Bureau of Commerce and Industry.

7.0.4 Fire Code of the Philippines 2008

7.0.6 DTI-DILG Joint Memorandum Circular No. 01 s 2010 titled, "Guidelines in Implementing the Standards in Processing Business Permits and Licenses in All Cities and Municipalities."

7.0.7 Memorandum Circular 2011-14, "Documentary Requirements of a Business Permit."

7.0.8 Inaugural Speech of President Rodrigo Roa Duterte dated June 30, 2016.

7.0.9 First State of the Nation Address (SONA) of President Rodrigo Roa Duterte dated July 25, 2016.

8.0 Annexes

Hereto attached are the following:

Annex 1: Unified Form

Annex 2: Standard Steps on New Business Registration

Annex 3: Standard Steps on Renewal of Business Permit

Annex 4: Prescribe Business Permit Registration Business One-Stop-Shop (BOSS) Layout

9.0 Monitoring and Reporting

DILG Regional Offices shall submit progress and period report in the implementation and compliant of cities and municipalities on this JMC to SILG thru the Undersecretary for Local Government (USLG).



10.0 Enforcement Clause

This Joint Memorandum Circular shall enforce all the provisions of Republic Act No. 9485 or Anti-Red Tape Act of 2007 and its Implementing Rules and Regulations, DILG Memorandum Circular 2011-15, and CoA Circular 2013-007.

This JMC does not preclude national government agencies to close/revoke the authority they have issued to concerned businesses pursuant to their mandate.

11.0 Separability Clause

If any clause, sentence or provision of this Joint Memorandum Circular shall be invalid or unconstitutional, its remaining parts shall not be affected thereby.

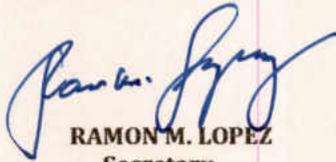
12.0 Repealing Clause

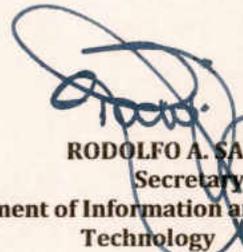
This Joint Memorandum Circular shall amend the provisions within DILG-DTI JMC 01, series of 2010. All other orders, rules and regulations inconsistent or contrary to the provisions of this Joint Memorandum Circular are hereby repealed or modified accordingly.

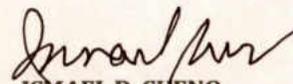
13.0 Effectivity

This Joint Memorandum Circular shall take effect immediately.

14.0 Approving Authority


RAMON M. LOPEZ
Secretary
Department of Trade and Industry


RODOLFO A. SALALIMA
Secretary
Department of Information and Communications
Technology


ISMAEL D. SUENO
Secretary
Department of the Interior and Local Government

15.0 Feedback



For related queries, kindly contact the Program Advocacy and Monitoring Division of the Bureau of Local Government Development at Tel. No. (02) 925-0356 or at Telefax No. (02) 927-7852 or at email address blgd_lfrdd@yahoo.com or lfrdd_blgd@yahoo.com.

ANNEX 1 (Page 2 of 2) Application Form for Business Permit

II. LGU SECTION (Do Not Fill Up This Section)

1. VERIFICATION OF DOCUMENTS

Description	Office/Agency	Yes	No	Not Needed
Occupancy Permit (For New)	Office of the Building Official			
Barangay Clearance (For Renewal)	Barangay			
Sanitary Permit/Health Clearance	City Health Office			
City Environmental Certificate	City Environment and Natural Resources Office			
Market Clearance (For Stall Holders)	Office of the City Market Administrator			
Valid Fire Safety Inspection Certificate	Bureau of Fire Protection			

Verified by: BPLO

2. ASSESSMENT OF APPLICABLE FEES

Local Taxes	Amount Due	Penalty/Surcharge	Total
Gross Sales Tax			
Tax on Delivery Vans / Trucks			
Tax on Storage for Combustible/ Flammable of Explosive Substance			
Tax on Signboard / Billboards			
REGULATORY FEES AND CHARGES			
Mayor's Permit Fee			
Garbage Charges			
Delivery Trucks/Vans Permit Fee			
Sanitary Inspection Fee			
Building Inspection Fee			
Electrical Inspection Fee			
Mechanical Inspection Fee			
Plumbing Inspection Fee			
Signboard/Billboard Renewal Fee			
Signboard/Billboard Renewal Fee			
Storage and Sale of Combustible / Flammable or Explosive Substance			
Others			
TOTAL FEES for LGU			
FIRE SAFETY INSPECTION FEE (10%)			

Assessed by: CTO

FSIF Assessment Approved by: BFP

III. CITY/MUNICIPALITY FIRE STATION SECTION

DATE: _____

APPLICATION NO.: _____
(TO BE FILLED UP BY APPLICANT/OWNER)

Name of Applicant/Owner: _____
 Name of Business: _____
 Total Floor Area: _____ Contact No.: _____
 Address of Establishment: _____

Signature of Applicant/Owner

Certified by:
Customer Relations Officer
Time and Date Received: _____

FIRE SAFETY INSPECTION FEE ASSESSMENT:	
----------------------------------------	--

Important Notice: As per Section 12 of the Implementing Rules and Regulations of the Fire Code of 2008, certain establishments (e.g. building lessors, fire, earthquake, and explosion hazard insurance companies, and vendors of fire fighting equipment, appliances and devices) may be required to pay additional charges and fees other than the Fire Safety Inspection Fees. These shall be collected during inspections or in another process to be communicated by representatives of the Bureau of Fire Protection (BFP).

ANNEX 2: Standard Steps for the Registration of New Businesses

2.1 Steps Assuming BFP Presence/ Co-location – Collection of Fire Safety Inspection Fee

Step No.	Client		LGU		Processing Time, including Waiting Time
	Step	Documentary Requirement	Offices	Required Actions	
1	File application for new business application	<p>Filled up Unified Form</p> <p>DTI/ SEC/ CDA registration³</p> <p>Occupancy Permit if required by local laws (ideally, no physical copy⁴)</p> <p>Contract of lease (if lessee)</p>	Frontline - BPLO	<p>Review and validate submission</p> <p>Assess eligibility for renewal based on record of businesses with Occupancy Permits transmitted previously by C/MEO/ OBO</p> <p>Endorse to next step</p>	1 hour at most
2	One-time assessment of taxes, fees, and charges	All documents from Step 1	<p>BOSS Backroom</p> <ul style="list-style-type: none"> - C/MTO - BFP <p>Frontline - BPLO</p>	<p>Assessment of business taxes, charges and fees, and fire safety fees</p> <p>Preparation of tax order of payment (ToP)</p> <p>Issue ToP and advise to pay at the Pay counters</p>	1 to 2 hours
3	One-time payment of taxes, fees and charges, receipt of OR, and claim Mayor's Permit and other regulatory permits and clearances	All documents from Step 2	<p>Frontline – C/MTO, BFP (co-located)</p> <p>BOSS Backroom</p> <ul style="list-style-type: none"> - C/MTO - BPLQ - Other offices (if necessary) <p>Frontline – BPLO/ C/MTO, BFP</p>	<p>Accept payment</p> <p>Print OR, print and sign (if applicable) Mayor's permit, and other clearances</p> <p>Issue OR, Mayor's permit and other clearances</p>	1 to 2 hours

³ As indicated in Section 4.2, to the extent possible, DTI/SEC/CDA registration documents should no longer be required. Applicants should just provide DTI/ SEC/ CDA wherein LGUs should be responsible for checking through electronic portals (e.g. SEC i-View, Philippine Business Registry) or through previously submitted documents from the City/ Municipal Engineer during the pre-registration phase.

⁴ To the extent possible, the physical copy of the Occupancy Permit/ Certificate of Occupancy should no longer be required; C/MEO should continually forward list of businesses issued with Occupancy Permits to the BPLO. Further, LGUs are encouraged to remove *barangay* clearance as a documentary requirement. Instead, *barangay* clearance should be included as a requirement during the pre-registration stage (to secure Occupancy Permit/ Certificate of Occupancy) and no longer for business permits.

Annex 2. Standard Steps for the Registration of New Businesses

2.2 Steps Assuming LGU Support in Assessment and Collection of Fire Safety Inspection Fee

Step No.	Client		LGU		Processing Time, including Waiting Time
	Step	Documentary Requirement	Offices	Required Actions	
1	File application for new business application	Filled up Unified Form DTI/ SEC/ CDA registration ¹ Occupancy Permit if required by local laws (ideally, no physical copy ² Contract of lease (if lessee)	Frontline - BPLO	Review and validate submission Assess eligibility for renewal based on record of businesses with Occupancy Permits transmitted previously by C/MEO/ OBO Endorse to next step	1 hour at most
2	One-time assessment of taxes, fees, and charges	All documents from Step 1	BOSS Backroom - C/MTO - BFP Frontline - BPLO	Assessment of business taxes, charges and fees, and fire safety fees Preparation of tax order of payment (ToP) Issue ToP and advise to pay at the Pay counters	1 to 2 hours
3	One-time payment of taxes, fees and charges, receipt of OR, and claim Mayor's Permit and other regulatory permits and clearances	All documents from Step 2	Frontline – C/MTO BOSS Backroom - C/MTO - BPLO - Other offices (if necessary) Frontline – BPLO/ C/MTO	Accept payment Print OR, print and sign (if applicable) Mayor's permit, and other clearances Issue OR, Mayor's permit and other clearances	1 to 2 hours

¹ As indicated in Section 4.2, to the extent possible, DTI/SEC/CDA registration documents should no longer be required. Applicants should just provide DTI/ SEC/ CDA wherein LGUs should be responsible for checking through electronic portals (e.g. SEC i-View, Philippine Business Registry) or through previously submitted documents from the City/ Municipal Engineer during the pre-registration phase.

² To the extent possible, the physical copy of the Occupancy Permit/ Certificate of Occupancy should no longer be required; C/MEO should continually forward list of businesses issued with Occupancy Permits to the BPLO. Further, LGUs are encouraged to remove *barangay* clearance as a documentary requirement. Instead, barangay clearance should be included as a requirement during the pre-registration stage (to secure Occupancy Permit/ Certificate of Occupancy) and no longer for business permits.

Annex 3. Standard Steps for Renewal of Business Permits

3.1 Steps Assuming LGU Support in Assessment and Collection of Fire Safety Inspection Fee

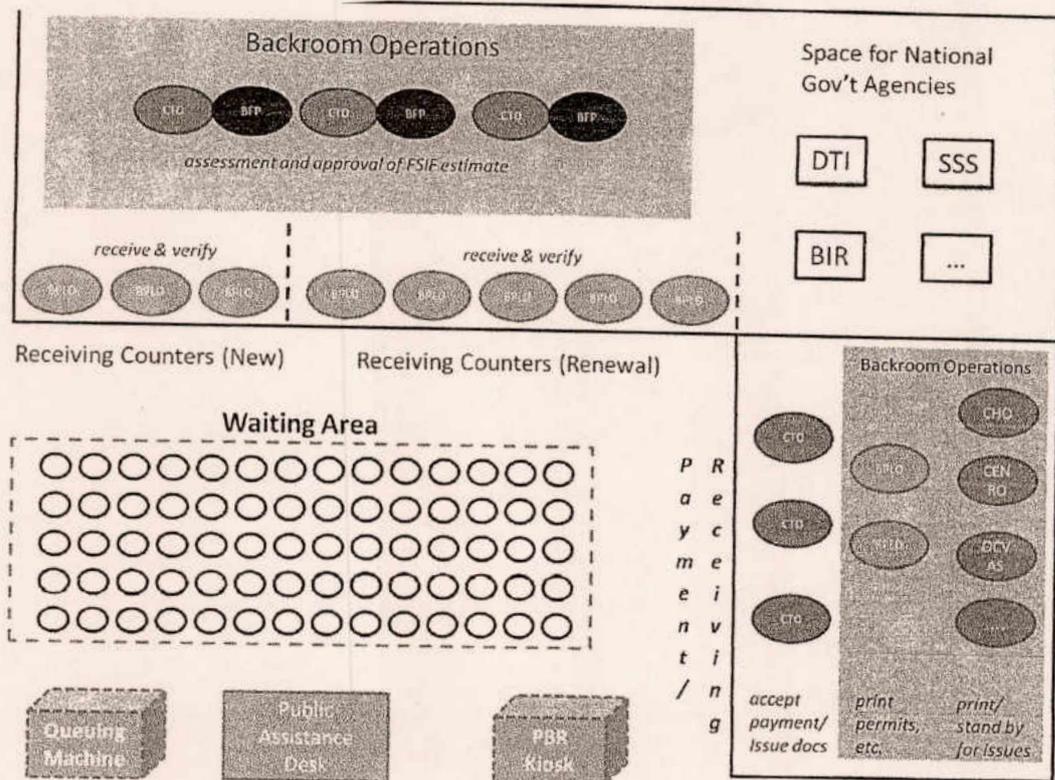
Step No.	Client		LGU		Processing Time, including Waiting Time
	Step	Documentary Requirement	Offices	Required Actions	
1	File application for new business application	Filled up Unified Form Barangay Clearance Income Tax Returns for previous year	Frontline - BPLO	Review and validate submission Assess eligibility for renewal based on consolidated negative list consisting of positive findings Endorse to next step	5 to 30 minutes
2	One-time assessment of taxes, fees, and charges	All documents from Step 1	BOSS Backroom - C/MTO - BPLO - BFP Frontline - BPLO	Assessment of business taxes, charges and fees, and fire safety fees Preparation of tax orders of payment (ToPs) Issue ToP and advise to pay at the Pay counters	1 to 2 hours
3	One-time payment of taxes, fees and charges, receipt of OR, and claim Mayor's Permit and other regulatory permits and clearances	All documents from Step 2	Frontline – C/MTO BOSS Backroom - C/MTO - BPLO - Other concerned offices (if necessary) Frontline – BPLO/ C/MTO	Accept payment Print OR, print and sign (if applicable) Mayor's permit, and other clearances Issue OR, Mayor's permit, and other clearances	1 to 2 hours

3.2 Steps Assuming BFP Presence/ Co-location – Collection of Fire Safety Inspection Fee

Step No.	Client		LGU		Processing Time, including Waiting Time
	Step	Documentary Requirement	Offices	Required Actions	
1	File application for new business application	Filled up Unified Form <i>Barangay Clearance</i> Income Tax Returns for previous year	Frontline - BPLO	Review and validate submission Assess eligibility for renewal based on consolidated negative list consisting of positive findings Endorse to next step	5 to 30 minutes
2	One-time assessment of taxes, fees, and charges	All documents from Step 1	BOSS Backroom - C/MTO - BPLO - BFP Frontline - BPLO	Assessment of business taxes, charges and fees, and fire safety fees Preparation of tax orders of payment (ToPs) Issue ToP and advise to pay at the Pay counters	1 to 2 hours
3	One-time payment of taxes, fees and charges, receipt of OR, and claim Mayor's Permit and other regulatory permits and clearances	All documents from Step 2	Frontline – C/MTO, BFP (co-located) BOSS Backroom - C/MTO - BPLO - Other concerned offices (if necessary) Frontline – BPLO/ C/MTO, BFP	Accept payment Print OR, print and sign (if applicable) Mayor's permit, and other clearances Issue OR, Mayor's permit, and other clearances	1 to 2 hours

ANNEX 4: Prescribed Business Permit Registration Business One-Stop-Shop (BOSS) Lay-out*

4.1 Layout Assuming LGU Support in Assessment and Collection of Fire Safety Inspection Fee



**exact layout to be determined based on personnel, physical, space, and financial constraints*

Layout

Annex 4 prescribes the layout of the Business One-Stop (BOSS) Facility for business permit registrations. LGUs are advised to have separate counters/ sections for receiving applications and for payment and issuance of permits, official receipts, and other clearances. For receiving windows, LGUs are likewise advised to have separate counters for new business registrations and for renewal of business permits.

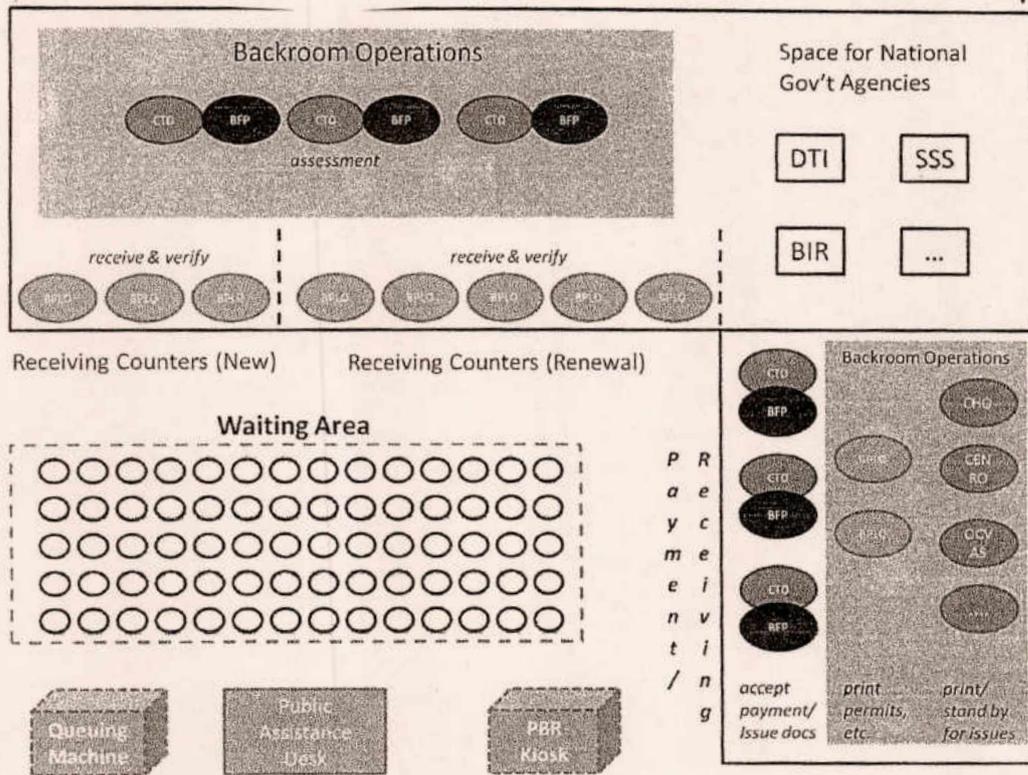
As per ARTA, priority lanes should also be factored in for people with special needs (i.e. persons with disabilities, senior citizens, and pregnant women). LGUs are encouraged to devise a queuing system, preferably automated, to take into account the diversity of client registrations, including aforementioned groups with special needs, clients desiring to process multiple transactions, and service providers who are contracted to register in the behalf of businesses.

The design of backroom operations as illustrated is critical as the bulk of the processing is undertaken there.

The prescribed layout also enjoins the LGU to provide space for local offices of national agencies, including but not limited to Department of Trade and Industry, Social Security System, Bureau of Internal Revenue, in case clients would need to transact business with them.

ANNEX 4: Prescribed Business Permit Registration Business One-Stop-Shop (BOSS) Lay-out*

4.2 Layout Assuming BFP Presence/Co-location for Assessment and Collection of Fire Safety Inspection Fee



Layout

Annex 4 prescribes the layout of the Business One-Stop (BOSS) Facility for business permit registrations. LGUs are advised to have separate counters/ sections for receiving applications and for payment and issuance of permits, official receipts, and other clearances. For receiving windows, LGUs are likewise advised to have separate counters for new business registrations and for renewal of business permits.

As per ARTA, priority lanes should also be factored in for people with special needs (i.e. persons with disabilities, senior citizens, and pregnant women). LGUs are encouraged to devise a queuing system, preferably automated, to take into account the diversity of client registrations, including aforementioned groups with special needs, clients desiring to process multiple transactions, and service providers who are contracted to register in the behalf of businesses.

The design of backroom operations as illustrated is critical as the bulk of the processing is undertaken there.

The prescribed layout also enjoins the LGU to provide space for local offices of national agencies, including but not limited to Department of Trade and Industry, Social Security System, Bureau of Internal Revenue, in case clients would need to transact business with them.