

# **CAPACITY BUILDING PROGRAM**

**BPLS WORKSHOP ON REVISED STANDARDS**

May 25, 2017 | N Hotel, Cagayan De Oro City

A Presentation by National Competitiveness Council

# Mandate: Executive Order No. 44



## Advise

the President on policy matters affecting competitiveness of the country



## Promote & develop

competitiveness strategies and push for the implementation of an action agenda for competitiveness and link it to the PH Development Plan



## Provide

inputs to the Philippine Development Plan, Investment Priorities Plan, Export Development Plan



## Recommend

to Congress proposed legislation regarding country competitiveness

## Strategize and execute

steps to improve PH competitiveness

# Vision – Mission Statement

## VISION

- A more competitive Philippines
- Instill a Culture of Excellence
- Public-Private Collaboration as a development engine

## MISSION

To build up the long-term competitiveness of the Philippines through:

- Policy reforms
- Project implementation
- Institution-building
- Performance monitoring

# Work Program

**Benchmark**  
against key global  
competitiveness  
indices

**Map**  
each indicator to  
the agency  
responsible

**Focus on**  
lowest-  
indicators

**Track**  
city  
competitiveness  
and key indicators

Concentrate on  
specific projects  
(**Special Projects and  
Working Groups**)

**Link** work to Philippine  
Development Plan,  
National Budget,  
Legislative Executive  
Development Advisory  
Council, Cabinet Agenda

# NCC Projects

**Sectoral focus**

**Working Groups**

**Geographical Focus**

**RCC, CMCI**

**Institutional focus**

**PGS -Balanced Scorecards**

**Process Improvement Focus**

**Automation  
EODB, GO-OBLS, IABPI, NQI**

**Regulatory focus**

**EODB, Repeal Project**

**Customer focus**

**BPLS M&E, AESC**

# LEVELLING OF EXPECTATIONS

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- What the training will be about?  
(Ano ang pagsasanay na gagawin?)
- What are your expectations from our one day training program? i.e. facilitators, co-pax, program content  
(Ano ang mga inaasahan ko sa isang araw na pagsasanay? Hal. Tagapagsalita, kamag-aaral at nilalaman ng programa)
- What do you hope to achieve at the end of the training seminar?  
(Inaasahan ko na pagkatapos ng araw na eto ay....)

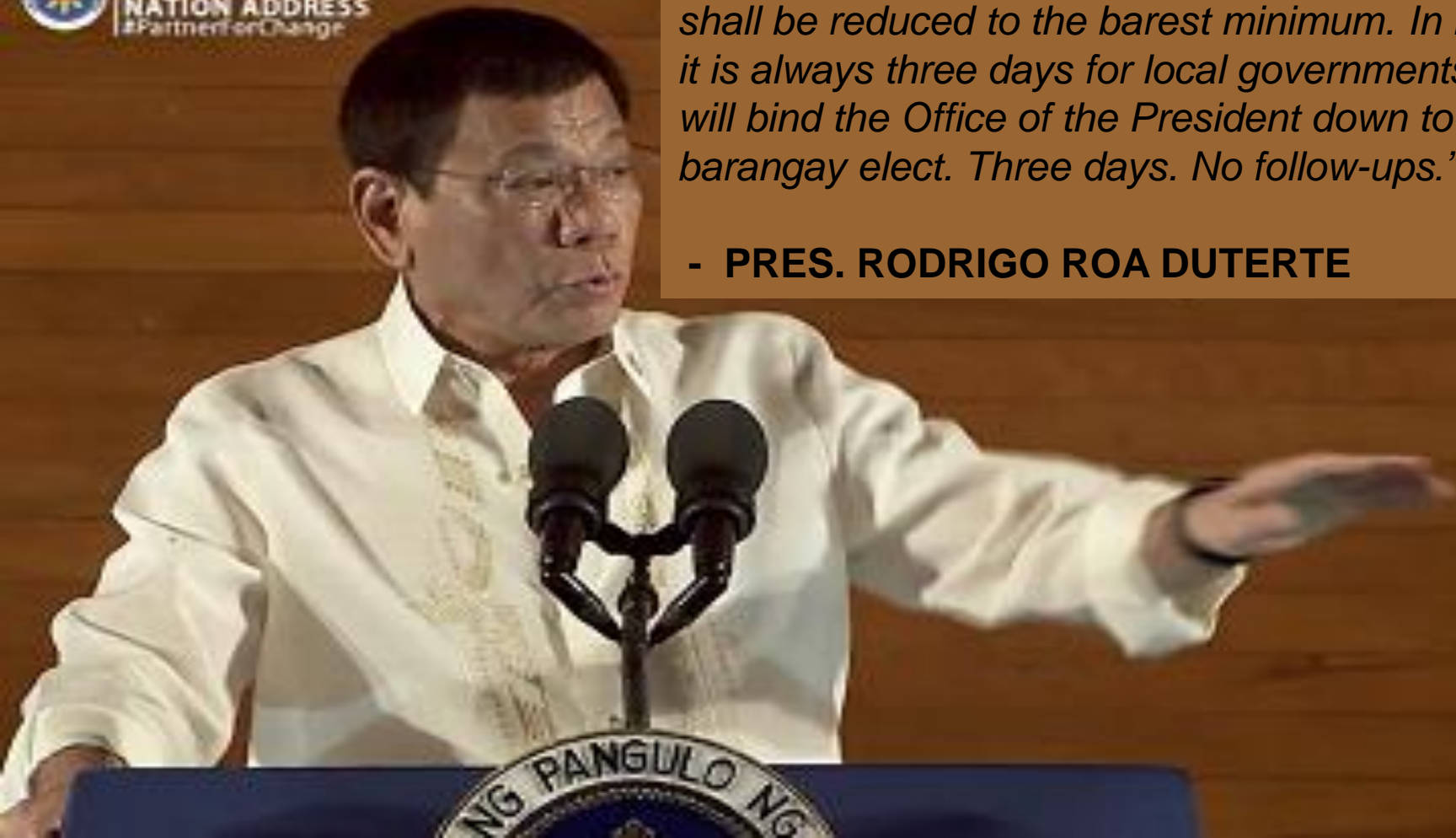
# WORKSHOP OBJECTIVES

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- **Overview of BPLS Working Group**
  - ✓ Agency's Roles and Responsibilities
  - ✓ Accomplishments 2010 to 2016
- **Discussion on the Joint Memorandum Circular 2016 – BPLS Revised Standards**
  - ✓ Legal Framework / Background
- **Designing the Reformed Process**
  - ✓ Identifying Procedures for New and Renewal
- **Drafting of Agenda Action Plan 2017 -2022**
  - ✓ Target / Priority LGUs (Streamlining vs Automation)
  - ✓ Moving Forward: Commitment to *Ease of Doing Business*



2016  
STATE OF THE  
NATION ADDRESS  
#PartnerForChange



*“Processing time in issuing permits and licenses shall be reduced to the barest minimum. In my city, it is always three days for local governments. This will bind the Office of the President down to the last barangay elect. Three days. No follow-ups.”*

**- PRES. RODRIGO ROA DUTERTE**



**OVERVIEW OF THE  
BUSINESS  
PERMITTING AND  
LICENSING SYSTEM  
(BPLS)  
WORKING GROUP**

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CUSTOMER

SATISFACTION INVESTMENT

DICT Business One Stop Shop DTI  
Number of Steps Unified Form

# #STREAMLINING

Cost of Doing Processing Time

Regulatory Business Signatories INCREASE  
Simplification REVENUE

AUTOMATION DILG BUSINESSMEN  
Growth Promotion

LGUs INSTITUTIONALIZATION

**1992**

Republic Act 7470, creation of the **NERBAC**

**1**



**JULY 2001**

First SONA of PGMA directing NGAs to **reduce red tape**

**2**



**SEPTEMBER 2003**

Issuance of **Memorandum Order no. 117** authorized local governments to rationalized and simplified civil application system

**3**

**2007**

Passing of the **Republic Act 9485** known as the **“Anti-Red Tape Act of 2007**, which serves as the legal basis of BPLS reforms

**4**



**2009**

Creation of two working groups under the **Philippine Development Forum (PDF)** - decentralization and local government (DLG) and growth and investment climate (GIC)

**5**



**18 FEBRUARY 2010**

Signing of **JMC series of 2009** for NCR to standardized registration procedures and creation of Citizen Charter of Standards

**6**



**06 AUGUST 2010**

Issuance of the DTI-DILG **JMC No. 1 s. 2010** that serves as the guidelines and **JDAO No. 1 s. 2010** for upscaling reforms in regional level

**7**

**31 JANUARY 2011**

DILG issued **memorandum 2011-15** to further streamline BPLS. This serves as basis for setting business fees and conditional business permits

**8**

**30 JUNE 2014**

The BPLS Oversight Committee agreed to **upscale the existing the BPLS Standards in line with ASEAN Economic Integration**

**9**



**30 AUGUST 2016**

Signing of the **Joint Memorandum Circular on Revised BPLS Standards**

**10**



# AGENCY'S ROLE IN BPLS STREAMLINING PROGRAM

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The BPLS Working Group was created under the Philippine Development Forum (PDF) sub-working groups on Growth and Investment Climate and Decentralization and Local Government in 2010.



Overall coordinator for the implementation of the Nationwide BPLS Streamlining for LGUs



Provide *policy directions* in the implementation of the revised BPLS standards nationwide.



Provide *capacity / training programs* for the implementation and selection of LGUs for e-BPLS / automation projects

# BPLS STRATEGIC FRAMEWORK ACCOMPLISHMENTS 2010 - 2016

Reducing the number of procedures, length of time, and cost of business registration.

Accelerate revenue mobilization and growth promotion in all cities and municipalities

Mobilizing Champions (Public and Private Sector) for BPLS Reform Initiatives

## Simplification / Standardization of Procedures

1.LGA reported a total of 1422 LGUs were trained and streamlined out of 1516 total LGUs (excluding ARMM LGUs) as of December 2016.

## BPLS Automation

1.DICT's Prototype for e-BPLS Survey  
2.2016 E-Readiness Survey

## Improving Frontline Services / Customer Relations

1.Information on consumer protection law is available and freely accessible to the public.  
2.Setting up a complaint/information desk will help the public understand better the reforms of government.  
3.Strict compliance to the Citizens' Charter  
4.Establishing Business-One-Stop-Shop (BOSS)  
5.Capacity Building Program for Frontline Services

## Institutionalization of BPLS Reform Initiatives

1.Setting up of monitoring and evaluation system at the LGUs and to regional/provincial offices.  
2.Organizing local business chambers and civil society organizations for process improvements and monitoring  
3.JMC No. 1 series 2016

02

## NUMBER OF LGUS WHO HAVE UNDERGONE BPLS STREAMLING PROGRAM (JMC 2010)

YEAR	TARGETS	ACTUAL
2009	120*	----
2010	480**	70
2011	480**	368
2012	1,634***	876
2013	1,634***	1,136
2014	1,634***	1,286
2015	1,634***	1,403
2016	1,634***	<b>1,422 out of 1,516</b> (excluding 118 ARMM)

*\*Sparkplug Targets*

*\*\*In 2010, the DILG and DTI initially identified 480 priority LGUs for the BPLS Streamlining Program in response to the passage of the Joint Memorandum Circular on BPLS Standards.*

*\*\*\*By 2012, the Aquino administration ordered to cover all cities and municipalities under the streamlining program.*

*Source: Local Government Academy (LGA)*

# RESULTS OF BPLS CUSTOMER EXPERIENCE SURVEY ON RENEWAL OF BUSINESS PERMITS

PROCESSING TIME

88%

NUMBER OF PROCEDURES

80%

NUMBER OF FORMS

71%

NUMBER OF SIGNATORIES

85%

In computing the desired sample size, the methodology used in this survey is through quota sampling, by which the respondents were selected in a non-probabilistic version of stratified sampling.

A total of 1,379 out of 2,040 are business owners. Of which 1,850 or 90% have personally applied for renewal of their business permits.

*Source: 2015 BPLS Customer Experience Survey, NCC*

04

## NUMBER OF LGUS WITH BPLS AUTOMATION

LGU CATEGORY	AUTOMATED	NOT AUTOMATED	NDA	COVERAGE
Highly Urbanized Cities	30	3 (Las Pinas, San Juan, and Zamboanga)	1 (Navotas)	34
Component / Independent Component	77	23	10	110
1 <sup>st</sup> to 2 <sup>nd</sup> Class Municipality	241	192	55	488
3 <sup>rd</sup> to 6 <sup>th</sup> Class Municipality	229	443	85	757
<b>TOTAL</b>	<b>577</b>	<b>661</b>	<b>151</b>	<b>1,389</b>

Data showed that a total of 577 out of 1,389 LGUs have automated their BPLS processes. While 661 have not yet automated and 151 as no data available.

*Source: 2016 Cities and Municipalities Competitiveness Index*



**BREAK OUT  
SESSION:  
IDENTIFYING ISSUES  
AND CONCERNS**

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# GUIDELINES:

1. Participants will be group according to LGU or BPLS process
2. Each group has to identify issues and concerns related to their BPLS process.
3. Identified issues and concerns must be addressed by agencies / offices involved. (i.e., BFP – Issuance of FSIC)
4. Time limit for this session is 30 minutes for discussion and 15 minutes for presentation

**Please be informed  
that all presentations  
will be uploaded to the  
NCC website at  
[www.competitive.org.  
ph.](http://www.competitive.org.ph)**

**Thank you.**

**DISCUSSION ON THE  
JOINT MEMORANDUM  
CIRCULAR ON  
REVISED BPLS  
STANDARDS 2016**

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## JMC Signing | August 30, 2016

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## **STATEMENT OF RELATED POLICIES**

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- **Recap of relevant laws and issuances**
  - RA 9485 (Anti-Red Tape Act)
  - DILG-DTI JMC (2010) on BPLS Standards
  - DILG MC 2011-15 on Documentary Requirements for Business Permits
- **Raising standards**
  - 1,422 out of 1,518 LGUs already compliant to JMC2010
  - ASEAN Economic Integration
- **Automation is key**
  - e-BPLS software

# OVERVIEW OF THE REVISED BPLS STANDARDS

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	<b>JMC 2010</b>	<b>JMC 2016</b>
 <b>PROCESSING TIME</b>	New : 10 - 5 days Renewal : 5 days or less	New : 1 – 2 days Renewal : 1 day or less
 <b>NUMBER OF STEPS</b>	Max of 5 steps for New and Renewal of business registration	Max of <u>3 steps</u> for New and Renewal of business registration
 <b>NUMBER OF FORMS</b>	Unified Form	Unified Form (Print and Electronic document)
 <b>NUMBER OF SIGNATORIES</b>	Max of 2, Mayor and Treasurer/BPLO	Max of 2, Mayor and Treasurer/BPLO with alternatives

# NUMBER OF LGUS REPORTED COMPLIANT TO REVISED BPLS STANDARDS (JMC 2016)

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TYPE OF BUSINESS APPLICATION	LGUS COMPLIANT (OUT OF 1,389)	PROCESSING TIME
New Applications	1,017	2 days or Less
Renewals	1,139	1 day or Less

A total of 1,017 out of 1,389 LGUs can process new business applications in less than 10 minutes to 2 days while 1,139 out of 1,389 can process renewal of business permits in less than 10 minutes to 1 day.

*Source: 2016 Cities and Municipalities Competitiveness Index*



# PRESCRIBED DOCUMENTARY REQUIREMENTS FOR NEW AND RENEWAL

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## NEW

1. Proof of business registration, incorporation, or legal personality (i.e. DTI/ SEC/ Cooperative Development Authority (CDA) registration);
2. Basis for computing taxes, fees, and charges (e.g. business capitalization);
3. Occupancy Permit, if required by national laws (e.g. Building Code) and local laws;
4. Contract of Lease (if Lessee); and
5. Barangay clearance (for businesses which are not required occupancy permits).

For item no.1 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).

## RENEWAL

1. Basis for computing taxes, fees, and charges (e.g. Income Tax Returns); and
2. Barangay clearance
  - **Art. 4, Sec. 152 (c). (RA 7160 or the 1991 Local Government Code Barangay Clearance.**—No city or municipality may issue any license or permit for any business or activity unless a clearance is first obtained from the barangay where such business or activity is located or conducted.
  - For such clearance, the Sangguniang Barangay may impose a reasonable fee.
  - **The application for clearance shall be acted upon within seven (7) working days from the filing thereof. In the event that the clearance is not issued within the said period, the city or municipality may issue the said license or permit.**

## DEFINITION OF TERMS: BPLS UNIFIED FORM

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All cities and municipalities shall use a single or unified business application form in processing new applications for business permits and business renewals.

To be made available using various ways and modes

Downloadable form in fillable format, can either be answered electronically or printed for submission.

Applicants not to be required to submit documents already submitted to Engineering or BO, or other departments or divisions in connection with business-related permits (e.g., tax clearances already submitted for building or occupancy permitting processes, barangay clearances)

If LGU has a post-audit process, occupancy permit need not be required for business registration

# DEFINITION OF TERMS: NUMBER OF PROCEDURES

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**FILE**

**GET  
ASSESSMENT**

**PAY /  
CLAIM**

## **Application filing and verification**

Submission of completely accomplished application form with attached documentary requirements

One-time verification

## **Assessment**

One-time assessment of taxes, fees and charges

## **Pay and claim**

One-time payment of taxes, fees and charges

Receipt of OR as proof of payment, including payment of BFP fees

Receipt of Business Permit, other regulatory permits and clearances

## **Related provisions**

- Other local clearances to be issued together with the business permit
- Queuing mechanisms to better manage flow of applications, provide priority to disadvantaged groups (e.g., senior citizens, pregnant women, PWDs)

## DEFINITION OF TERMS: PROCESSING TIME

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- One day to two days for new business permit applications
- One day for business renewals

## DEFINITION OF TERMS: NUMBER OF SIGNATORIES

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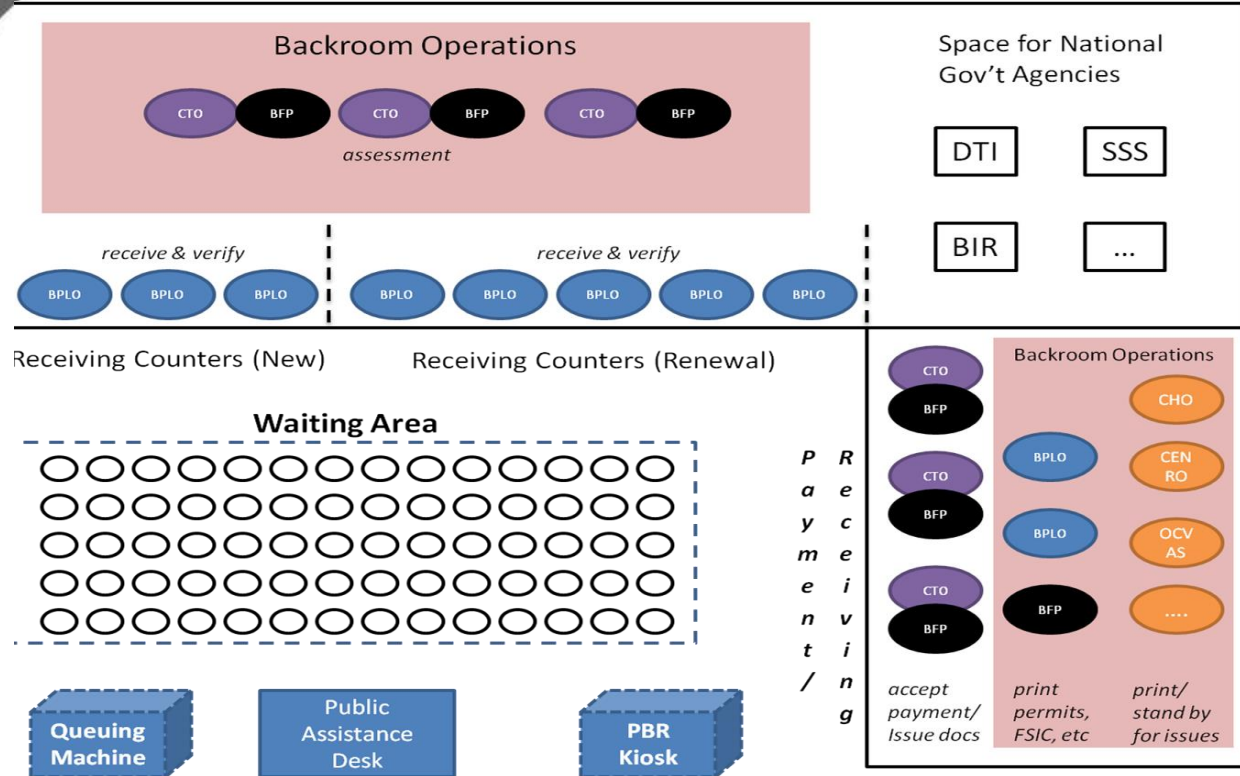
- Maximum of two signatories
  - Mayor
  - BPLO or Treasurer for recommending approval
- Electronic signatures or pre-signed permits with adequate control mechanisms may be used
- For BPLS where Mayor personally (manually) signs, alternative signatories must be identified and designated

## **COMPLEMENTARY REFORMS: STREAMLINING OF FIRE SAFETY INSPECTION CERTIFICATE**

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

# COMPLEMENTARY REFORMS: SETTING UP A BUSINESS ONE STOP SHOP

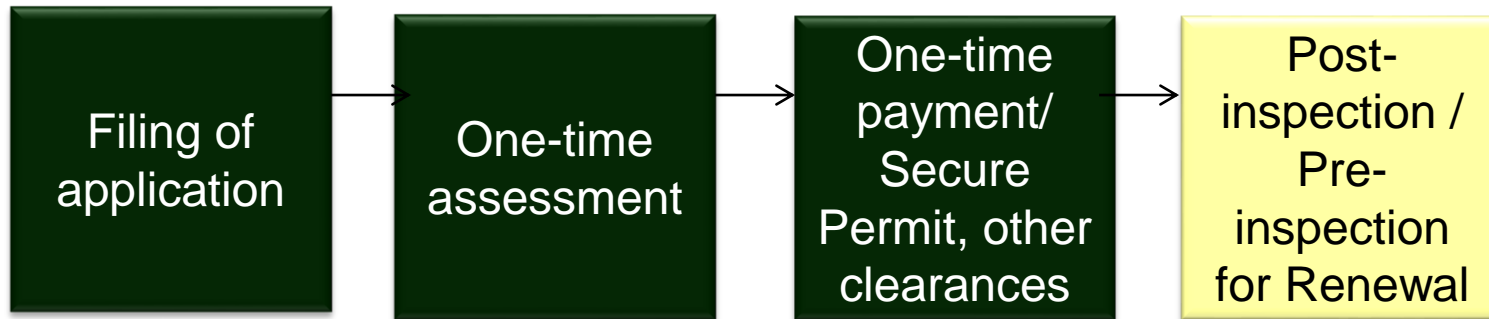


The co-location system shall be year round for all cities and during the business permit renewal period for all municipalities. The BFP shall designate a Fire Code Fees Assessor and Fire Code Fees Collecting Agent in the BPLO. The BFP shall coordinate with the Local Chief Executive and BPLO for the accommodation of their personnel.

## **COMPLEMENTARY REFORMS: ESTABLISHING AN LGU-BASED JOINT INSPECTION TEAM (JITs)**

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For faster processing time, limit inspections to pre and post.



- **Post-permit inspections serve as basis for renewal eligibility**
- **Organize/ Create Joint Inspection Teams (JITs) for greater efficiency and reduction in client burden**
  - **Can create 2 post-inspection joint teams (Disclosure Verification/ Safety)**
  - **Encourage joint inspections for pre-registration phase (Building/ Occupancy Permit stages)**



## **COMPLEMENTARY REFORMS: COMPUTERIZATION AND AUTOMATION**

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DICT has produced the following on BPLS Automation, available on its website :

- 1. BPLS Planning and Implementation Guide :  
Computerizing Business Permits and  
Licensing Systems in the Philippines**
- 2. BPLS Automation and Baseline Design Guide  
: Automation System Flows and Baseline  
Design.**

### **FEATURES :**

- 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.

## **OTHER REFORMS:**

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- 1. Integration of barangay clearance in business permit process. Barangay clearance related to doing business may be issued at city or municipality provided that collections are remitted weekly to the concerned barangay.**
- 2. FSIC for non-critical or low risk businesses can be valid for more than 1 year depending on rules issued by BFP.**

# COMPLIANCE TO NATIONAL LAWS AND REGULATORY REQUIREMENTS

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- LGU as collecting agent
  - LGU may be designated to assess ordinary FIS fees equivalent to 10 percent of local fees.
    - BFP must be able to check accuracy of computation
    - BFP to certify tax order of payment
  - BFP may designate LGU as collecting agents for the FIS fees provided that LGU remits fees to the BFP no later than two (2) days after collection.
  - BFP may collect additional fees after their assessment

# COMPLIANCE TO NATIONAL LAWS AND REGULATORY REQUIREMENTS

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- National government agency requirements after the issuance of the business permit.  
**(Post-registration procedures)**
  - One of the documentary requirement for a new business to be registered and issued a Tax Identification Number (TIN) is a **photocopy of Mayor's Business Permit (or duly received Application for Mayor's Business Permit, if the former is still in process with the LGU)**. This applies to single proprietorships, partnerships and corporations.
  - PAG-IBIG requirement for registration as employer is proof of business existence such as SEC/DTI/CDA certificate of registration **or Mayor's permit/business permit.**

## COMPLIANCE TO NATIONAL LAWS AND REGULATORY REQUIREMENTS

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- Requirement to register as an SSS employer for single proprietorship is authority to operate from government offices such as Registration of Business Name, **Business Permit**, or any proof of business operations.
- For backyard industries/ventures or micro-business enterprises, the requirement for PhilHealth registration is barangay certification or a mayor's permit.

# COMPLIANCE TO NATIONAL LAWS AND REGULATORY REQUIREMENTS

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- Joint DILG-PhilHealth-SSS-DTI Memorandum Circular No. 01, series of 2014 (May 09, 2014). New Procedures for Securing Clearances from the SSS, PhilHealth and for Renewing Business Permits and Other Purposes
- Section 1. In lieu of the requirement on the submission of an SSS clearance and proof of payment of PhilHealth premium contributions prior to the issuance of a Mayor's Permit, **the SSS and PhilHealth shall provide all cities and municipalities with a soft (electronic form), and hard copies of the annual list of delinquent employers, owners or operators of business establishments registered with or accredited by said agencies, not later than the end of November.**

# COMPLIANCE TO NATIONAL LAWS AND REGULATORY REQUIREMENTS

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- Section 5. All Local Chief Executives shall provide the SSS, PhilHealth, HDMF and DTI regional/branch offices with the following:
  - List of new and renewing business establishments that have been granted a Mayor's Permit to Operate.
  - A separate space in the Business One-Stop Shops (BOSS) set up by the cities and municipalities during the business renewal period every January . . .
- **Key elements:**
  - **Information sharing among departments**
  - **Use of appropriate technology for disseminating, sharing and verifying information**
  - **Open-data (open-government) basis**

## ROLE OF INFORMATION TECHNOLOGY IN THE SIMPLIFIED PROCESS

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- What is the current state of the LGU's information technology infrastructure?
- Are clients able or willing to operate in an electronic environment?
- Can the LGU can afford the indirect and direct costs of using technology?
  - Look for the appropriate level and use of IT in the simplified process



## USE OF ONLINE AND ELECTRONIC MECHANISM FOR EFFICIENT BPLS PROCESS

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- Online portal to accept online applications
- Electronic means of providing tax order of payments
- Online payment mechanisms
- Online means of transmitting permit and clearances

**DESIGNING  
REFORMED  
PROCESS FOR NEW  
AND RENEWAL OF  
BUSINESS PERMITS**


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# **DRAFTING OF THE ACTION AGENDA FOR BPLS 2017 - 2022**

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# GUIDELINES:

1. After identifying issues and concerns and discussions on the JMC 2016, each group will now draft their recommendations on how to address / resolve existing scenarios in their BPLS process
2. Using the template, all involved agencies / offices must contribute to the action agenda plan with concrete deliverables.
3. Time limit for this session is 30 minutes for discussion and 15 minutes for presentation

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- Consult stakeholders about their suggestions on how to improve the process
  - Draw the reformed process
    - Redraw your process table or process map
    - Redo your interface diagram
  - Finalize the reform implementation plan
  - Draft a proposed executive order or ordinance for the new process

# Proposed Template for Action Agenda Plan for LGU-Based BPLS Process

Suggested Activities	Responsible Unit/s	Resources	Target Date of Implementation	Deliverables

**KINDLY SUBMIT YOUR OUTPUT NLT, May 29 at [admin@competitive.org.ph](mailto:admin@competitive.org.ph)**

**Thank you.**

**THANK  
YOU!**