

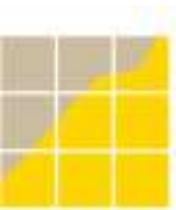
NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES

WELCOME

Roadshows on Best Practices on Business Permits and Licensing System (BPLS) Standards

08:00AM – 05:00PM 14 October 2014

Bayview Park Hotel, Ermita St., Manila



TAKING THE NEXT CHALLENGE: Revised BPLS Standards

A summary of continuing initiatives and programs in nationwide streamlining of BPLS Standards



OUTLINE

- Background
- Statement of Policies (Performance in implementing the JMC No. 1 series of 2010)
- Definition of Terms
- Revised Standards
- Strategic Framework and Complementary Reforms
- Implementation and Management (Roles and Responsibilities)

PURPOSE

- To disseminate information on the revised BPLS Standards;
- To make a productive and efficient tool in streamlining of BPLS Standards;
- To improve the Philippine rankings in global survey particularly on Ease of Doing Business;
- To increase awareness on the challenges of the ASEAN 2015.

Roadshows on Best Practices of Business Permits and Licensing System (BPLS) Standards

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



BPLS Philippines



18 FEBRUARY 2010
Signing of **JMC series of 2009** for NCR, attempting 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**

9



TIMELINE

The BPLS Framework

- “*Streamlining the business permitting and licensing system (BPLS)* means implementing systematic and purposeful interventions to ease business start-up”
 - 1. Simplifying registration process by reducing the number of steps and procedures**
 - 2. Reducing processing times and cost**
- *Streamlining* can accelerate revenue mobilization, improve expenditure management, and increase access to finance for better service delivery and growth promotion. (BPLS Reform Guide, USAID 2011)

BPLS 2010 to 2016 Framework

Reducing the number of steps/procedures, length of time, and cost of business registration by 2016.

Accelerate revenue mobilization and growth promotion by 2016

Simplification and Standardization

1. The cost of doing business (taxes, fees, etc.) is affordable to any type of business.
2. The institutional support structures for the development of start-up and existing businesses are in place.
3. The policies necessary to develop the business sector are crafted and being fully implemented.
4. Support for business sector development is results based, coordinated, harmonized and sustained by capable stakeholders.
5. The information needs of business sector are available and accessible.
6. Business sector are geared towards to gender responsive and environment-friendly.

Automation

1. The availability of information technology/software to continually develop and improve business registrations.
2. Trainings, seminars, and capacity building program for computerization of processes will help LGUs to understand process reforms.
3. LGUs and business sector must be streamlined at first stage, promoting accessible and affordable business environment.
4. Lead cities/municipalities must share experiences of best practices in doing business in the country
5. Efficient re-engineering requires some form of computerization, "Automation is the key"

Customer Relations

1. Government programs and policies on customer relations are coordinated, effective and highly satisfactory.
2. Business sector are using gender-responsive and environment friendly technologies.
3. Business sector are compliant with international quality standards.
4. Information on consumer protection law is available and freely accessible to the public.
5. Setting up a complaint/information desk will help the public understand better the reforms of government.
6. Strict compliance to the Citizens' Charter
7. Establishing Business-One-Stop-Shop (BOSS)

Institutionalization

1. Business sector are competitive locally and globally.
2. The business sector, LGUs and NGAs are using information technology to develop/promote their products and services.
3. Government supports legal instruments such as local regulations should be issued to support the streamlined processes, this will ensure sustainability of BPLS reforms
4. Setting up of monitoring and evaluation system at the LGUs and to regional/provincial offices.
5. Organizing local business chambers and civil society organizations for process improvements and monitoring
6. Enjoining LGUs for ISO certification
7. Developing incentive systems to promote

Mobilizing Champions for BPLS Reforms

Statement of Policies

- 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 Permit

Performance in Implementing the JMC No. 1 s. 2010

- Based on the June 2014 monitoring report of the LGA, more than **1,242 out of 1,634 LGUs** are compliant with the service standards set in 2010.
- **1,395 LGUs** given training on how to streamline their BPLS, these include **138** cities and **1,257** municipalities
- **1,242** LGUs have completed streamlining their BPLS process and are compliant with the BPLS standards (JMC no. 01 s. 2010)
- **153** LGUS are still undergoing reforms

Definitions of Terms

- Some new terms
 - Electronic signature
 - Negative list
 - Positive findings
 - Pre-registration stage
- Modified certain terms
 - Processing time (don't count delays due to client)
 - Step – 1) interface, 2) action from LGU, 3) result

Revised BPLS Standards : Unified Form

- Revised unified form
 - Included BFP section
 - Cleaner look
 - Delineated fields that need not be filled up by renewing applicants
 - Removed certain items:
 - E.g. (form) control #, CTC #, property index #
- Additional recommendations
 - LGUs enjoined to use common/ shared database
 - Make form freely accessible and if possible, for online application

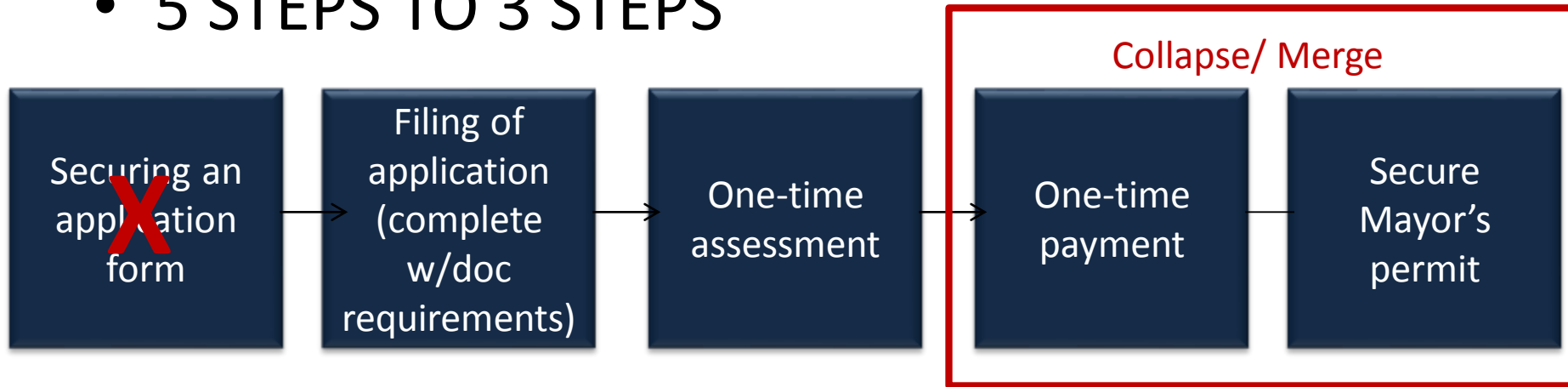
Revised BPLS Standards : Documentary Requirements

NEW	RENEWAL
<ul style="list-style-type: none"> • Unified form • DTI/ SEC/ CDA registration (<i>preferably no physical copy – use SEC views or get from C/MEO</i>) • Occupancy Permit (<i>preferably no physical copy – get list and/ or copies from C/MEO</i>) • Location map/ sketch • Barangay clearance (for those not requiring Occupancy Permit) • Contract of lease (if lessee) 	<ul style="list-style-type: none"> • Unified form • Previous business permit • Basis for computing taxes, fees, and charges (e.g. Income Tax Returns) • <i>Barangay</i> clearance

- Please do not request documents submitted before application
- Limit copies, just have information sharing schemes
- No need for SSS, PHIC clearances
- Encouraged to adopt '**NEGATIVE LIST**' concept for LGU regulatory offices

Revised BPLS Standards : Steps

- 5 STEPS TO 3 STEPS



- Filing kicks off the process; not securing application form
- LGUs enjoined to make form freely available (online too)

- Encouraged to have this finished in one go where permits are released in the same window after payment (*exchange*)

Proposed definition of a **STEP**: *any procedure taken by an applicant as part of the process of applying for and/or processing business permits and licenses that **triggers an interface, 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 himself/ herself **leading to a result (a document, certification, or decision)** that is necessary to secure a business permit*

Revised BPLS Standards : Processing Time

- Max. Processing Time (New):
FROM 5 DAYS TO 1.5 DAYS (STRIVE FOR 1 DAY)
- Max. Processing Time (Renewal):
KEEP TO 1 DAY, STRIVE FOR LESS

Revised BPLS Standards : Signatories

Minimize # of signatories (ARTA: maximum of 5)

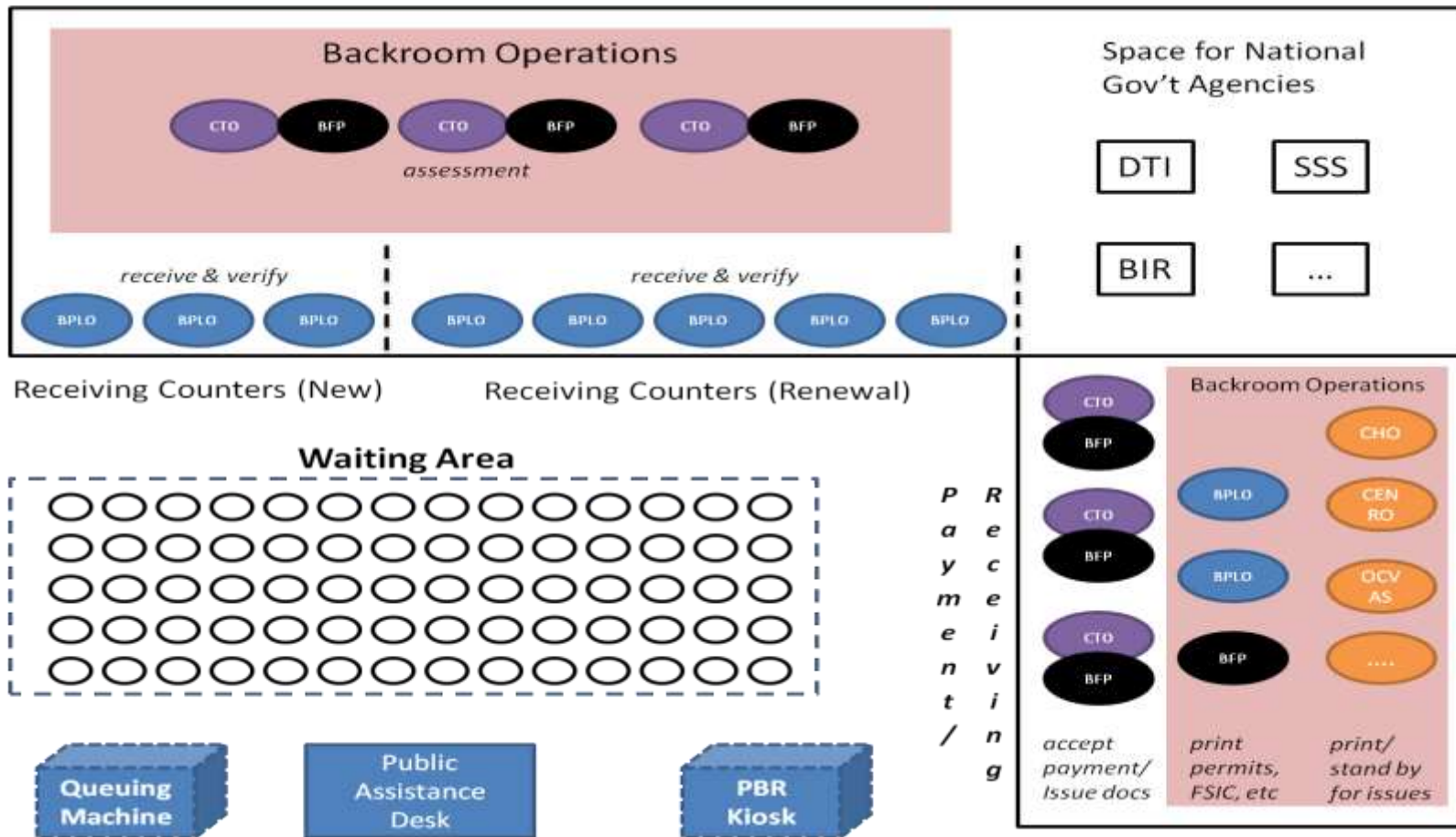
Encouraged practices:

- Limit initials/ signatures for validation/ verification – consolidate lists with BPLO
- 1 signature for the actual business permit (Mayor or designated rep); at most 2 (Mayor/ rep and Treasurer/ BPLO)
- BFP to reduce signatories for FSIC document – ideally only Fire Marshall but at most 1 more for recommending approval

LGUs and BFP enjoined to use e-signatures or pre-signed permits

- If manual, must designate alternative signatory

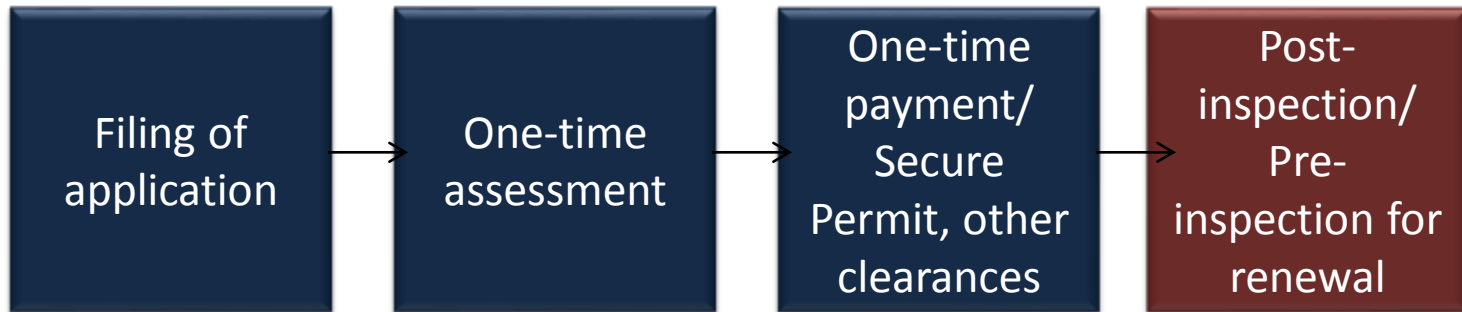
Complementary Reforms : Setting-up of BOSS



* Emphasize co-location arrangements with BFP

Complementary Reforms : Joint Inspection Teams (JITs)

- 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

- Compliant LGUs encouraged to computerize
- Automation of :
 - Retrieval of previously submitted information
 - Consolidation and retrieval of negative lists/ positive findings for one-time verification;
 - Assessment of business taxes, charges, and fees;
 - Printing of tax orders of payment; and
 - Printing of business permit, FSIC, other clearances
- Explore online and other electronic mechanisms
 - Online submission of application
 - Email TOPs
 - Online payment, mobile money
 - Email permits, FSIC, and other clearances

Strategic Framework

- Helping the LGUs understand regulatory reforms for each streamlining procedures through orientation and peer-to-peer dialogues
- Establishing and building competent trainers/coaches by involving private sector
- Getting the right perspectives
- Ensuring each concerned parties are proactive and involve in taking the next challenge of BPLS reforms

Implementation and Management

- **Governance Structure**

Additional members to the Steering Committee

Cascading to the regional/provincial offices

- **Coordination and Convergence**

- **Monitoring and Evaluation**

- **Knowledge Management and Communications**

Project Implementation Mechanics : LGUs

- Coordinate with NGAs on implementation
- Provide enabling environment
- Engage BFP for cooperative arrangements
- Engage academe for capacity building
- Develop publicly accessible database

Project Implementation Mechanics : DILG

- With DTI, NCC, coordinate adoption and scaling up of the revised BPLS reform standards
- BPLS-OC to provide overall policy direction
- Develop standard training program through LGA
- Coordinate with DTI and DOST-ICTO for interoperable open-source BPLS database system
- Work out with BFP proposed Fire Code IRR revisions,
 - esp. LGU as collecting agents; co-location; FSIC for Occupancy to be sufficient for FSIC for Business

Project Implementation Mechanics : DTI

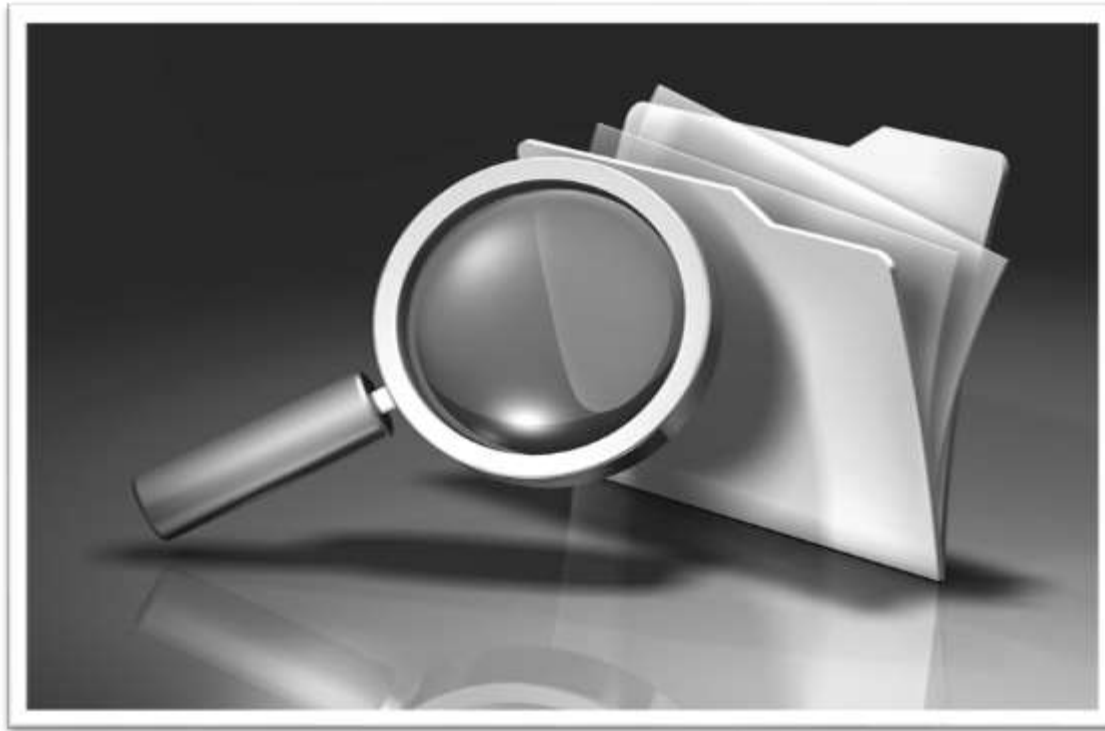
- With DILG, provide policy directions in the implementation of the revised BPLS standards
- With DILG, develop prioritization criteria for capacity building support to LGUs
- Integrate EDB Plans in capacity building (as TFEDB Chair)
- Coordinate with biz groups for support on new standards
- Continue promoting BPLS streamlining in PDFWG-GIC

Project Implementation Mechanics : DOST

- Training on BPLS computerization
- Trainers' training for capacity building on BPLS computerization
- Make available software for LGUs (as alternative)

Lessons
Learned

TRANSPARENCY LEADS TO COMPETITIVENESS, GOVERNANCE MATTERS



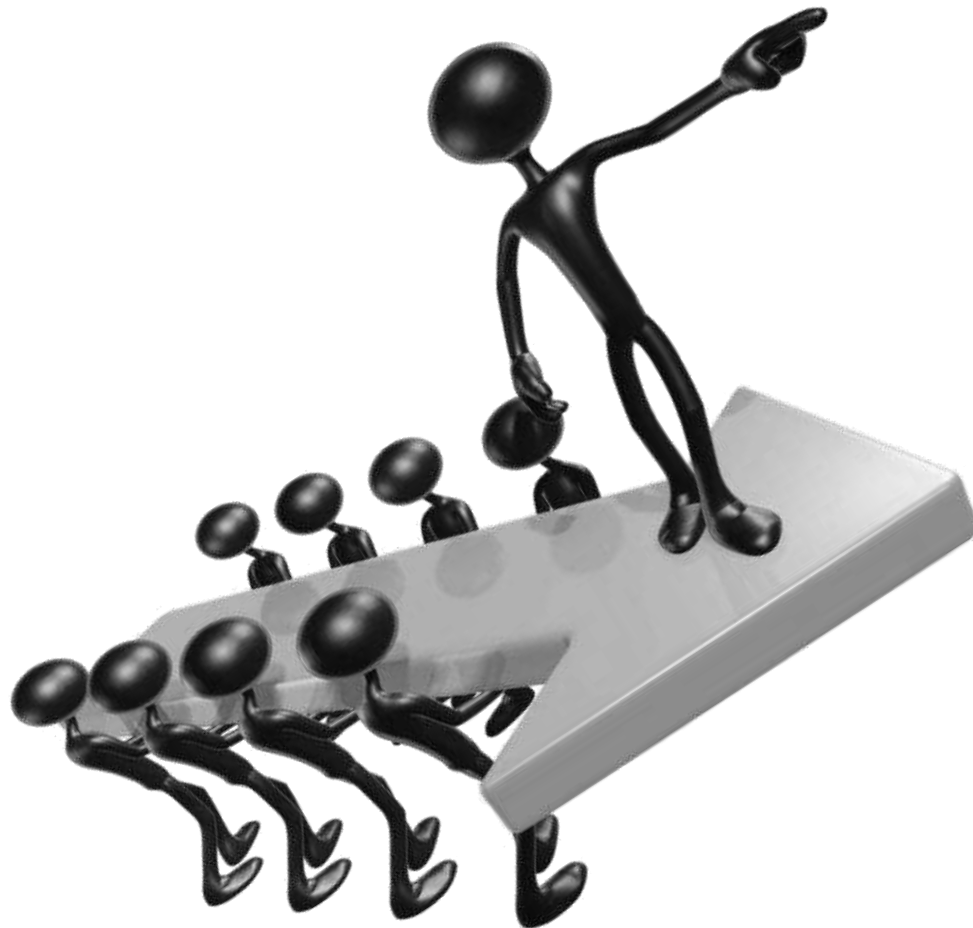
WORK IN PROGRESS IS NOT ENOUGH



EMPHASIS ON EXECUTION AND DELIVERY



TEAM WORK IS REQUIRED, NO MORE SILOS



FOCUS ON MULTIPLE FRONTS, NO SINGLE VARIABLE



THE COMPETITION NEVER SLEEPS



THE BAR ALWAYS RISES, WE MOVE UP A WEIGHT CLASS AND MEET LARGER, STRONGER COMPETITION



SPEED TO REFORM SHOULD BE OUR NEW MANTRA



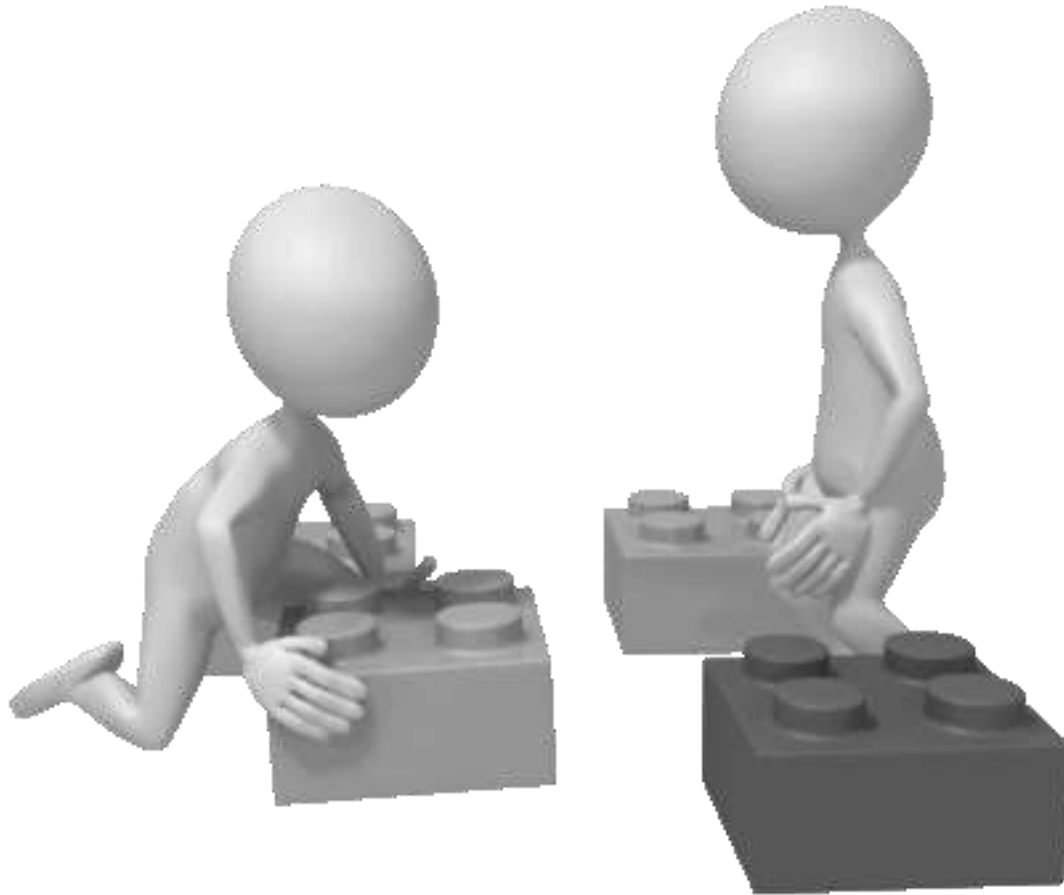
MAINTAIN MOMENTUM



EMBED AND INSTITUTIONALIZE CHANGE



PUBLIC AND PRIVATE COLLABORATION IS IMPORTANT AND EFFECTIVE, WE LEARN FROM EACH OTHER





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