



# Implementation *Bulletin*



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## RA 11032: EASE OF DOING BUSINESS AND EFFICIENT GOVERNMENT SERVICE DELIVERY ACT OF 2018

*This law seeks to streamline the delivery of government services by (a) prescribing the processing time; (b) streamlining procedures for issuing licenses, clearances, permits or authorizations; (c) automatically approving applications not acted upon within the prescribed processing time; (d) mandating a “zero contact policy” concerning an application or request, except during submission of documents; and (e) establishing a central business portal to receive and capture application data on business-related transactions, and provide links to online registration of national government agencies.*

*It creates a cabinet-level department – the Anti-Red Tape Authority (ARTA) – to implement and oversee implementation. ARTA can initiate an investigation motu proprio, or upon receipt of a complaint, or file cases for violations. It is also mandated to review proposed major regulations of government agencies using regulatory impact assessment (RIA).*

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In a webinar<sup>1</sup> for the Senate community on May 28, 2020, ARTA Director-General (DG) Atty. Jeremiah B. Belgica informed the Senate of the following updates on the implementation of this law.

### **“3-7-20-day rule”**

ARTA established the “3-7-20-day rule” through Memorandum Circular (MC) No. 2020-02 dated February 14, 2020<sup>2</sup>. It directs all national government agencies (NGAs) and local government units (LGUs)

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<sup>1</sup> The webinar is part of the External Affairs Seminar Series, which is a series of closed-door seminars/webinars for the Senate community on the implementation of laws

<sup>2</sup> <http://www.arta.gov.ph/pages/downloads/MC2020-02.pdf> (accessed September 24, 2020)

to conduct an inventory of all pending transactions that are beyond their prescribed transaction time. NGAs and LGUs are required to act on all such pending applications and to automatically approve them if requirements are complete before March 7, 2020. "3-7-20" refers to the prescribed processing time of simple transactions (3 days), complex transactions (7 days), and highly technical transactions (20 days).

DG Belgica said that even before issuing MC 2020-02, ARTA has enforced the automatic approval provision of the law on several occasions. These include the issuance of Order of Automatic Approval to the Land Transportation Franchising and Regulatory Board on August 13, 2019, the Food and Drug Administration on September 4, 2019, and the Securities and Exchange Commission on September 4, 2019. The circular is expected to help prevent further instances of delays in the processing of government transactions.

### **Citizen's Charter**

The agency issued Memorandum Circular No. 2019-002 setting the guidelines on the implementation of the citizen's charter. The guidelines were a product of consultative meetings with oversight agencies including the Civil Service Commission, Office of the Ombudsman, Department of Budget and Management, Governance Commission for Government-owned-and-controlled Corporations, Department of Interior and Local Government, Department of Trade and Industry, Department of Environment and Natural Resources, and the Office of the Solicitor General. The World Bank also participated in the meetings, which were held on August 1, 2019 and May 6, 2019.<sup>3</sup>

### **Streamlining and reengineering**

ARTA's Better Regulations Office (BRO), Compliance, Monitoring and Evaluation Office (CMEO), and the Regulatory Management Training Division (RMTD) are working to improve regulatory management and compliance in government agencies. DG Belgica noted that Malacañang's Administrative Order (AO) No. 23<sup>4</sup> signed on February 21, 2020 complements ARTA's MC 2020-02. AO 23 seeks to eliminate overregulation and promote efficient government service.

During the webinar, DG Belgica also highlighted the NEHEMIA program, a "sectoral-based streamlining effort to reduce the time, cost, requirements, and procedures in sectors of economic significance by 52% within 52 weeks." Launched on March 4, 2020, it adopts a "whole of government approach" in streamlining government services. This is a departure from the current practice of government agencies functioning independently from each other, which tends to create redundant processes and requirements. For its first year, ARTA and its partners will focus on five key sectors: (1) connectivity telecommunications, (2) housing and construction, (3) food and pharmacology, (4) logistics, and (5) power and energy. According to the agency's latest accomplishment report, the reform program shall be headed by the secretaries of the departments exercising jurisdiction over each of these sectors.

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<sup>3</sup> Anti-Red Tape Authority. (2020). Anti-Red Tape Authority 2019-2020 Accomplishment Report. <https://arta.gov.ph/pages/downloads/ARTA-Accomplishment-Magazine-2019-2020.php>

<sup>4</sup> <https://www.officialgazette.gov.ph/downloads/2020/02feb/20200221-AO-23-RRD-1.pdf> (accessed September 24, 2020)

Report card survey, citizen charter submissions, regulatory impact assessment trainings, and establishing a regulatory management system are some of the agency's other initiatives to facilitate streamlining and reengineering in government.

### **Business One-Stop Shop (BOSS)**

ARTA encourages the creation of BOSS in LGUs across the country. This year, agency representatives visited all 17 Metro Manila LGU BOSS during the business renewal season. In terms of automation of the business permitting and licensing system, ARTA cites as example Valenzuela's *Paspas* Permit and Parañaque's Project ELO. ARTA also took the initiative to launch a National Business One-Stop Shop where NGAs and LGUs "co-locate, unify, automate the services of social agencies in accepting business applications." It was launched on February 28, 2020 at the Philippine International Convention Center in Pasay City. "*Kung kayo po ay gustong mag register ng inyong one-person corporation, pwede na po kayong magpunta na lamang sa SEC, and fill out their unified form, at sila na po ang magtutulak ng inyong information sa BIR, SSS, Philhealth, PAG-IBIG*"<sup>5</sup>[If you would like to register your one-person corporation, you can proceed to SEC and fill out their unified form, and they will be the one to provide your information to BIR, SSS, Philhealth, PAG-IBIG]" explained DG Belgica.

### **Pandemic response**

DG Belgica cited the President's directive during his message to the nation on March 24, 2020 as basis for the agency's response to the pandemic. "I call on relevant agencies to ensure speedy delivery of basic medical supplies and equipment. From the approval, importation, and delivery, everything must go smoothly to make sure we do not waste time. Cut red tape," said the President.

The agency issued ARTA Advisory 1 on March 25, 2020 (Adoption of Fast-track measures During the Covid-19 State of Calamity), ARTA Advisory 2 on April 15, 2020 (Red Tape Reduction Measures on the Creation of One-Stop Shops), and BOC-ARTA-FDA JMC No. 1 Series of 2020 on April 2, 2020 (Creation of Bayanihan One-Stop Shop for Securing License to Operate to Import Covid-19 Critical Commodities for Commercial Distribution).

### **Webinar series**

In a press statement<sup>6</sup>, ARTA reported that it has partnered with the World Bank on a webinar series featuring countries excelling on e-governance. The first two webinars were held on September 15, 2020 featuring the E-Governance Agency of Moldova, and September 18, 2020 featuring the Embassy of New Zealand. The events were streamed live on the agency's Facebook page. "Because of the national crisis, there has been an accelerated united effort of the administration towards e-governance. This series of

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<sup>5</sup> Bureau of Internal Revenue (BIR), Social Security System (SSS), Philippine Health Insurance Corporation (Philhealth), Home Development Mutual Fund (Pag-Ibig Fund)

<sup>6</sup> [https://arta.gov.ph/pages/documents/ARTA\\_launches\\_series\\_of\\_webinars\\_with\\_countries\\_excelling\\_on\\_e-governance.php](https://arta.gov.ph/pages/documents/ARTA_launches_series_of_webinars_with_countries_excelling_on_e-governance.php) (accessed September 24, 2020)

webinars will help us learn from the efficient and automated processes of other countries,” said DG Belgica.

### **Integrated Business Permits and Licensing System (iBPLS)**

For its part, DICT has launched the Integrated Business Permits and Licensing System (iBPLS) to help achieve the objectives of this law. iBPLS is a cloud-based platform that enables business owners and investors to apply for permits and licenses online.

“Whereas it used to take two days to process applications, it now takes an hour. This has the potential to be a major transformation of a key government service. The eBPLS makes the process convenient and easy, as well as transparent for its users. It also minimizes human intervention, errors, and opportunities for fraud or corruption,” explained Ms. Teresita Roberto, Chief of the Government Digital Transformation Bureau at DICT. She also noted that the system allows LGUs to leverage data for better public policies.<sup>7</sup>

ARTA has called on LGUs to adopt the system to streamline the process of applying for business, building, and occupancy permits. “As part of our strong push towards e-governance, we want to remind all LGUs that RA 11032 requires them to automate their Business Permitting Systems until 2021. Those who are not yet automated may already use the iBPLS software and system of DICT that incorporates the Business Permits and the Building Permits Registration Systems. However, for LGUs who have already automated their permits systems, they should now work towards linking their systems with the Central Business Portal that ARTA and DICT will be rolling out by November this year. Rest assured that ARTA will help you in this transition – from streamlining to automation – to ensure a red tape-free and more convenient service to the public”, said DG Jeremiah Belgica in a press statement<sup>8</sup>.

### **Other information**

Information on other activities, as well as data on reforms, complaints handled, and cases filed are available in ARTA’s implementation report, which is posted on the agency’s website: [www.arta.gov.ph](http://www.arta.gov.ph).

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<sup>7</sup> <https://customers.microsoft.com/EN-GB/story/811249-dict-government-azure-philippines> (accessed September 24, 2020)

<sup>8</sup> [https://arta.gov.ph/pages/documents/ARTA to LGUs - Automate business and building permits now using DICTs iBPLS.php](https://arta.gov.ph/pages/documents/ARTA_to_LGUs_-_Automate_business_and_building_permits_now_using_DICTs_iBPLS.php) (accessed September 24, 2020)