



SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

'17 FEB -1 P4:26

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**SENATE**

**COMMITTEE REPORT NO. 33**

Submitted by the Committee on Trade, Commerce and Entrepreneurship joint with the Committee on Civil Service, Government Reorganization and Professional Regulation on FEB 01 2017.

Re: Senate Bill No. 1311, prepared by the Committees

Recommending its approval in substitution of Senate Bill No. 866, taking into consideration Proposed Senate Resolution Nos. 23 and 54

Sponsor: Senator Zubiri

**Mr. President:**

The Committee on Trade, Commerce and Entrepreneurship joint with the Committee on Civil Service, Government Reorganization and Professional Regulation, to which was referred Senate Bill No. **866**, introduced by Senator Recto, *entitled*:

**"AN ACT**

**PROMOTING THE EASE OF DOING BUSINESS BY MANDATING THE  
AUTOMATIC APPROVAL OF BUSINESS PERMIT APPLICATIONS AFTER THIRTY  
DAYS OF INACTION AND EXTENDING THE VALIDITY PERIOD THEREOF"**

and taking into consideration Proposed Senate Resolution No. **23**, introduced by Senator Aquino IV, *entitled*:

**"A RESOLUTION**

**DIRECTING THE COMMITTEE ON TRADE, COMMERCE AND  
ENTREPRENEURSHIP TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION,  
ON GOVERNMENT PLANS AND STRATEGIES TO PROMOTE EASE OF DOING  
BUSINESS IN THE COUNTRY."**

Respectfully submitted:

**ANTONIO "Sonny" F. TRILLANES IV**  
*Chairperson, Committee on Civil Service,  
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**FRANCIS "Chiz" G. ESCUDERO**  
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**FRANKLIN M. DRILON**  
*President Pro-Tempore*

**AQUILINO "Koko" PIMENTEL III**  
*Senate President*  
Senate of the Philippines  
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**RICHARD J. GORDON**

**LOREN B. LEGARDA**




**SONNY ANGARA**



**EMMANUEL D. PACQUIAO**

*Ex-Officio Members:*



**VICENTE SOTTO III**  
*Majority Floor Leader*



**RALPH G. RECTO**  
*Minority Floor Leader*

and Proposed Senate Resolution No. **54**, introduced by Senator Poe, *entitled*:

**"RESOLUTION**

**URGING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT A  
RELEVANT STUDY, IN AID OF LEGISLATION, ON THE VARIOUS LAWS AND  
POLICIES GOVERNING APPLICATION FOR LICENSES, PERMITS AND  
CLEARANCES INCLUDING THE IMPLEMENTATION OF THE E-COMMERCE LAW  
WITH THE INTENTION OF SIMPLIFYING BUREAUCRATIC PROCEDURES,  
ERADICATING RED TAPE AND PROMOTING PHILIPPINE COMPETITIVENESS"**

have considered the same and have the honor to report it back to the Senate with the recommendation that the attached bill, S.B. No. 1311, prepared by the Committees, entitled:

**"AN ACT**

**ESTABLISHING A NATIONAL POLICY ON EASE OF DOING BUSINESS,  
CREATING FOR THE PURPOSE THE EASE OF DOING BUSINESS COMMISSION,  
AND FOR OTHER PURPOSES"**

be approved in substitution of Senate Bill No. 866, taking into consideration Proposed Senate Resolution Nos. 23 and 54, with Senators Recto, Aquino IV, Poe and Zubiri, as authors thereof.



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**SENATE**

**S.B. No. 1311**

(In Substitution of SB No. 866)

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Prepared by the Committee on Trade, Commerce & Entrepreneurship joint with the Committee on Civil Service, Government Reorganization and Professional Regulation with Senators Recto, Aquino IV, Poe and Zubiri, as authors thereof.

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**AN ACT  
ESTABLISHING A NATIONAL POLICY ON EASE OF DOING BUSINESS,  
CREATING FOR THE PURPOSE THE EASE OF DOING BUSINESS COMMISSION,  
AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

**ARTICLE I**

**BASIC PRINCIPLES AND POLICIES**

**SECTION 1. Short Title.** – This law shall be known as "*Ease of Doing Business Act of 2017*".

**SEC. 2. Declaration of Policy.** – Article II, Section 20 of the Constitution states that: "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments." Pursuant to this, it is hereby declared the policy of the State to:

- a) Provide a business environment that is conducive to the establishment and operation of businesses in the country;
- b) Simplify business permit and licensing system procedures and streamline the requirements at the national and local levels; and
- c) Promote transparency in government with regard to business registrations and other manner of transacting with the public to reduce red tape and expedite permitting, licensing and other similar transactions in government.

1 **SEC. 3. Definition of Terms.** – As used in this Act, the following terms shall mean:

- 2 a) Applicant – any natural or juridical entity set to engage or engaged in business  
3 who is applying for a license, clearance and/or permit;
- 4 b) Business Entity – any individual or juridical entity engaged in business in the  
5 Philippines;
- 6 c) Business One-Stop Shop – an arrangement where a single common site or  
7 location is designated for all concerned agencies in the Business Permit and  
8 Licensing System to receive and process applications for license, clearance  
9 and/or permit;
- 10 d) Business Permit - a document issued by the Office of the Local Chief Executive of  
11 a city or municipality to a business entity allowing it to legally operate in the  
12 locality within a prescribed period;
- 13 e) Business Registration – a set of regulatory requirements that a start-up or  
14 business entity must comply with to engage in business, such as but not limited  
15 to, collection or preparation of a number of documentation, submission to  
16 government authorities, approval of application submitted, and receipt of a  
17 formal certificate or certificates, licenses, clearances, permits and similar  
18 documents which confirm the eligibility to operate as a legitimate business  
19 entity;
- 20 f) Central Business Portal - a dedicated business Web portal that allows start-up  
21 and business entities to access a one-stop or single-entry point to submit  
22 applications and access business registration-related information;
- 23 g) Charges – a pecuniary liability, as rents or fees against persons or property;
- 24 h) Clearance – a document in a form of a certificate issued by a government agency  
25 and/or instrumentality to a business entity, which is a requisite for their business  
26 operations and/or transactions as required by law;
- 27 i) Complex application – application which necessitates inter-agency collaboration  
28 or multi-department involvement in the resolution of complicated issues by a  
29 business licensing, regulatory and/or permitting office as required by law;
- 30 j) Fee – a reasonable charge fixed by law or local ordinance for the regulation or  
31 inspection of a business or activity;
- 32 k) License – a permit or document issued by national government agencies  
33 necessary for starting and pursuing a business such as but not limited to primary  
34 license and secondary license;
- 35 l) Primary license or primary franchise – an initial issuance, authority or certification  
36 accorded by a government agency and/or instrumentality conferring a right to a

1 business entity to engage in business transactions and/or activities as required  
2 by law;

3 m) Processing Time – the time spent by an applicant from the submission of an  
4 application with complete requirements, accompanying documents and payment  
5 of fees to the receipt of a certification or such similar documents approving or  
6 disapproving the application for a license, clearance and/or permit;

7 n) Red tape - describes regulations and rules, administrative procedures and  
8 systems that are not effective in achieving their intended objectives and as a  
9 result produces suboptimal and undesired social outcomes;

10 o) Regulation - any legal instrument that gives effect to a government policy  
11 intervention and includes licensing, imposing information obligation, compliance  
12 to standards or payment of any form of fee, levy, charge or any other statutory  
13 and regulatory requirements necessary to carry out any business activity;

14 p) Secondary license and/or permit – a certification, authority or accreditation  
15 issued to a registered business entity which authorizes them to engage in  
16 business activities as required by regulatory laws; and

17 q) Simple application – application which only requires ministerial actions on the  
18 part of the business licensing and/or permitting office, or that which presents  
19 only inconsequential issues for resolution by the concerned office.  
20

21 **SEC. 4. Coverage.** – Other laws notwithstanding, this Act shall apply to all national  
22 government agencies and/or instrumentalities, and local government units involved in  
23 the issuance of licenses, clearances and/or permits to business entities.  
24

## 25 **ARTICLE II**

### 26 **BUSINESS PERMITTING AND LICENSING REFORMS**

27  
28 **SEC. 5. Requirements for License, Clearance and/or Permit Application.** – All  
29 national government agencies and local government units issuing licenses, clearances  
30 and/or permit to business entities shall post a comprehensive checklist of requirements  
31 for every type of license, clearance and/or permit being issued. A uniform checklist of  
32 requirements required by licensing and permitting offices issuing a similar license,  
33 clearance and/or permit shall be established when applicable.  
34

1 The checklist of requirements, step-by-step procedure and schedule of fees for the  
2 issuance of a license, clearance and/or permit shall be conspicuously posted in the  
3 premises of national and local government licensing and permitting agencies and in the  
4 Business One Stop Shop or in areas designated by cities/municipalities. The same  
5 information shall likewise be posted online in the official website of national government  
6 agencies and local government units and shall be linked to the Central Business Portal.

7  
8 Business entities shall be limited to submitting only the requirements provided in the  
9 checklist in the processing of an application. Provided, however, That in cases where  
10 additional documents are required, the business licensing and/or permitting office shall  
11 notify the applicant of the reasons he must comply with the submission of such  
12 documents.

13  
14 **SEC. 6. Prescribed Processing time for License, Clearance and/or Permit**  
15 **Applications.** – National government agencies and local government units involved in  
16 the processing and issuance of licenses, clearances and/or permits to business entities  
17 shall process the application of business entities and communicate the decision  
18 regarding approval or if the application has been disapproved, along with comments or  
19 reasons for such disapproval, within the prescribed processing time.

20  
21 For business entities classified as Micro, Small and Medium Enterprises (MSMEs) as  
22 defined in Section 3 of Republic Act No. 9501, the prescribed processing time shall in no  
23 case be longer than three (3) working days for simple applications and ten (10) working  
24 days for complex applications from the time the application is received.

25  
26 For special type of businesses that require clearances, accreditation and/or licenses  
27 issued by government agencies including regulatory agencies as provided for by law  
28 where technical evaluation or such necessary condition is required in the processing of  
29 licenses, clearances and/or permits, the prescribed processing time shall in no case be  
30 longer than thirty (30) working days or as determined by the government agency or  
31 instrumentality concerned, whichever is shorter.

32  
33 A national government agency and/or instrumentality or local government unit shall  
34 assign a unique identification number to an applicant that shall become the identifying  
35 number for all subsequent business registration-related transactions between the  
36 agency and the business entity. A reference number for each business registration

1 related transaction shall also be provided to the applicant to track the status of an  
2 application, whether manually or electronically submitted.

3  
4 **SEC. 7. Automatic Approval of License, Clearance and/or Permit Applications.**

5 – An application for a license, clearance and/or permit shall be deemed approved upon  
6 failure or inaction of the concerned national government agency or local government  
7 unit to process and issue the license, clearance and/or permit after the prescribed  
8 processing time has lapsed without informing the applicant of the error, omissions  
9 and/or additional documents required for submission. Provided, That all required  
10 documents have been submitted and all required fees and charges have been paid.

11  
12 Provided, however, That in cases where the cause of delay is due to force majeure or  
13 natural or man-made disaster which may result to damage or destruction of documents,  
14 the prescribed processing time in the preceding Section shall be suspended and  
15 appropriate adjustments shall be made.

16  
17 Provider further, That if the application for license, clearance and/or permit shall require  
18 the approval of the Sangguniang Bayan in the case of a municipality, Sangguniang  
19 Panlungsod in the case of a city or Sangguniang Panlalawigan in the case of a province,  
20 and the respective Sanggunain has denied the application, such case shall be exempt  
21 from the operation of Sections 6 and 7 of this Act.

22  
23 **SEC. 8. Extension of License, Clearance and/or Permit Applications.** – The

24 prescribed processing time for license, clearance and/or permit applications may be  
25 extended for a reasonable period when extraordinary due diligence in reviewing the  
26 qualifications and merit of the application is required. Provided, That the processing  
27 time shall only be extended once. Provided further, That the concerned national  
28 government agency or local government unit shall inform the applicant prior to the  
29 lapse of the prescribed processing time that an extension is required in evaluating the  
30 application.

31  
32 **SEC. 9. Requirements for Business Permit Application.** – A single or unified

33 business application form shall be used in processing new applications for business  
34 permits and business renewals which consolidates all the information of the applicant  
35 by various local government departments, such as but not limited to the local taxes and  
36 clearances, building clearance, sanitary permit, zoning clearance, and other specific



1 local government unit requirements as the case may be, including the fire clearance  
2 from the Bureau of Fire Protection.

3  
4 The unified form shall be made available online using technology-neutral platforms such  
5 as but not limited to the Central Business Portal or the city/municipality's website and  
6 various channels for dissemination.

7  
8 **SEC. 10. *Validity of Business Permit.*** – Business permits shall be valid for a period  
9 of one (1) year. The city/municipality may have the option to renew business permits  
10 within the first month of the year or on the anniversary date of the issuance of the  
11 business permit.

12  
13 **SEC. 11. *Computerized or Software-enabled Business Permit and Licensing***  
14 ***System.*** – Cities/municipalities shall, as far as practicable, automate their business  
15 permitting and licensing system (BPLS) or set up an electronic-Business One Stop Shop  
16 within a period of one (1) year upon the effectivity of this Act for a more efficient  
17 business registration.

18  
19 The Department of Information and Communications Technology (DICT) shall make  
20 available to qualified local government units the software for the computerization of the  
21 BPLS. The DICT, Department of Interior and Local Government (DILG) and the  
22 Department of Trade Industry (DTI) shall provide technical assistance in the planning  
23 and implementation of a computerized or software-enabled BPLS.

24  
25 **SEC. 12. *Business One Stop Shop*** – A one-stop business facilitation service,  
26 hereinafter referred to as the Business One Stop Shop (BOSS), for the  
27 city/municipality's business permitting and licensing system to receive and process  
28 manual and/or electronic submission of license, clearance and/or permit applications  
29 shall be established.

30  
31 Municipalities and cities without electronic mechanism for submission and processing of  
32 permit, license and clearance applications shall set up a BOSS. There shall be a queuing  
33 mechanism in the BOSS to better manage flow of applications among the local  
34 government units' departments receiving and processing applications, including the  
35 Bureau of Fire Protection (BFP).

1 Cities and municipalities with online mechanism for submission and processing of  
2 license, clearance and/or permit applications shall receive and process applications  
3 electronically. Downloadable and unified application form, comprehensive checklist of  
4 requirements, step-by-step procedures, and schedule of fees shall be made available  
5 online in the cities/municipalities' websites.

6  
7 Provided, That to lessen the transaction requirements, other local clearances such as  
8 but not limited to sanitary permits, environmental and agricultural clearances shall be  
9 issued together with the business permit. Provided, further, That cities/municipalities  
10 which use manual signatures shall designate alternative signatories in the absence of  
11 the authorized approving authority. Provided, finally, That cities/municipalities with e-  
12 BOSS shall develop electronic versions of licenses, clearances and/or permits with the  
13 same level of authority, which may be printed by businesses in the convenience of their  
14 offices.

15  
16 **SEC. 13. Streamlined Procedures for Securing Fire Safety Clearance.** – For the  
17 issuance of the Fire Safety Inspection Certificate (FSIC), the following shall be adopted  
18 to make business permitting more efficient:

- 19 a. Issuance of Fire Safety Clearance shall in no case be longer than thirty (30)  
20 working days;
- 21 b. For new business permit application, the FSIC already issued during the  
22 Occupancy Permit stage shall be sufficient as basis for the issuance of the FSIC  
23 for a business entity as a requirement for the business permit;
- 24 c. For renewal of business permit, the BFP shall present the FSIC to the  
25 city/municipality, either thru the copy of the FSIC or the negative/positive list.  
26 Provided, That the business entity shall inform the BFP and submit the necessary  
27 documentary requirements if renovations, modifications or any form of  
28 alterations are made to the original building structure thirty (30) days before the  
29 expiration of the business permit;
- 30 d. If the BFP fails to furnish the city/municipality with the FSIC or inform the same  
31 thru the negative/positive list, the business entity shall be deemed to have a  
32 valid FSIC and therefore, the basis for the renewal of the business permit;
- 33 e. The BFP or any of its officials or employees shall not sell, offer to sell, or  
34 recommend specific brands of fire extinguishers and other fire safety equipment;

- 1 f. The BFP shall co-locate with the BOSS or in an appropriate area designated by  
2 the city/municipality within its premises to assess and collect the fire safety  
3 inspection fees;
- 4 g. The BFP may enter into agreements with cities/municipalities allowing the latter  
5 to be deputized as assessors and/or collecting agents for the fire safety  
6 inspection fees; and
- 7 h. The BFP may develop and adopt an online or electronic mechanism in assessing  
8 fees, collecting/accepting payments and sharing/exchange of other relevant data  
9 on business permit processing.

10  
11 The pertinent provisions of Republic Act No. 9514, otherwise known as the Revised  
12 Fire Code of the Philippines of 2008, are hereby amended accordingly.

13  
14 **SEC. 14. *Central Business Portal.*** – To promote transparency and sustain ease in  
15 doing business, the DICT shall establish, through the Government Infrastructure, a  
16 cloud-native Central Business Portal or other similar technology as the DICT may  
17 prescribe which, shall serve as a central system to receive application and capture  
18 application data from business entities.

19  
20 The Central Business Portal shall securely connect government agencies, such as but  
21 not limited to the DTI, the Securities and Exchange Commission (SEC), the Cooperative  
22 Development Authority (CDA), regulatory agencies, and local government units to  
23 receive base or common business applicant data or information required for each  
24 agency to process applications, respectively, and through which each respective agency  
25 shall securely generate and issue digitally signed business license document.

26  
27 **SEC. 15. *Philippine Business Registry Databank.*** – Business licensing and/or  
28 permitting agencies such as but not limited to the DTI, SEC, CDA, BIR, and local  
29 government units shall access the Philippine Business Registry Databank to verify the  
30 validity, existence and other information relevant to a business entity.

31  
32 The concerned national government agencies and all local government units shall  
33 periodically submit to the system updates relative to the information registered with  
34 them. The DICT, in consultation with the concerned agencies, shall develop and  
35 manage the Philippine Business Registry Databank and prescribe the data to be  
36 submitted by national government agencies and local government units.

1 Submission of documents already provided by an applicant to an agency with access to  
2 the Philippine Business Registry Databank shall no longer be required by other agencies  
3 having similar access. The concerned agency shall crosscheck and retrieve the required  
4 information or document in the Philippine Business Registry Databank.

5  
6 At the local government level, the City/Municipal BPLO shall not require the same  
7 documents already provided by the applicant to the local government departments in  
8 connection with other business-related license, clearance and/or permits such as but  
9 not limited to tax clearance, occupancy permit and barangay clearance.

10  
11 **SEC. 16. *Regulatory Impact Assessment.*** – All proposed regulations of national  
12 government agencies and local government units shall undergo regulatory impact  
13 assessment to establish if the proposed regulation does not add undue regulatory  
14 burden and cost to business entities and national and local government agencies.

15  
16 The Ease of Doing Business Commission, created under this Act, in coordination with  
17 other national government agencies and local government units, shall continue the  
18 review and repeal of existing executive issuances, and recommend the repeal of  
19 existing laws and local ordinances which are outdated, redundant, and adds undue  
20 regulatory burden to business entities.

### 21 22 **ARTICLE III**

#### 23 **INSTITUTIONAL STRUCTURES AND STRATEGIES**

24  
25 **SEC. 17. *National Policy on Ease of Doing Business.*** – There is hereby established  
26 a National Policy on Ease of Doing Business which shall refer to a comprehensive  
27 business registration and regulatory management policy to improve competitiveness  
28 and ease undue bureaucratic and regulatory burden to business entities.

29  
30 **SEC. 18. *Ease of Doing Business Commission.*** – To ensure the attainment of the  
31 objectives of this Act, there is hereby created the Ease of Doing Business Commission,  
32 herein referred to as the Commission, which shall be organized within sixty (60) days  
33 after the effectivity of this Act. The Commission shall be the policy-making body on  
34 business registration and regulatory management and shall set the overall direction for  
35 the implementation of the National Policy on Ease of Doing Business.

1 The Commission shall be the lead agency in the implementation of this Act and it shall  
2 be an attached agency to the Office of the President.

3 **SEC. 19. Powers and Functions.** - The Commission shall have the following powers  
4 and functions:

- 5 a) Plan, implement, and oversee a national policy on ease of doing business;
- 6 b) Receive complaints, institute investigations for violations of this Act;
- 7 c) Assist complainants in filing necessary cases without prejudice to the jurisdiction  
8 of the Civil Service and the Ombudsman as the case may be;
- 9 d) Facilitate the issuance of licenses, clearances and/or permit deemed approve by  
10 virtue of Section 7 of this Act;
- 11 e) Compel or petition any government agency, instrumentality or local government  
12 to issue the permit, license and/or clearance of business entities deemed  
13 approved by virtue of Section 7 of this Act;
- 14 f) Periodically review and assess the country's competitiveness performance,  
15 challenges and issues;
- 16 g) Recommend policies, processes and systems to improve regulatory management  
17 to increase the productivity, efficiency, and effectiveness of permitting and  
18 licensing agencies;
- 19 h) Conduct regulatory management training programs to capacitate national  
20 government agencies and local government units to comply with sound  
21 regulatory management practices;
- 22 i) Prepare regulatory management manuals for all government agencies and/or  
23 instrumentalities and LGUs;
- 24 j) Provide technical assistance, advisory opinions in the review of proposed national  
25 or local legislation, regulations or procedures;
- 26 k) Ensure the dissemination of and public access to information on regulatory  
27 management system and changes in laws and regulations relevant to the public  
28 by establishing the Philippine Business Regulations Information System;
- 29 l) Enlist the technical assistance of other national government agencies in the  
30 implementation of the powers and function provided for in this Act;
- 31 m) Propose legislation, amendments or modifications to Philippine laws related to  
32 ease of doing business;
- 33 n) Monitor and review the implementation of this Act including compliance of all  
34 concerned agencies and LGUs with the policies set herein;

- 1 o) Formulate and amend when necessary the Implementing Rules and Regulations  
2 and the corresponding standards for good regulatory discipline; and  
3 p) Generally perform such acts as may be necessary, to attain the objectives of this  
4 Act.

5  
6 **SEC. 20. *Composition of the Commission.*** – The Commission shall be composed of  
7 a Chairperson, the Secretary of the DTI and the Secretary of the Department of Finance  
8 (DOF) as ex-officio members, and one (1) private sector representative each for the  
9 MSME sector and large industry sector.

10  
11 The private sector representatives shall be citizens and residents of the Philippines, of  
12 good moral character, of recognized probity and independence and must have  
13 distinguished themselves in the business sector they represent.

14  
15 The ex-officio members of the Commission may designate their respective alternates in  
16 a permanent capacity who shall be at least Undersecretary in rank and their acts shall  
17 be considered the acts of their principals.

18  
19 **SEC. 21. *Term of Office.*** - The Chairperson and the two (2) private sector  
20 representatives shall be appointed by the President of the Philippines, shall serve for a  
21 term of three (3) years, and may be reappointed once.

22  
23 **SEC. 22. *Chairperson of the Commission.*** – The Chairperson of the Commission  
24 shall be the head of the agency with the rank of a cabinet secretary. The Chairperson  
25 shall be a citizen and resident of the Philippines, of good moral character, of recognized  
26 probity and independence and must have distinguished himself professionally in the  
27 fields of commerce, domestic and international trade, management and other economic  
28 disciplines. He shall preside over the meetings of the Commission. He shall be the  
29 appointing authority of the employees and other officials of the Commission as provided  
30 for in existing laws, rules and regulations.

31  
32 **Sec. 23. *Secretariat of the Commission.*** — The Commission shall establish a  
33 Secretariat to assist them in the implementation of this Act and in the performance of  
34 their duties.

1 The Commission shall establish an organizational structure including regional offices, as  
2 may be required to effectively carry out its powers and functions. The staffing pattern  
3 and compensation schedule of the Commission shall be drawn up in accordance with  
4 existing laws, rules and regulations.

5 **SEC. 24. *Executive Director.*** – The Secretariat of the Commission shall be headed by  
6 an Executive Director. He shall be appointed by the President of the Philippines from  
7 the list of nominees submitted by the Commission, shall serve for a term of three (3)  
8 years, and may be reappointed once. The Executive Director shall be a citizen and  
9 resident of the Philippines and must possess executive and management experience of  
10 at least three (3) years and with considerable exposure in the fields of commerce,  
11 domestic and international trade, and other economic disciplines.  
12

#### **ARTICLE IV**

#### **VIOLATIONS, PENALTIES AND CRIMINAL LIABILITIES**

13 **SEC. 25. *Violations.*** – The following shall constitute a violation of this Act:

- 14 1. Refusal to accept application within the prescribed period or any document  
15 being submitted by the applicant, Provided that all required documents have  
16 been submitted and the necessary fees have been paid;
- 17 2. Failure to refer back to the applicant an application which, cannot be acted  
18 upon due to lack or incomplete requirements or non-payment of required fees  
19 and/or charges within the prescribed period;
- 20 3. Failure to act on an application despite the complete submission of  
21 requirements and payment of required fees and/or charges within the  
22 prescribed period;
- 23 4. Failure to give the applicant a written notice on the disapproval of an  
24 application within the prescribed period or inform the applicant of any error,  
25 omission and/or deficiency in the application;
- 26 5. Imposition of additional irrelevant requirements other than those provided by  
27 the concerned agency and/or local government unit.

28  
29 **SEC. 26. *Penalty.*** - Penalties for the violations of the preceding section shall be as  
30 follows:

- 31 1. First offense – Thirty (30) days suspension without pay;
- 32 2. Second Offense – Three (3) months suspension without pay; and

1 3. Third Offense – Dismissal and perpetual disqualification to hold public office,  
2 cancellation of Civil Service eligibility, forfeiture of retirement benefits and  
3 one (1) to six (6) years imprisonment;

4  
5 Criminal liability will also attach once the violation was done deliberately and maliciously  
6 with the purpose of harassing the applicant and/or to solicit favor in cash or in kind. In  
7 such case, the provisions of the Revised Penal Code shall apply and such other  
8 applicable penal laws.

9  
10 **SEC 27. *Persons Liable.*** –The head of office/agency or supervising officer designated  
11 to be the authorized and/or final signatory to the issuance of a license, permit and/or  
12 clearance shall be held liable and accountable in the implementation of this Act.

13  
14 **SEC. 28. *Jurisdiction.*** – The administrative jurisdiction on any violation of the  
15 provisions of this Act shall be vested either in the Civil Service Commission (CSC) and  
16 the Office of the Ombudsman whereas the criminal jurisdiction shall be vested with the  
17 appropriate courts as specified under applicable laws.

18  
19 **ARTICLE V**  
20 **MISCELLANEOUS PROVISIONS**

21  
22 **SEC. 29. *Congressional Oversight Committee.*** – For the effective implementation  
23 of this Act, there shall be created a Congressional Oversight Committee on Ease of  
24 Doing Business, hereinafter referred to as the Committee, to be composed of five (5)  
25 members from the Senate, which shall include the Chairpersons of the Senate  
26 Committees on Trade and Commerce and Entrepreneurship, Civil Service Government  
27 Reorganization and Professional Regulation, and Economic Affairs; and five (5)  
28 members from the House of Representatives which shall include the Chairpersons of the  
29 House Committees on Trade and Industry, Civil Service Government Reorganization and  
30 Professional Regulation, and Economic Affairs. The Committee shall be jointly chaired  
31 by the Chairpersons of the Senate Committee on Trade and Commerce and  
32 Entrepreneurship and the House of Representatives Committee on Trade and Industry.

33  
34 The Committee shall cease to exist five (5) years after its organization. Its functions,  
35 duties and responsibilities together with all of its records, shall be transferred to the  
36 Commission. Provided, That the Commission shall periodically submit reports on the



1 implementation of this Act to Congress through the Senate Committee on Trade and  
2 Commerce and Entrepreneurship and the House Committee on Trade and Industry.

3  
4 **SEC. 30. Appropriations.** — The amount of Twenty million pesos (P20,000,000) as  
5 initial funding for the Commission to be charged against the unexpended Contingency  
6 Funds of the Office of the President is hereby appropriated. Thereafter, the amount  
7 needed for the operation and maintenance of the Commission shall be included in the  
8 annual General Appropriations Act.

9  
10 **SEC. 31. Transitory Provision.** — All business regulatory management programs and  
11 business-related anti-red tape initiatives across government agencies shall be  
12 rationalized and the management thereof shall be transferred to the Commission. The  
13 DTI, the National Competitiveness Council (NCC), DOF, the Development Academy of  
14 the Philippines (DAP), the National Economic Development Authority (NEDA) shall  
15 submit to the Commission a report of the status of their respective projects related to  
16 business regulatory management.

17  
18 The Commission, in consultation with the Competitiveness Bureau of the DTI shall  
19 determine the composition of the temporary Secretariat of the Commission. The  
20 teams/units involved in regulatory improvement and/or ease of doing business-related  
21 programs of the DTI-Competitiveness Bureau shall serve as temporary Secretariat of  
22 the Commission until such time that its organizational structure is determined. Provided,  
23 That the DTI-Competitiveness Bureau shall serve as Secretariat to the Commission for  
24 no longer than six (6) months upon the effectivity of this Act.

25  
26 **SEC. 32. Transition from Manual to Software-Enabled Business Registration.**

27 - The DICT, in coordination with the members of the Commission, local government  
28 units and other concerned agencies, shall within one (1) year after the effectivity of this  
29 Act develop the necessary software and technology-neutral platforms and secured  
30 infrastructure for the implementation of this Act.

31  
32 **SECTION 33. Implementing Rules and Regulations.** — The Commission, in  
33 consultation with concerned government agencies, private sector, and other  
34 stakeholders, shall issue the implementing rules and regulations of this Act within ninety  
35 (90) days after the effectivity of this Act.

36

1 **SECTION 34. *Separability Clause.*** – If any part or provision of this Act is declared  
2 as unconstitutional or invalid, the other provisions, which are not affected, shall  
3 continue to be in full force and effect.

4  
5 **SECTION 35. *Repealing Clause.*** – All laws, executive orders, decrees, rules and  
6 regulations, or any part thereof inconsistent with the provisions of this Act are deemed  
7 repealed, amended or modified accordingly.

8  
9 **SECTION 36. *Effectivity.*** – This Act shall take effect fifteen (15) days after its  
10 complete publication in at least two (2) newspapers of general circulation.

11

12           Approved,