

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

5 DEC 19 24 06

SENATE

RECEIVED BY



Senate Bill No. 2561

Introduced by: Senator Lacson

EXPLANATORY NOTE

One of the main roadblocks in the progress of our economy is the unending problem of red tape. This phenomenon has resulted in superfluous procedures, loss of valuable time and money, and delayed action, if not inaction, on the part of government agencies.


The perennial problem of red tape pervades every aspect of our economy and thus, it poses as a grave threat to the growth of investments here in the country. According to a World Bank study entitled *Doing Business 2007: How to Reform*, an entrepreneur in the Philippines wanting to start a business would have to undergo eleven (11) procedures to be completed at an average of forty-eight (48) days with an estimated cost of 18.7% of income per capita. This should be differentiated from obtaining a business license since such a process requires twenty-three (23) steps, one hundred ninety-seven (197) days, and a cost of 113.4% of income per capita. The same process of obtaining a license in an *Organization for Economic Co-operation and Development* (OECD) – member country will only take 14.1 steps, 146.9 days, and costs only 75% of income per capita. The great disparity in terms of the number of procedures/steps, days and percentage cost in our country as compared to OECD countries is indeed despairing. These figures explain for themselves why our country is losing its competitive advantage when it comes to attracting foreign investors. The numerous business-government interactions in the form of bureaucratic rules and procedures only result in an abundance of opportunities for corruption to take place. In fact, the 2006 SWS survey showed that there has been a net decline on the net sincerity among government institutions in fighting corruption. Indeed, the presence of red tape in our governmental structure leads to the prevalence of corruption among the ranks of

government. The problem of red tape compounded by the incidence of corruption provides a very bleak picture of the business climate in our country.

Efforts done in the past to curb red tape failed to produce tangible results. It is imperative that our country's fight against red tape be intensified so as to address this problem at its roots. This bill aims to provide a feasible approach to this problem by requiring all government agencies and instrumentalities to adopt a fixed time period within which transactions passing through their respective agencies ought to be completed. Moreover, this bill also proposes a regular assessment and upgrading of the frontline services of such government offices to ensure that red tape is being minimized, if not totally eliminated.

The speedy delivery of basic services and the expeditious processing of business transactions are vital to boost our sagging economy. But this can never be achieved if the culture of red tape is allowed to flourish unhampered and unchecked. It is hoped that the passage of this bill will provide the needed solution to the age-old problem of red tape in our bureaucracy by targeting the problem areas such as repetitious procedures, long delays and opportunities for corruption.


In view thereof, approval of this bill is urgently sought.


PANFILO M. LACSON
Senator

THIRTEENTH CONGRESS OF THE)
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AN ACT
TO IMPROVE EFFICIENCY IN THE DELIVERY OF GOVERNMENT SERVICE
TO THE PUBLIC BY REDUCING BUREAUCRATIC RED TAPE, PREVENTING
GRAFT AND CORRUPTION, AND PROVIDING PENALTIES THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as the “Anti-Red Tape Act of 2006”.

SEC. 2. *Declaration of Policy.* – It is hereby declared as a State policy to promote integrity, accountability, proper management of public affairs and public property as well as to establish effective practices aimed at the prevention of graft and corruption in government. Towards this end, the State shall maintain honesty and responsibility among its public officials and employees, and shall take appropriate measures to promote transparency in each agency with regard to the manner of transacting with the public, which shall encompass a program for the adoption of simplified procedures that will reduce red tape and expedite transactions in government.

SEC. 3. *Coverage.* – This Act shall apply to all government offices and agencies including local government units and government-owned and/or -controlled corporations that provide frontline services as defined in this Act. Those performing judicial, quasi-judicial and legislative functions are excluded from the coverage of this Act.

SEC. 4. *Definition of Terms.* – As used in this Act, the following terms are defined as follows:

(a) “Simple transactions” refers to requests or applications submitted by clients of a government office or agency which only require ministerial actions on the part of the public officer or employee, or that which present only inconsequential issues for the resolution by an officer or employee of said government office.

(b) “Complex transactions” refers to requests or applications submitted by clients of a government office or agency which necessitates the use of discretion in the resolution of complicated issues by an officer or employee of said government office or agency, such transaction to be determined by the office concerned.

(c) "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 office or agency concerned.

(d) "Action" refers to the written approval or disapproval made by a government office or agency on the application or request submitted by a client for processing.

(e) "Officer or employee" refers to a person employed in a government office or agency required to perform specific duties and responsibilities related to the application or request submitted by a client for processing.

(f) "Irrelevant requirements" refers to any document or performance of an act not directly material to the resolution of the issues raised in the request or needed in the application submitted by the client.

(g) "Fixer" refers to any individual whether or not officially involved in the operation of a government office or agency who has access to people working therein, and whether or not in collusion with them, facilitates speedy completion of transactions for pecuniary gain or any other advantage or consideration.

SEC. 5. Re-engineering of Systems and Procedures. – All offices and agencies which provide frontline services are hereby mandated to regularly undertake time and motion studies, undergo evaluation and improvement of their transaction systems and procedures, and re-engineer the same if deemed necessary to reduce bureaucratic red tape and processing time.

SEC. 6. Citizen's Charter. – All government agencies including departments, bureaus, offices, instrumentalities or government-owned and/or -controlled corporations, or local government or district units shall set up their respective service standards to be known as the Citizen's Charter in the form of information billboards which should be posted at the main entrance of offices or at the most conspicuous place, and in the form of published materials written either in English, Filipino or in the local dialect that detail:

- (a) The procedure to obtain a particular service;
- (b) The person/s responsible for each step;
- (c) The maximum time to conclude the process;
- (d) The document/s to be presented by the customer, if necessary;
- (e) The amount of fees, if necessary; and
- (f) (f) The procedure for filing complaints.

SEC. 7. Accountability of the Heads of Offices and Agencies. – The head of the office or agency shall be primarily responsible for the implementation of this Act and shall be held accountable to the public in rendering fast, efficient, convenient and reliable service. All transactions and processes are deemed to have been made with the permission or clearance from the highest authority having jurisdiction over the government office or agency concerned.

SEC. 8. Accessing Frontline Services. – The following shall be adopted by all government offices and agencies:

(a) Acceptance of Applications and Requests – (1) All officers or employees shall accept written applications, requests and/or documents being submitted by clients of the office or agency.

(2) The responsible officer or employee shall acknowledge receipt of such application and/or request by writing or printing clearly thereon his/her name, the unit where he/she is connected with, and the time and date of receipt.

(3) The receiving officer or employee shall perform a preliminary assessment of the request so as to promote a more expeditious action on the requests.

(b) Action of Offices – (1) All applications and/or requests submitted shall be acted upon by the assigned officer or employee during the period stated in the Citizen's Charter which shall not be longer than five (5) working days in the case of simple transactions and ten (10) working days in the case of complex transactions from the date the application or request was received. Depending on the nature of the frontline services requested or the mandate of the office or agency under unusual circumstances, the maximum time prescribed above may be extended. For the extension due to the nature of frontline services or the mandate of the office or agency concerned, the period for the delivery of frontline services shall be indicated in the Citizen's Charter. The office or agency concerned shall notify the requesting party in writing of the reason for the extension and the final date of release for the extension and the final date of release of the frontline service/s requested.

(2) No application or request shall be returned to the client without appropriate action. In case an application or request is disapproved, the officer or employee who rendered the decision shall send a formal notice to the client within five working days from the receipt of the application and/or request, stating therein the reason for the disapproval including a list of specific requirement/s which the client failed to submit.

(c) Denial of Request for Access to Government Service – Any denial of request for access to government service shall be fully explained in writing, stating the name of the person making the denial and the grounds upon which such denial is based. Any denial of request is deemed to have been made with the permission or clearance from the highest authority having jurisdiction over the government office or agency concerned.

(d) Limitation of Signatories – The number of signatories in any document shall be limited to a maximum of five signatures which shall represent officers directly supervising the office or agency concerned.

(e) Adoption of Working Schedules to Serve Clients – Heads of offices and agencies which render frontline services shall adopt appropriate working schedules to ensure that all clients who are within their premises prior to the end of official working hours are attended to and served even during lunch break and after regular working hours.

(f) Identification Card – All employees transacting with the public shall be provided with an official identification card which should be visibly worn during office hours.

(g) Establishment of Public Assistance/Complaints Desk – Each office or agency shall establish a public assistance/complaints desk in all their offices.

SEC. 9. *Automatic Extension of Permits and Licenses.* – If a government office or agency fails to act on an application and/or request for renewal of a license, permit or authority subject for renewal within the prescribed period, said permit, license or authority shall automatically be extended until a decision or resolution is rendered on the application for renewal: *Provided*, That the automatic extension shall not apply when the permit, license or authority covers activities which pose danger to public health, public safety, public morals or to public policy including, but not limited to, natural resource extraction activities.

SEC. 10. *Report Card Survey.* – All offices and agencies providing frontline services shall be subjected to a report card survey to be initiated by the Civil Service Commission (CSC), in coordination with the Development Academy of the Philippines (DAP), which shall be used to obtain feedback on how provisions in the Citizen's Charter are being followed and how the agency is performing.

The report card survey shall also be used to obtain information and/or estimates of hidden costs incurred by clients to access frontline services which may include, but is not limited to, bribes and payment to fixers.

A feedback mechanism shall be established in all agencies covered by this Act and the results thereof shall be incorporated in their annual report.

SEC. 11. *Violations.* – After compliance with the substantive and procedural due process, the following shall constitute violations of this Act together with their corresponding penalties:

(a) Light Offense – (1) Refusal to accept application and/or request within the prescribed period or any document being submitted by a client;

(2) Failure to act on an application and/or request or failure to refer back to the client a request which cannot be acted upon due to lack of requirement/s within the prescribed period;

(3) Failure to attend to clients who are within the premises of the office or agency concerned prior to the end of official working hours and during lunch break;

(4) Failure to render frontline services within the prescribed period on any application and/or request without due cause;

(5) Failure to give the client a written notice on the disapproval of an application and/or request; and

(6) Imposition of additional irrelevant requirements other than those listed in the first notice.

Penalties for light offense shall be as follows:

First Offense – Thirty (30) days suspension without pay and mandatory attendance in Values Orientation Program;

Second Offense – Three months suspension without pay; and

Third Offense – Dismissal and perpetual disqualification from public service.

(b) Grave Offense – Fixing and/or collusion with fixers in consideration of economic and/or other gain or advantage.

Penalty – Dismissal and perpetual disqualification from public service.

SEC. 12. *Criminal Liability for Fixers.* – In addition to Section 11(b), fixers, as defined in this Act, shall suffer the penalty of imprisonment not exceeding six years or a fine of not less than Twenty thousand pesos (P20,000.00) but not more than Two hundred thousand pesos (P200,000.00), or both fine and imprisonment at the discretion of the court.

SEC. 13. *Civil and Criminal Liability, Not Barred.* – The finding of administrative liability under this Act shall not be a bar to the filing of criminal, civil or other related charges under existing laws arising from the same act or omission as herein enumerated.

SEC. 14. *Administrative Jurisdiction.* – The administrative jurisdiction on any violation of the provisions of this Act shall be vested in either the CSC, the Presidential Anti-Graft Commission (PAGC) or the Office of the Ombudsman as determined by appropriate laws and issuances.

SEC. 15. *Immunity; Discharge of Co-Respondent/Accused to be a Witness.* – Any public official or employee or any person, having been charged with another under this Act and who voluntarily gives information pertaining to an investigation or who willingly testifies therefore, shall be exempt from prosecution in the case/s where his/her information and testimony are given. The discharge may be granted and directed by the investigating body or court upon the application or petition of any of the respondent/accused-informant and before the termination of the investigation: *Provided, That:*

(a) There is absolute necessity for the testimony of the respondent/accused-informant whose discharge is requested;

(b) There is no other direct evidence available for the proper prosecution of the offense committed, except the testimony of said respondent/accused-informant;

(c) The testimony of said respondent/accused-informant can be substantially corroborated in its material points;

(d) The respondent/accused-informant has not been previously convicted of a crime involving moral turpitude; and

(e) Said respondent/accused-informant does not appear to be the most guilty.

Evidence adduced in support of the discharge shall automatically form part of the records of the investigation. Should the investigating body or court deny the motion or request for discharge as a witness, his/her sworn statement shall be inadmissible as evidence.

SEC. 16. *Implementing Rules and Regulations.* – The Civil Service Commission, in coordination with the Development Academy of the Philippines, the Office of the Ombudsman and the Presidential Anti-Graft Commission, shall promulgate the necessary rules and regulations within ninety (90) days from the effectivity of this Act.

SEC. 17. *Separability Clause.* – If any provision of this Act shall be declared invalid or unconstitutional, such declaration shall not affect the validity of the remaining provisions of this Act.

SEC. 18. *Repealing Clause.* – All provisions of laws, presidential decrees, letters of instruction and other presidential issuances which are incompatible or inconsistent with the provisions of this Act are hereby deemed amended or repealed.

SEC. 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two national newspapers of general circulation.

Approved,